金寶電子 KINPO ELECTRONICS, INC. | ESG

KINPO ELECTRONICS, INC
2023 SUSTAINABILITY REPORT

金寶電子 2023 永續報告書

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About this Report

Editorial Principles

This report is the tenth Sustainability Report of Kinpo Electronics, Inc. (referred to in this report as "Kinpo," "the Company," "we" or "us"). The framework of the report follows the sustainability reporting standards of the Global Reporting Initiative (GRI) and has undergone limited assurance according to the International Standard on Assurance Engagements ISAE 3000. This report includes the Task Force on Climate-related Financial Disclosures (TCFD) and the electronic professional manufacturing services and contract manufacturing industry metrics from the Sustainability Accounting Standards Board (SASB) of the USA. It aims to cover as many significant issues concerning stakeholders as possible and showcase the Company's sustainability efforts. The report has been reviewed by the Sustainable Development Committee of Kinpo and approved by the Board of Directors for release.

◀ Kinpo ESG Website

https://esg.kinpo.com.tw/en-US/home

Report Period

The period covered by this Report falls within the financial year 2023 (from January 1, 2023 through December 31).

Scope of the Report

The scope of this Report encompasses the headquarters (Shenkeng Office, Nanjing E. Rd. Office, Daye Office and Hsinchu Office), Sites in China, the Philippines, Thailand, Malaysia, Brazil, Mexico and the USA. Additionally, for the sake of complete expression of the issues and demonstration of performance, some of the projects will look back from 2019 to 2023.

Data Quality Management

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
- Taskforce on Nature-related Financial Disclosures (TNFD)
- **International Organization for Standardization (ISO)**: ISO 26000 Guidance on Social Responsibility

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.

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

Publication

First published in 2014
Current version published in July 2024
Next version to be released in July 2025

ESG Performance and Affirmation 2023

Environmental Sustainability

For more details, please refer to the Kinpo ESG website.

Green design project outcomes

Total Carbon Reduction
40,779 tCO_2e

Total Electricity Savings
50,688 kWh

Total Material Weight Savings
15,179.5 tons

CDP
Climate change & Supplier Engagement Rating (SER).
All Obtained the management grade.
B-

Renewable energy accounts for
7.8%
of totalelectricity use.

Awarded
"Green Procurement Outstanding Enterprise"
by the Ministry of Environment
for 4 consecutive years
2020 2021 2022 2023

12 global facilities have passed the **ISO 50001** Energy Management System certification.

ESG Performance and Affirmation 2023

Social Inclusion

For more details, please refer to the Kinpo ESG website.

Happy Workplace

For 3 consecutive years

2021 2022 2023

won the Gold Award for "Happy Enterprise Awards" from 1111 Job Bank.

Kinpo e-learning platform

E-learning platform

6,289 attendances

Online library

2,194 borrowings

Maternity Subsidy

NT$66,000 per baby,

NT$1,782,000 Total subsidy for 27 babies

Organized a fitness walking activity

with 198 participants to promote the physical and mental health of staff.

Support for Remote Areas

Elderly Meal Delivery Program

Providing 20 meals per workday.

A total of 4,840 meals were provided in 2023.

Children's "Dreams Come True" program

66 staff members registered as sponsors, donating a total of NT$388,000 to support 25 children.

NT$961,200 total amount of employee donations for rural area supplies.

Social Well-being

"Donate Blood, Share Love" event

303 staff members from global facilities participated.

Jingmei River Embankment Beautification Activity

21 events with 506 employees participating

57 kg of waste collected

ESG Performance and Affirmation 2023

Corporate Governance

For more details, please refer to the Kinpo ESG website.

Robust Information Security Management

Social Engineering Drills

2023 Pass Rate **95.6%**

In 2023 No network attacks or information security incidents affecting business operations occurred **0 incidents**

No breaches of

anti-competitive practices, antitrust, and anti-monopoly occurred.

Strengthening Corporate Governance

The Sustainable Development Committee was upgraded to a functional committee.

Introduced ISO 31000 risk management system to enhance risk management initiatives.

Corporate Governance Evaluation ranked in the **6%-20% tier**

Selected for the TWSE Taiwan High Compensation 100 Index.

天下雜誌 CommonWealth Magazine
Taiwan Top 2000 Survey of Manufacturing ranked 31

TCSA
2023 16th the Taiwan Corporate Sustainability Awards
Rewarded for Sustainability Report Platinum Award

Message from the Chairman

Composite Risks will be the Future Trend

The 2023 Global Risks Report warns that recent factors such as war and inflation have exacerbated a widespread cost-of-living crisis. Moreover, natural disasters and extreme weather events persist as major global threats. Whether it's social and geopolitical instability caused by war, economic volatility driven by inflation, or environmental vulnerabilities due to natural disasters, these risks are intricately interconnected. Consequently, composite risk patterns represent a significant future trend and a primary challenge.

Leveraging Strong Production Capabilities to Counteract Global Economic Instability

In recent years, the global economy has been destabilized by the pandemic and ongoing conflicts, leading to challenges like raw material shortages and supply chain disruptions. High inflation and rapid interest rate hikes have also escalated borrowing costs for businesses. Taiwan, oriented towards exports, is directly affected by these fluctuations in the global investment landscape. In response, Kinpo has devised various measures, such as the phased introduction of sustainable supply chain management to maintain supplier relationships and proactive planning aligned with ESG interest rate adjustments by banking consortia, aimed at minimizing borrowing costs. Through systematic approaches to these challenges posed by global economic instability, we strive to mitigate the impact on our operations.

As international economic conditions show signs of improvement in the new year, export markets are poised for recovery. Accordingly, Kinpo is leveraging its solid foundation to drive future growth through enhanced product innovation and strategic entry into new industries via collaborative efforts with affiliated enterprises. Renowned for ethical management practices and commitment fulfillment, Taiwanese businesses have cultivated a reputation for trustworthiness, nurturing enduring customer relationships. With a global network encompassing 19 manufacturing facilities, Kinpo excels in swiftly fulfilling orders across diverse regions and economic zones. This robust production capability stands as one of our core competitive strengths.

Moving from a Challenging 2023 to a Hopeful 2024

The year 2023 posed significant challenges for the global economic system and presented numerous tests for Kinpo. Despite the adverse effects on revenue, concerted efforts from our entire workforce boosted production efficiency, sustained orders, and strengthened our competitive edge. Beyond financial gains, our accomplishments in ESG and corporate social responsibility have also earned commendation from society. In terms of the work environment, we remained committed to fostering a positive workplace, empowering dedicated and ambitious employees to excel. As a result, we received the "Happy Enterprise" Gold Award from 1111 Job Bank for three consecutive years. As we bid farewell to the challenging year of 2023, we look forward to a brighter future as we move towards a hopeful 2024 together.

Kinpo Electronics Chairman
Hsu, Sheng-Hsiung

Message from the President

Sustainability Brings Fearlessness

According to statistics from sustainability rating agency Morningstar Sustainalytics, more than half of global enterprises have been engaged in sustainable development for over 6 years, while others have at least 3 to 5 years of experience in this area. Kinpo established an interdepartmental Sustainable Development Executive Committee in 2021 and has been dedicated to sustainability for nearly 3 years. With the efforts and enthusiastic participation of our employees, we are dedicated to strengthening the Company's sustainability framework and striving to become a sustainable enterprise.

Actively Promoting Environmental Sustainability

Kinpo remains dedicated to decreasing greenhouse gas emissions at its sites worldwide. By 2022, we had completed ISO 14064-1 GHG inventories for all our global sites and planned to submit our Science-Based Targets (SBT) by March 2024. In 2023, the Company began introducing ISO 50001 Energy Management Systems to analyze carbon emission sources, with 12 of its global sites already certified. Kinpo has formulated emission reduction strategies and is steadily increasing the use of renewable energy, with global renewable energy usage rising to 7.8% in 2023. Regarding biodiversity, we have conducted preliminary assessments and aim to establish a biodiversity policy by 2024.

Creating More Social Value

At the end of last year, the Ministry of Culture coordinated with relevant ministries and officially announced the inclusion of corporate support for cultural development within the ESG framework. Moving forward, collaborations will extend beyond donations and sponsorships to encompass voluntary technical services and strategic partnerships. In 2023, alongside our long-term Dreams Come True program, the meal delivery program for seniors, and the Jingmei Riverbank Beautification activity, we also funded local arts and cultural activities. These included sponsoring the booking of the entire theater for the stage play "Cape No. 7 - Dreamers," funding the General Association of Chinese Culture's Matsu Biennial, and supporting the production and screening of director Wei, Te-sheng's film "BIG 816". Additionally, we provided equipment to the Taiwan Film and Audiovisual Institute to promote the screening of Taiwanese films and cultural outreach activities. In 2024, we are planning collaborations with CommonWealth Magazine and National Taiwan Normal University on cultural projects, continuing our efforts to contribute to the development of culture in Taiwan.

Continuously Strengthening Corporate Governance

A robust risk management system prevents losses and enables swift and effective control when risks arise, thereby enhancing a company's competitiveness. With cybersecurity risks on the rise since the pandemic, Kinpo has continually improved its information security management system and conducted social engineering drills. In 2023, no information security incidents occurred that affected our business operations. Additionally, the Company is gradually establishing an internal risk management system in accordance with ISO 30001 guidelines. We have trained key personnel from various departments and consolidated projects already implemented across the Company. Going forward, we will integrate climate risks into our risk management operational processes. When appropriate, we intend to elevate the Risk Management Committee to a functional committee at the board level to further strengthen our corporate structure and enhance governance effectiveness.

Engaging in External Assessments and Looking Ahead

In 2023, Kinpo continued its efforts across various aspects of ESG and openly disclosed its strategic plans, including progress on implementing Science-Based Targets (SBT) and the outcomes of climate risk identification under the TCFD framework. The Company also actively engaged in external ESG assessments, such as the Carbon Disclosure Project (CDP), the Excellence in Corporate Social Responsibility Award from Commonwealth Magazine, and the Dow Jones Sustainability Indices assessment. Our commitment was recognized with the TCSA Sustainability Report Platinum Award. Through these external assessments, we examine whether our efforts align with our own expectations and international trends, and showcase Kinpo's accomplishments to a broader range of stakeholders. Moving forward, the Company will continue to participate in external assessments, collaborate with global partners to strengthen corporate resilience, and aspire for continued advancement amidst change and challenges, striving towards excellence.

Kinpo Electronics President
Chen, Wei-chang

Cover Story

Committing to Sustainability, Achieving Excellence

Kinpo was founded on April 24, 1973, and with the dedicated efforts of all colleagues, we reached our 50th year in 2023. Beyond focusing on revenue and product quality, we continue to advance towards sustainability. In alignment with national policies such as Industry 4.0, we are progressively increasing our energy efficiency and the use of renewable energy, and managing our value chain. At the end of 2023, the Ministry of Culture, in coordination with the Financial Supervisory Commission and the Taiwan Stock Exchange, officially included corporate support for cultural development into the ESG scope, allowing companies to support cultural development through various modes. Kinpo also supports local arts and cultural activities through donations and sponsorships, hoping to contribute to cultural enrichment alongside our internal sustainability initiatives.

50th Anniversary Celebrations

The commitment and hard work of our colleagues have brought us to where we are today. On June 9, the group hosted the anniversary celebration at the Yuanshan Plaza of Taipei Expo Park. In addition to the opening ceremony and performances, static displays such as certificates obtained by the group and renewable energy certificates were exhibited. This 50th anniversary was the first time the group celebrated with a fair, inviting colleagues and their families to join in commemorating and appreciating this milestone.

Investing in Our Earth – Kinpo Electronics 50th Anniversary Sustainability Declaration

In anticipation of long-term development, the group has launched many sustainability programs in recent years. On the eve of Earth Day, the group signed a sustainability declaration, committing to the group's sustainable actions. Kinpo Electronics' sustainability strategy blueprint is focused on "innovative production, environmentally friendly," "human-centricity, harmony, inclusiveness" and "sustainability governance, recreating excellence." We are committed to achieving the 2022-2030 Sustainable Development Goals, striving for the best version of Kinpo and moving towards the next 50 years.

Signing of Renewable Energy Purchase Agreement

On the eve of Earth Day, April 21, 2023, Kinpo and AcTel Power Co., Ltd. signed a renewable energy purchase agreement. Kinpo has committed to achieving carbon neutrality at its operational headquarters by 2030.

Having already committed to the Science Based Targets (SBT) in 2022, which align with a sub-1.5°C warming scenario, we pledge the headquarters to achieve carbon neutrality ahead of schedule by 2030, planning to reduce greenhouse gas emissions by 35% through energy-saving measures. This renewable energy purchase agreement will reduce the remaining 65% of greenhouse gas emissions, ensuring the achievement of our goal. Reduction plans are also being rolled out simultaneously across all global sites, advancing towards the carbon neutrality goal for all operational sites.

Supporting Local Arts and Cultural Activities to Promote Cultural Sustainability

Kinpo has committed NT$5 million to support local arts and cultural activities. This includes exclusive performances of the "Cape No. 7 - Dreamers" stage play by the All U people theatre, funding for the Matsu Biennial events organized by the General Association of Chinese Culture, and support for the production, distribution, broadcasting, screening, and exhibition of Director Wei, Te-Sheng's film "BIG 816". Equipment was also provided to the Taiwan Film and Audiovisual Institute to promote the screening of Taiwanese films and the advancement of arts and cultural initiatives.

In November, a total of 945 colleagues and their families attended the exclusive showing of "Cape No. 7 - Dreamers". Additionally, President Chen, Wei-Chang personally sponsored an exclusive screening of "BIG 816", and amidst intense ticketing activity, 244 colleagues enjoyed the film with their families. Besides supporting domestic films, we also promote public welfare and children's medical issues, inspiring life stories that evoke a positive and warm influence.

Joining the 'TALENT, in Taiwan'

In response to the growing global corporate emphasis on talent social responsibility amid the wave of ESG and DEI (Diversity, Equity, and Inclusion), Kinpo is proud to announce its membership in the "TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance". Adhering to a people-centric and harmonious coexistence philosophy, the Alliance focuses on five aspects: meaning and value, diversity and inclusion, physical and mental health, nurturing and growth, communication and experience, and proposes corresponding measures for each. With sites worldwide, we have revised our human rights policy to include "prohibition of discrimination", "ban on child labor", and "respect for employee freedom", and added "prohibition of human trafficking", "ban on forced labor", and "protection of employee rights to association and collective bargaining", strengthening diversity and inclusion. Additionally, we care about our colleagues' physical and mental health; aside from organizing hiking activities, health and stress-relief lectures, doctors are regularly stationed at our plants to provide consultations, ensuring a safe workplace environment. We also offer a variety of nurturing and growth courses and have established various communication channels, allowing for diverse development opportunities for our colleagues. In the future, we will continue to advocate with CommonWealth Learning, Cheers, and over 200 alliance partners to jointly create a talent nurturing project, aiming to create a better future for every colleague.

01

Operations and Performance

P.12 1.1 Company Profile

P.12 1.2 Operating Locations

P.12 1.3 Operational Overview

1.1 Company Profile

Kinpo was established in 1973, starting with the manufacture of computers. Over the past 50 years, we have grown to encompass 19 global manufacturing bases and over 40,000 employees. Our business spans electronic calculators, printing and peripherals, storage products, plastic injection molding and molds, household appliances, and networking products. In recent years, we have continued to promote the intelligent manufacturing of Industry 4.0, such as automated guided vehicles and advanced production systems, which not only enhance production efficiency and yield but also reduce human risk and labor costs, making us a most reliable partner.

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.

Basic Company Information

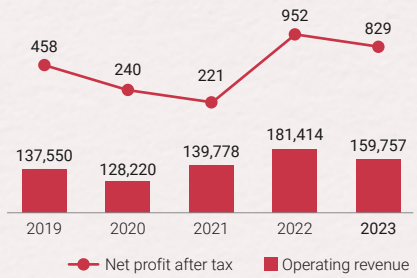
Company Name	Kinpo Electronics, Inc.
Stock Code	TWSE 2312
Headquarters Address	10F., No.99, Sec. 5, Nanjing E. Rd., Taipei City 105
Management Team	Chairman: Hsu, Sheng-Hsiung; President: Chen, Wei-chang
Headcount	42,673
Lines of Business	Manufacturing, processing and trading of consumer electronic products, network communication products and video products, etc.
Date of Incorporation:	April 24, 1973
Capitalization	NT$14.985 billion
Operating Revenue	NT$159.757 billion
Company Website	https://www.kinpo.com.tw/

Kinpo Global Site Map - Locations Worldwide

1.3 Operational Overview

Financial Performance

Revenue over the years and net profit after tax (in NT$ million)



Operating Share of Product

	2019	2020	2021	2022	2023
Consumer Electronics	98.18	97.61	97.16	99.07	98.90
Other	1.82	2.39	2.84	0.93	1.10
Total	100	100	100	100	100

Unit: %

Products & Services

Electronic calculators

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

Home Network Terminal 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 Injection Molding and 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.

* For upstream, midstream, and downstream industry links, please refer to the 2023 Annual Report V, Operations – 5.1 Business Activities – 5.1.2 Industry Overview

02

ESG Governance

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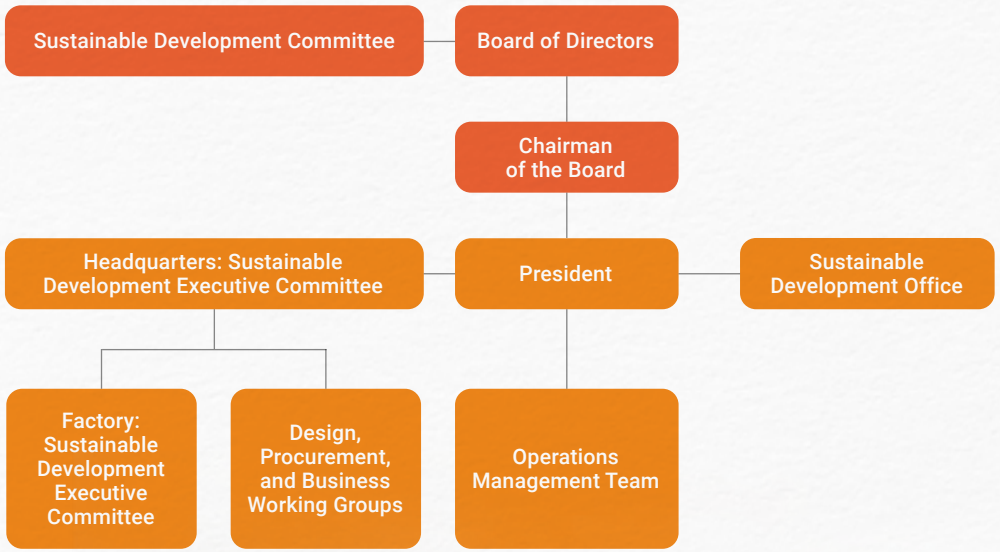
2.1 ESG Governance Organization

In accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," Kinpo has established its own "The Code of Practice for Sustainable Development", setting up a Board-level Sustainable Development Committee to oversee and guide the execution of the company's sustainable development. The cross-departmental Sustainable Development Executive Committee, led by senior executives, is tasked with setting specific sustainable development goals according to different job responsibilities and powers, supervising the operations of plant-level executive committees, and reporting regularly to the Board. The Sustainable Development Executive Committee has design, procurement, and business working groups that meet regularly to discuss the promotion of implementation plans and to develop contingency plans for any issues that arise.

Sustainability Management Organization Chart



Sustainability Management Organization and Operations

Organization	Frequency of Meetings / Issuance	Responsibilities
Board of Directors	Irregular 7 times in 2023	Providing regular guidance and supervision of the Company's sustainable development and performance depending on its operational status and current development.
Sustainable Development Committee	At least once a year 2 times in 2023	Responsible for formulating the vision, goals, policies, and strategies for sustainable development, overseeing the capital expenditures required for sustainability, and supervising and guiding the execution of sustainable activities.
Sustainable Development Executive Committee	Semi-annually	• 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. • 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. • Supervising the operations of plant-level executive committees.
Design, Procurement, and Business Working Groups	At least once every quarter	Discuss methods for promoting various implementation plans and develop responses to address issues.

*In September 2023, the Sustainable Development Committee was upgraded to a functional committee, and the operational-level Sustainability Committee was renamed the "Sustainable Development Executive Committee".

2.2 Sustainability Blueprint and UN Sustainable Development Goals

Kinpo Electronics Sustainable Development Vision and Policy

- **Vision** : We pursue sustainable business operations and harmony with the environmental and society in order to become the most trustworthy partner of stakeholders.
- **Policy** : KINPO GROUP upholds the core values of enterprise that environment, economy, and society with the business concept of "Innovation, Harmony, and Excellence". To implements the five major aspects (corporate governance, employee care, society engagement, supply chain management, and sustainability manufacturing), also contributes to pursue the sustainable operation.

In December 2021, KINPO GROUP released its Sustainable Development Vision and Policy. We focus on the three main pillars of Environmental, Social, and Corporate Governance (ESG), integrating the United Nations Sustainable Development Goals (SDGs) with our company vision and policies to establish short-, medium-, and long-term strategies and action plans, creating a comprehensive sustainability framework. Based on the results of the 2022 strategic and action plan implementation, we propose a three-year cycle of execution strategies, with timely revisions to better align with the company's development.

Environment Innovative Production, Friendly Environment

Social People-oriented & Harmonious

Governance Sustainable Governance & Excellence

Core ESG	Five Topics	Strategy	SDGs	Corresponding GRI Topics	Corresponding Report Sections
Economy	Corporate Governance	• Ethical Management • Regulatory Compliance • Risk Management • Internal Control • Economic Performance • Information Security	8, 17	GRI201 : Economic Performance GRI205 : Anti-corruption GRI206 : Anti-competitive Behavior GRI207 : Tax	Chapter 3 Corporate Governance Chapter 6 Partnerships
Environment	Environmental Sustainability	• Energy Management • Water Resources • Chemicals	7, 12, 13	GRI302 : Energy GRI303 : Water and Effluents GRI304 : Biodiversity GRI305 : Emissions GRI306 : Waste	Chapter 5 Environmental Sustainability
Society	Society Engagement	• Caring for the Disadvantaged • Local Care	1, 2, 4, 5	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		GRI308 : Supplier Environmental Assessment GRI414 : Supplier Social Assessment	Chapter 6 Partnerships
		• Innovative R&D • Green Manufacturing • Quality Management		GRI416 : Customer Health and Safety GRI417 : Marketing and Labeling GRI418 : Customer Privacy	Chapter 4 R&D and Innovation

2.3 Analysis of Material Topics

Kinpo identifies key stakeholders according to the AA1000 Stakeholder Engagement Standard (SES), using sustainability issue surveys and impact analysis questionnaires to filter topics of stakeholder concern. Unlike previous analyses that focused on the degree of stakeholder concern and significant impacts on the economic, environmental, and social aspects, in 2023 we followed the GRI Standard 2021 to analyze the actual and potential, positive, and negative impacts, and the likelihood of occurrence of each material topic. Through this material topic analysis, not only can we adjust internal sustainability management strategies and goals dynamically, but we can also enhance the effectiveness of external communications, which in turn serves as a basis for compiling our sustainability report.

Material Topic Analysis Process

Step 1 : Decide on a list of material topics

Adjust the list of material topics based on the previous year's material topics, taking into account sustainability indicators and related key issues.

Step 2 : Identify and rank material topics

- Distribute questionnaires to dissect the level of stakeholder interest in each material topic and its impact.
- Rank and adjust Kinpo's material topics based on the results of the analysis.

Step 3 : Confirm material topics

Confirm the list of material topics based on the results of the materiality analysis.

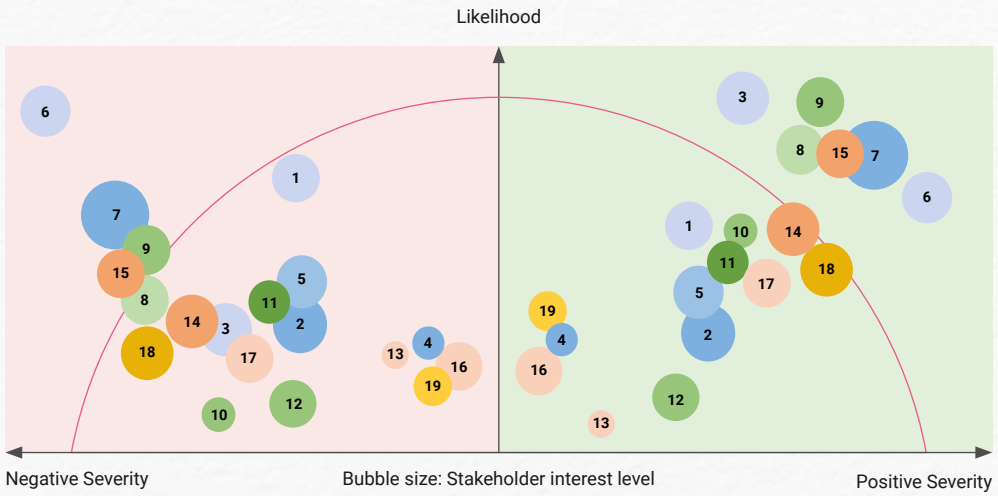
Based on the previous year's material topics, and considering the Sustainability Accounting Standards Board (SASB) indicators, recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), Carbon Disclosure Project (CDP) questionnaires, S&P ESG Ratings, and significant economic, social, and environmental issues among international and industry peers, we adjust the list of material topics. Following a selection process, we have identified 19 topics for 2023, including 6 on environmental sustainability, 6 on social inclusion, and 7 on sustainable governance.

Kinpo's List of Material Topics for 2023

Environmental Sustainability (E)	Social Inclusion (S)	Sustainable Governance (G)
• Climate Strategy • Energy Management • Water Management • Waste Management • Air Pollution Management • Biodiversity	• Product Responsibility • Talent Attraction & Retention • Diversity & Inclusion • Human Capital Development • Occupational Safety & Health • Social Impact	• Economic Impact • Ethical Management • Sustainable Supply Chain • Tax Management • Innovation Management • Information Security • Quality Management

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

Based on the results of the material topic analysis, the Sustainable Development Executive Committee reviews and, upon reaching consensus, confirms the list of material topics. In 2023, Kinpo identified 6 material topics, including 2 on environment, 1 on society, and 3 on governance.

Kinpo's Material Topics for 2023

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 introduced the ISO 50001 Energy Management System to ensure the effective operation and efficient management of its energy system.	Chapter 5 Environmental Sustainability
Social Inclusion (S)	Talent Attraction & Retention	• GRI 202 Market Presence • GRI 401 Employment • GRI 404 Training and Education • GRI 405 Diversity and Equal Opportunity	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 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.	6.5 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.	3.4 Information Security Management

2.4 Stakeholder Communication

Kinpo follows the GRI Standards and adopts the AA1000 SES (Stakeholder Engagement Standard) as the criterion for identifying stakeholders. Through principles of accountability, influence, proximity, communication frequency, and dependency, we have identified 6 key stakeholder groups: employees, customers, suppliers, government agencies, shareholders/investors, and the media. We compile issues from Sustainability Accounting Standards Board (SASB) indicators, recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), S&P ESG Ratings, and important economic, social, and environmental topics internationally and among peers to filter potential concerns. We distribute surveys on issue awareness to stakeholders, rank and consolidate the results, and ultimately identify the main communication topics. We continuously communicate with stakeholders through various channels to respond to their needs and ensure the company's operational direction aligns with stakeholder expectations.

Stakeholder Communication Outcomes for 2023

Stakeholders	Links to Kinpo and Engagement Highlights	Issues of Concern	Communication Frequency/Methods	2023 Stakeholder Communication Outcomes
Employees	Creating a safe, diverse, equitable, and inclusive workplace, offering meaningful job content, providing quality compensation and benefits, supporting employees' professional growth, and striving for a win-win balance between work and life.	• Talent Attraction and Retention • Employee Well-being and Supportive Workplace • Environmental Health and Safety • Social Impact • Professional Ethics/Compliance	[Regular] • Quarterly: Labor-management meetings, labor safety and health meetings, ESG Sustainability Journal (quarterly publication) • Annually: Employee satisfaction surveys related to welfare measures, Company Family Day events [Ad-hoc] • EIP website, Employee Welfare Committee, emails, EDM promotions, employee care mailbox, public welfare activities/health talks • Social Media Platforms: KINPO GROUP Facebook page, Instagram account, LinkedIn page Employee Contact: opinion@kinpo.com.tw	• Conducted exchanges of views through meetings and grievance channels, including 4 labor safety and health meetings, 6 employee welfare committee meetings, and received 3 feedbacks through the employee grievance channel. • Provided a newborn incentive of NT$66,000 per child to alleviate parenting pressures and announced participation in the 2023 TALENT in Taiwan Sustainable Action Alliance, fostering the Talent Cultivation Project. • Delivered ethics and regulatory compliance training, covering anti-corruption practices and important legal compliance, to 4,993 employees, including those in subsidiaries. • Published quarterly ESG Sustainability Journals in both Chinese and English for all its global sites, totaling 36 reports over four issues and receiving 43 feedback responses.
Customers	Emphasizing OEM and ODM production services by providing comprehensive technical support and rigorous information security safeguards to meet customers' capacity and quality requirements.	• Ethical Management/ Compliance • Innovation Management • Product Quality and Safety • Customer Relationship Management • Information Security and Privacy Protection	[Regular] • Monthly/Quarterly/Semi-annually: Routine customer satisfaction assessments/quarterly business review (QBR) • Annually: Customer satisfaction survey [Ad-hoc] • LinkedIn page Customer Contact: Customer@kinpo.com.tw	• Administered customer satisfaction surveys, including questionnaires for 32 customers and QBRs for 9 customers. Customer feedback highlighted the need to enhance communication between headquarters, customers, and plants, improve NPI (New Product Introduction) trial production plans and sample delivery times, and better manage high-risk materials. Improvement projects were tracked through management reviews, internal audits, and quality meetings to boost customer satisfaction. • Carried out customer sustainability surveys, identifying 5 extremely important issues and 6 highly important issues across environmental, social, and governance dimensions. Strategies and measures were implemented to address the issues of concern to customers.
Suppliers	Monitoring Kinpo's progress in process innovation, quality optimization, climate response, environmental safety, ethical standards, and information security, while promoting sustainable supply chain management to enhance business efficiency and longevity.	• Sustainable Supply Chain Management • Professional Ethics/Compliance • Product Quality and Safety • Occupational Safety and Health • Information Security • Climate and Energy • Responsible Mineral Management	[Regular] • Monthly: Supplier Delivery Quality Rating Monthly Report • Annually: Supplier Annual Evaluation (re-evaluation), Sustainability Assessment Questionnaire (SAQ) [Ad-hoc] • Supplier Conferences • LinkedIn page Supplier Contact: Ethics@kinpo.com.tw	• Implemented new supplier evaluations and signed procurement contracts to enforce the Suppliers' Code of Conduct, completing annual audits for 60 suppliers with a 100% compliance rate. • Conducted 4 training sessions on hazardous substances for suppliers, introducing a hazardous substance management information platform, with participation from 497 suppliers. • Hosted seminars with 10 suppliers for technical exchanges on critical components, with 502 attendees. • Performed sustainability risk assessments for suppliers, identifying 7 high-risk suppliers and 48 non-compliance issues. The suppliers have taken appropriate corrective actions to address these issues.
Shareholders /Investors	Paying attention to Kinpo's market outlook, growth strategies, profitability, investment returns, and stable dividend policies, as well as the Company's sustainability performance.	• Corporate Governance • Financial Performance • Innovation Management • Climate Change • Energy Management • Regulatory Compliance	[Regular] • Quarterly: Disclosure of material information/announcements via the Market Observation Post System (MOPS) • Semi-annually: Investor conferences, semi-annual financial reports • Annually: Annual general meetings, annual reports, financial reports, sustainability reports [Ad-hoc] • Domestic press releases, statements, disclosure of material information/announcements • Social Media Platforms: KINPO GROUP Facebook page, Instagram account, LinkedIn page Investor Contact: Investor@kinpo.com.tw	• Maintained effective communication with investors, participating in 2 online investor forums organized by CTBC Securities and Cathay Securities to provide updates on the Company's financial and operational information. • Held one annual shareholders' meeting as planned. • Actively participated in external ESG assessments and continued to share updates on the Company's ESG progress and future goals with investors. This included engagements with the CDP Carbon Disclosure Project, the Excellence in Corporate Social Responsibility Award, and the Dow Jones Sustainability Index, and earning the TCSA Sustainability Report Platinum Award.
Government Agencies	Focusing on cutting-edge manufacturing technologies, ESG guidelines, overseas investments, regulatory trends, and occupational safety and health management, reflecting industry opinions, raising industry standards, participating in overseas inspections, and fostering industry strategic alliances.	• Corporate Governance • Regulatory Compliance • Innovation Management • Climate Change • Energy Management • Sustainable Supply Chain Management	[Regular] • Annually: Government agency evaluations [Ad-hoc] • Industry associations communication platforms, providing industry operation suggestions • Various meetings (briefings, seminars, symposiums, social gatherings, public hearings, forums) • Correspondence Government Relations Contact: Investor@kinpo.com.tw	• Responded promptly to regulatory inquiries. • Invited to participate in the Carbon Market Launch Summit hosted by the Taiwan Stock Exchange and Taiwan Carbon Solution Exchange, to stay ahead in carbon reduction and respond to global sustainability actions and national net-zero targets.
Media	Engaging with the public through communication channels to continuously expand social impact.	• Promoting Social Good • Social Impact • Climate Change • Energy Management	[Regular] • Quarterly: Volunteer service, ESG Sustainability Journal • Annually: Sustainability Report [Ad-hoc] • Attendance at industry summits • ESG official website • Social Media Platforms: KINPO GROUP Facebook page, Instagram account, LinkedIn page • Press releases, statements • Organizing public welfare activities/health talks Public Relations Contact: Investor@kinpo.com.tw	• Invited to speak at the 2023 Industry Summit Forum, with Chairman Rock Hsu as the keynote speaker. • Revamped the ESG website, focusing on user experience and functionality to meet diverse online user needs. • Managed the Kinpo Group's social media platforms, achieving 23,720 impressions on LinkedIn, 23,720 on Facebook, and 4,234 on Instagram, leveraging professional resources to extend sustainability value and impact. • Hosted the Kinpo 50th Anniversary "Legacy" press conference, committing to "Kinpo at Fifty: Starting from the Heart and Creating Excellence" as the guiding vision for future growth, and highlighting our exceptional operational capabilities.

2.5 Major Initiatives and Involvement

Industry Associations	Company Position		Activity Participation Description	2023 Investment Amount (in NT$)
	Member	For / Against		
DIGITIMES members	V	For	Gained real-time information and research reports on the global IT industry supply chain.	150,000
Supplier Ethical Data Exchange (SEDEX)	V	For	Reduced risks of non-compliance with ethical standards through self-assessment questionnaire surveys.	4,719
Association of Industrial Relation, ROC	V	For	Kinpo joined the association, which aims to promote labor-management cooperation and build harmonious labor relations, actively supporting the association's objectives.	1,200
The General Association of Chinese Culture (GACC)	V	For	The Company consistently injected resources into cultural activities and cultural and creative industries to support cultural development. (We sponsored the Matsu Biennial event.)	1,001,000
The Third Wednesday Club	V	For	We participated in the Third Wednesday Club to assist with club activities, enhance international business exchanges, drive various strategic alliances, strengthen international investment technology and trade exchanges, and foster international economic and trade relations.	100,000
Taiwan Stock Affairs Association (TWSAA)	V	For	Attended irregular stock-related networking forums organized by TWSAA, exchanging practical stock affairs with association members to urge the government to enact reasonable and feasible regulations.	13,000
Chinese Society for Quality (CSQ)	V	For	Participated in quality-related management and technical training courses and activities organized by CSQ to establish quality competitiveness.	8,000
Chinese Excellent Management Association (CEMA)	V	For	CEMA, formerly known as the National Quality Award Winners' Friendship Club, continually improves management capabilities through member experience sharing, exchanges, and learning.	52,000
Importers and Exporters Association of Taipei	V	For	Connected international economic and trade networks through member exchanges to explore global business opportunities and grasp market industry dynamics.	7,200
Taiwan Institute for Sustainable Energy	V	For	Kinpo acquired a better understanding of sustainable energy topics by attending forums, seminars, and advocacy activities.	140,000
Taiwan Climate Partnership (TCP)	V	For	Systematically engaged in low-carbon transformation through TCP networking activities, enhancing competitiveness amid the decarbonization trend.	50,000
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	V	For	Kinpo Chairman Hsu, Sheng-Hsiung serves as an advisor, supporting TEEMA in bridging government-industry relations, facilitating coordination and communication, offering industry opinions, timely advising the government, and participating in TEEMA delegations overseas to assess investment environments, promote industry cooperation, and advance strategic alliances, thereby fostering Taiwan's economic development.	42,000
Taiwan Association of Occupational Health Nurses (TAOHN)	V	For	TAOHN is a national organization that, through membership, safeguards workplace health, protects employees from occupational hazards, and boosts corporate competitiveness.	1,500
All U People Theatre Limited Company	V	For	We consistently injected resources to cultural activities and cultural and creative industries to support cultural development. (We sponsored the booking of the entire theater for the musical "Cape No. 7 Dreamers.")	1,360,000

Industry Associations	Company Position		Activity Participation Description	2023 Investment Amount (in NT$)
	Member	For / Against		
Global Patent Search System	V	For	Subscribed to the Global Patent Search System (GPSS) for global patent information.	23,810
STORYAGE PICTURES Co., Ltd.	V	For	We consistently injected resources to cultural activities and cultural and creative industries to support cultural development. (We sponsored the movie "BIG.")	1,635,000
Taskforce on Nature-related Financial Disclosures (TNFD)	V	For	By introducing the TNFD framework, Kinpo managed risks and impacts arising from natural environmental changes.	-
Ming Shyan Medical Instruments Co., Ltd.	V	For	We sponsored the donation of a 12-lead ECG machine to the Shiding Health Center.	142,000
Science Based Targets initiative (SBTi)	V	For	Based on GHG inventory results, Kinpo set specific and achievable carbon reduction targets through SBTi to mitigate global warming risks.	-
TCFD supporters	V	For	Introduced TCFD recommendations to minimize climate risks.	-
Straits Economic & Cultural Interchange Association	V	For	Chairman Hsu, Sheng-Hsiung serves as the association's honorary chairman to advance the well-being of people on both sides of the Taiwan Strait, dedicated to fostering cross-strait peace, as well as economic, trade, and cultural exchanges.	50,000
National Taiwan Normal University Account 401	V	For	We supported and sponsored Taiwan Normal University Men's Volleyball Team (Division A) for training and competition (the third year).	1,800,000
Taiwan Film and Audiovisual Institute (TFAI)	V	For	Assisted TFAI in promoting and screening Taiwanese films, and supporting the institute in preserving and revitalizing assets.	1,000,000
Responsible Business Alliance (RBA)	V	For	Kinpo fully embraces the vision and goals of RBA, pushing the RBA Code of Conduct within the group and its supply chain. Each factory completes the RBA Self-Assessment Questionnaire (SAQ) annually and conducts the RBA Validated Assessment Program (VAP) as required.	1,372,613
SINOCON Industrial Standards Foundation	V	For	We support the foundation's establishment objectives, assisting in operational promotion, focusing on intellectual property strengths, helping Taiwanese businesses with global deployment, and enhancing international competitiveness.	100,000
New Taipei City Nurse's Association	V	For	As per Chapter 2, Article 10, Paragraph 1 of the Nursing Personnel Act: To practice, nursing personnel shall join the local nursing personnel associations as members. (Required for practice registration).	1,000
Taiwan Association for Visually Impaired People	V	For	We sponsored the New Taipei City Sheltered Workshop - Project Hope.	150,000

*Industry associations above are listed in stroke order.

03

Corporate Governance

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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.

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 are striving to enhance the effectiveness of the Board of Directors to elevate its functions. We participate in Corporate Governance Evaluation to shape a corporate governance culture. We establish a comprehensive stakeholder engagement platform to promote shareholder activism. We improve the quality of non-financial information disclosure to strengthen corporate governance information transparency.

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 diversified, encompassing members with different professions, backgrounds, and experiences. The Company has established functional committees such as the Compensation Committee, Audit Committee, and Sustainable Development Committee to provide professional advice on corporate governance to the management team. These committees also monitor operational effectiveness on a regular basis.
Performance Appraisal	Upgrade Board functions Improve corporate governance	Participated in the "Corporate Governance Evaluation of TWSE/TPEx Listed Companies" by the competent authorities, formulated strategies to strengthen corporate governance, and laid down the "Performance Evaluation Measures for the Board of Directors and Functional Committees" 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, discuss important strategies, and announce on the Market Observation Post System by the regulations of the competent authority for investors to obtain important information about the Company in real-time.
Communication & Interaction	Enhance stakeholder communication	Kinpo regularly convenes annual general meetings and investor conferences to directly communicate corporate governance matters with investors and shareholders. The Company publishes annual reports and sustainability reports on its official website, while announcing the "Stakeholder Communication Channel" on the website to facilitate two-way communication between stakeholders and the Company.

Composition of the Board of Directors

The Board of Directors is the highest governing body of the Company and the body for making major operational decisions. It guides the Company's strategies, supervises the management, and is responsible for the Company and its shareholders. In all aspects of corporate governance systems and arrangements, the Board of Directors exercises its powers by laws, company articles, or shareholders' meeting resolutions. At the same time, it provides professional strategies and advice to the management in order to create greater benefits for shareholders and protect the interests of all stakeholders.

The Board nominates candidates based on fundamental criteria, values, professional knowledge, and skills, with clearly defined qualifications and assessment standards. This process aligns with the Company's Articles of Incorporation, Methods of Director Election, Code of Practice for Corporate Governance, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and Securities and Exchange Act Article 14-2. The Company institutes diverse policies that consider varied professional backgrounds, gender, and fields of expertise, tailored to its in-house operations, business model, and developmental requirements. Kinpo prioritizes expertise and complementarity across different domains to strengthen the integrity of its board structure.

The Board of Directors is composed diversely, possessing the requisite knowledge, skills, and qualities necessary for executing their duties. To achieve ideal corporate governance goals, the Board collectively demonstrates operational judgment, accounting and financial analysis capabilities, managerial competence, crisis management abilities, industry knowledge, international market perspectives, leadership qualities, and decision-making skills. We believe that a professional, diverse, and independent Board composition will enhance governance performance. Currently, our Board comprises 11 directors, including 3 independent directors. There are a total of two female directors, accounting for 18.2% of the Board. Regarding age distribution, directors below 55 years old make up 18.2%, those aged 55-65 years constitute 9.1%, and those over 65 years old represent 72.7%. As of the end of 2023, the average tenure of all directors was 9.8 years.

Membership of the Board and Committees

Name/Title	Gender	Age	Concurrently employed by Kinpo	Consecutive terms as independent director	Diversity					Industry Experience (GICS Level 1)
					Operating Decisions	Leadership	Industry Expertise	Macroeconomy & International Perspectives	Law & Financial Accounting	
Hsu, Sheng-Hsiung/Chairman	M	>65	V		V	V	V	V	V	Consumer Discretionary / IT / Industrials
Ke, Chang-chi/Director	M	>65				V		V	V	IT / Health Care / Financials
He, Mei-yue/Director	F	>65			V	V		V	V	IT / Health Care
Chen, Wei-chang/Director	M	55-65	V		V	V	V	V		Consumer Discretionary / IT
Hung, Yung-cheng /Director	M	>65			V	V	V	V		Financials / Consumer Staples
Chiu, Ping-he/Director	M	>65			V	V	V	V		IT / Education
Chen, Hsin-tso/Director	M	<55			V	V	V	V		IT / Health Care
Hsu, Chieh-cheng/Director	M	<55					V	V	V	Financials
Hsieh, Fa-ta/Independent Director	M	>65		2	V	V	V	V	V	Financials
Huang, Chih-peng/Independent Director	M	>65		3	V	V	V	V	V	IT / Utilities
Wu, Tsung-fan/ Independent Director	F	>65		1	V	V	V	V	V	Financials / IT / Chemicals / Food

* 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 2023 Annual Report, 3. Corporate Governance Report - 3.2 Information on Board Directors, President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Units and Branches.
3. The composition of the Board of Directors with diverse backgrounds can be found in the 2023 Annual Report, 3. Corporate Governance Report - 3.2 Information on Directors, President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Units and Branches - 3.2.3 The Diversity & Independence of the Board of Directors.

◀ Kinpo Annual Report 2023

◀ Kinpo Board Members

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 internal audit 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 of Directors convenes regular meetings to discuss various operational matters of the Company and legally discloses the discussion contents. In cases involving directors' personal interests, they have to comply with the related regulations about the avoidance of conflict of interest. In 2023, the in-person attendance rate of directors exceeded 89%.

* For details regarding operations, meeting content, and conflict of interest situations, please refer to the 2023 Annual Report, 3. Corporate Governance Report - 3.4 Implementation of Corporate Governance - 3.4.1 Board of Directors.

Number of Meetings	• In 2023, the Board convened a total of 7 meetings to discuss company operational strategies and governance operations. • The in-person attendance rate of the Board in 2023 exceeded 89%.
Sustainability Topics	The Sustainable Development Committee was upgraded to a functional committee starting from September 2023. It communicates with the Board at least once a year on sustainability issues, providing updates and plans concerning environmental, social, and corporate governance dimensions.

Directors' Remuneration

Directors' remuneration comprises 4 elements, including remuneration, pensions, remuneration from earnings appropriation, and business department implementation fees for services rendered, and represented 3.69% of the after-tax profits of the Company in the 2023 financial statements.

* For related information, please refer to the 2023 Annual Report, 3. Corporate Governance Report - 3.3 Remuneration paid during the most recent fiscal year to directors, the general managers and vice general managers - 3.3.1 Remuneration of Directors and Independent Directors.

Functional Committee Operations

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 Organizational Regulations for the Audit Committee. The Audit Committee is composed of 3 independent directors, namely Hsieh, Fa-ta, Huang, Chih-peng, and Wu, Tsung-fan, and elected Hsieh, Fa-ta as convener.

Our Audit Committee's functions include strengthening the internal control mechanism and assisting the Board of Directors in making decisions. The operation of the Audit Committee is mainly to supervise the following matters:
- Appropriate elaboration of Company financial statements.
- Election, dismissal, independence, and performance of CPA.
- Effectively implementation of internal control of the Company.
- To ensure the Company complies with laws and regulations.
- Control and management of the Company's existing or potential risks.

During the reporting period, the Audit Committee approved all proposals, with no opposing, reservations, or major suggestions from independent directors, and recusal due to conflicts of interest. In 2023, the Audit Committee convened 7 times, achieving an actual attendance rate of 95.24%.

* For details on the Audit Committee's operations and resolutions, please refer to the 2023 Annual Report, 3. Corporate Governance Report - 3.4 Implementation of Corporate Governance - 3.4.2 The Audit Committee.

Operation of Compensation Committee

Composed of 3 independent directors, the Compensation Committee of the Company is tasked to regularly evaluate and set the remuneration of directors and managers and periodically examine the policies, systems, standards, and structures of performance evaluation, 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 2023, the Compensation Committee met 3 times and the in-person attendance rate of the committee members was 88.89%.

* For details on the operations and resolutions of the Compensation Committee, please refer to the 2023 Annual Report, 3. Corporate Governance Report - 3.4 Implementation of Corporate Governance - 3.4.4 Composition, Duties and Implementation Status of the Remuneration Committee.

Remuneration for the Company's Board of Directors and top management is not currently linked to sustainable performance. We will refer to the international initiatives and standards, use the principles of quantification, measurability, and relevance to plan appropriate programs and bring them to the Compensation Committee for discussion.

Sustainable Development Committee Operations

To advance sustainability efforts, the Board of Directors approved the establishment of the Sustainable Development Committee on September 7, 2023, and passed the "Sustainability Committee Charter". President Chen, Wei-chang serves as the chair, with 3 independent directors as members, making up a total of 4 committee members. In 2023, the committee met 2 times, achieving a 100% in-person attendance rate.

* For details on the operations and resolutions of the Sustainable Development Committee, please refer to the 2023 Annual Report, 3. Corporate Governance Report - 3.4 Implementation of Corporate Governance - 3.4.5 The Composition, Responsibilities, and Implementation Status of the Sustainable Development Committee.

Board Performance Evaluation

To implement corporate governance and enhance the Board's functionality, the Company established the "Performance Evaluation Measures for the Board of Directors and Functional Committees". Since 2021, the Board has conducted self-assessments, with the Company performing internal performance evaluations of the Board, its members, and each functional committee (Audit and Compensation Committees) once a year. Beginning in 2023, an external professional independent organization or a team of external experts and academics was commissioned to undertake evaluations at least once every 3 years, with the results disclosed in the annual report. The results of the 2023 internal performance evaluation are set to be reported to the Board on March 11, 2024, and the results of the external performance evaluation were presented to the Board on December 29, 2023. For detailed performance evaluation results, please refer to the 2023 Annual Report, 3. Corporate Governance Report - 3.4 Implementation of Corporate Governance - 3.4.1 Board of Directors.

2023 Internal Performance Evaluation Outcome

Evaluation Period			
January 1, 2023 - October 31, 2023			
Performance Evaluation Dimensions	**Performance Evaluation Indicators**	**Average Score**	**Rating**
Overall Board of Directors	1. Engagement in the Company's Operations 2. Enhancement of Board Decision-making Quality 3. Board Composition and Structure 4. Directors' Election and Continuing Education 5. Internal Controls	4.79	Excellent
Individual Board Members	1. Mastery of the Company's Objectives and Tasks 2. Awareness of Directors' Responsibilities 3. Engagement in the Company's Operations 4. Management of Internal Relationships and Communication 5. Directors' Professionalism and Continuing Education 6. Internal Controls	4.71	Excellent
Audit Committee	1. Engagement in the Company's Operations 2. Awareness of Audit Committee Responsibilities 3. Enhancement of Audit Committee Decision-making Quality 4. Composition and Election of Audit Committee Members 5. Internal Controls	4.62	Excellent
Compensation Committee	1. Engagement in the Company's Operations 2. Awareness of Compensation Committee Responsibilities 3. Enhancement of Compensation Committee Decision-making Quality 4. Composition and Election of Compensation Committee Members	4.68	Excellent

* Evaluation results are categorized into five levels:
1: Extremely Poor (Strongly Disagree); 2: Poor (Disagree); 3: Average (Neutral); 4: Good (Agree); 5: Excellent (Strongly Agree).

2023 External Performance Evaluation Outcome

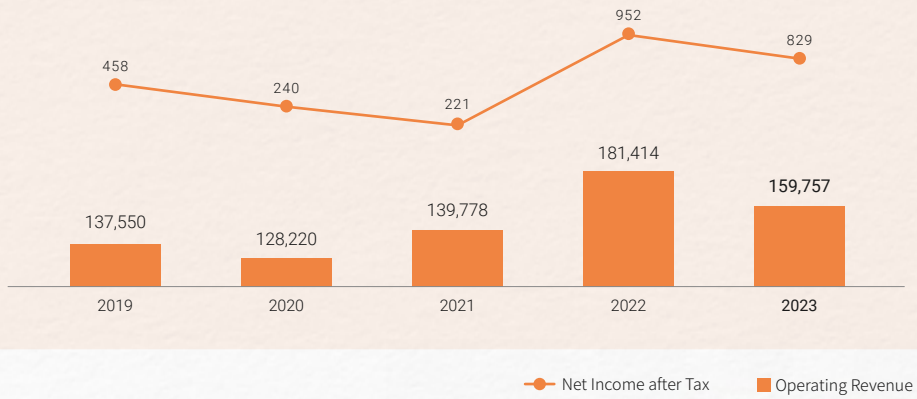
Evaluation Period	
January 1, 2023 - October 31, 2023	
Evaluation Dimensions	Evaluation Outcome
Safeguarding Shareholders' Rights	Comply with regulations.
Strengthening Board Structure and Operations	Board members possess professional and gender diversity.
Engagement in the Company's Operations	Board effectively implements monitoring and tracking
Enhancement of Board Decision-making Quality	Pre-meeting coordination and communication are thorough, enhancing decision-making speed and quality.
Enhancing Information Transparency	Meeting information and shareholder meeting information is complete, with the sustainability report disclosing material stakeholder issues.
Internal Controls	Robust systems in place
Promoting Sustainable Development	A dedicated Sustainable Development Office is established, with a complete sustainability governance structure.
Other Additional Evaluation Considerations	None.

Operation of Board of Directors

In 2023, the Company saw a revenue of NT$159,757 million, marking a decrease of 11.94% from 2022. The income (loss) before income tax for fiscal 2023 was NT$1,164 million, down 28.76% from 2022. Despite the decline in revenue from the previous year, through continuous improvement in automation processes and organizational refinements, the operating expenses decreased significantly by 13.46% compared to 2022, leading to a 6.10% increase in net operating profit despite reduced performance. With new products set to launch soon, we anticipate a revenue increase in 2024.

On March 11, 2024, to uphold a consistent dividend policy decision, the Company's board of directors approved by a special resolution the distribution of a cash dividend of NT$0.3 per share, totaling NT$444,602,464 in cash dividends for the fiscal year 2023.

Revenue over the Years and Net Income after Tax (in NT$ million)



Key Management

Kinpo strategically develops its key management team by aligning organizational and human capabilities with the Company's future goals. Successors are expected to excel in corporate strategic planning and management capabilities while embodying Kinpo's core values of innovation, harmony, and excellence. Senior executives participate in job rotations across group companies to sharpen their professional skills and gain broader practical experience. Additionally, the board of directors routinely assesses the performance and development plans of senior executives to ensure consistency with the organization's strategic direction.

Succession Plan

The Company has launched a succession plan, which includes cultivating professional managers to rotate through various important positions in related companies and the Company, serving as a director of the Company to familiarize themselves with the operation of the board of directors. The high-level management in the group is full of talent, they have been trained and cultivated through rotation, expatriation, and other methods to discover all-round talents and strengthen the future management team in a planned and targeted manner. The current president and group CEO have been promoted from the high-level management within the group, and the succession plan is continuously underway.

Operation of Shareholder's Meeting

Kinpo values interaction and communication with investors, using shareholders' meetings to foster forward-looking operations and promote the Company's sustainable development. In 2023, we held 1 shareholders' meeting and 2 investors' conferences. To enhance the transparency of information disclosed in the annual report, Kinpo has been publishing English versions of annual reports and shareholders' meeting handbooks since 2021 for stakeholders' reference.

* For the major resolutions and post-meeting execution, please refer to the 2023 Annual Report, 3. Corporate Governance Report - 3.4 Implementation of Corporate Governance - 3.4.13 Important resolutions passed by shareholders meetings and board meetings during the most recent fiscal year up to the date of publication of the annual report. For a list of major shareholders, see 4. Capital Overview - 4.1 Capital and Shares - 4.1.4 List of Major Shareholder.

The Kinpo's website also features an Investor Relations. For information on investor conferences, please check the Financial Information section, and for information on shareholders' meetings, please refer to the Shareholder Services section.

◀ Investor Conferences

◀ Shareholders' Meeting

3.2 Ethical Management and Regulatory Compliance

Ethical Management and Standards

Robust corporate governance is the foundation of the Company's sustainable operations, with ethical management being crucial for business success and sustainability. We firmly believe that ethical practice is not only a business philosophy but also the cornerstone of our culture. We uphold the principle that everyone should be treated fairly, regardless of race, gender, age, religion, or other factors. These ethical standards guide our actions, strengthen our reputation, foster internal collaboration, and create a healthy and stable workplace.

To ensure adherence to its ethical management policies and compliance with relevant laws, the Company has established corresponding internal regulations for different stakeholders, which are approved by the Board of Directors and published on the website. We periodically disclose or update our ethical management policies through internal regulations, annual reports, the corporate website, and other publications. Additionally, we conduct internal training on ethical management and regularly promote our core values to raise employee awareness and strengthen corporate governance. We believe that by conforming to ethical practices and standards, Kinpo can achieve long-term success and make a positive contribution to society.

Ethical Management Practices and Actions in 2023

Stakeholders	Relevant Policies/ Requirements/Contracts	Management Actions
Board of Directors	1. Rules of Procedure for Board of Directors Meetings 2. Regulations concerning the Board of Directors 3. Code of Ethical Conduct 4. Code of Integrity Management 5. Operating Procedures and Behavior Guidelines for the Company's Integrity Management	• All directors have signed the "Ethical Management Statement". • Established a conflict of interest policy to ensure that individuals with vested interests in matters that could harm the Company's interests are barred from participating in discussions or voting, thereby safeguarding the interests of the Company and shareholders. • Directors and managers purchased liability insurance in 2023, with coverage amounting to US$30 million, ensuring the rights of all shareholders and minimizing operational risks.
Management/ Employees	1. Code of Ethical Conduct 2. Code of Integrity Management 3. Operating Procedures and Behavior Guidelines for the Company's Integrity Management	• Required all employees to sign the "Confidentiality and Ethical Statement". • All managers have signed the "Ethical Management Statement". • In 2023, 175 employees participated in the "Striving for Excellence with Integrity and Honesty" training program, totaling 175 hours. • In 2023, 258 employees participated in the "Confidentiality and Ethical Obligations" training program, totaling 167 hours. • The 2023 implementation status was reported to the Board of Directors in 2024 Q1. The Company continues promoting the ethical management concept to employees, reinforcing various measures in the "Operating Procedures and Behavior Guidelines for Integrity Management".
Customers	1. RBA Code of Conduct and other international and industry standards 2. Non-disclosure agreements and outsourcing contracts 3. Other business contracts	• Before establishing relationships with other companies, the Company assessed their legality and whether they had a record of unethical behavior to ensure there were no requests for, provision of, or acceptance of bribes. • Required the signing of an "Anti-Bribery Agreement", including clauses in contracts prohibiting any form of bribery towards our employees or their relatives/friends. • If violations of the "Anti-Bribery Agreement" or contract resulted in damages, we would pursue criminal liability as stipulated in the agreement, impose punitive breach penalties, and take immediate action to cease transactions, revoke or terminate contracts or agreements with the signatory.
Suppliers, Contractors, and other Business Partners	1. RBA Code of Conduct and other international and industry standards 2. Non-disclosure agreements and procurement contracts 3. Other business contracts 4. Suppliers' Code of Conduct	• Before establishing relationships with other companies, we assessed their legality and whether they had a record of unethical behavior to ensure there were no requests for, provision of, or acceptance of bribes. • Required the signing of an "Anti-Bribery Agreement", including clauses in contracts prohibiting any form of bribery towards our employees or their relatives/friends. • If violations of the "Anti-Bribery Agreement" or contract resulted in damages, we would pursue criminal liability as stipulated in the agreement, impose punitive breach penalties, and take immediate action to cease transactions, revoke or terminate contracts or agreements with the signatory.

Anti-Corruption and Anti-Bribery

Kinpo has formulated multilingual versions of the "Anti-Corruption Policy" for employees in different regions worldwide. This policy is announced and published on our website by the President's Office to establish clear and uniform standards. We uphold the principle of not accepting improper gifts or special favors and expect our customers, suppliers, business partners, and other stakeholders to understand and support Kinpo's core ethical values together with us. We strictly prohibit all employees from accepting any form of bribery or other improper benefits. All current and new employees must also participate in confidentiality and ethical education programs to enhance their awareness and implementation of ethical standards. We also require all business partners to subscribe to an "Anti-Bribery Agreement". Our cooperating suppliers are forbidden from offering bribes to employees or their relatives/friends. In cases where damages occur due to breaches of ethical standards, we will seek compensation according to agreements and may take necessary legal actions, including termination of cooperation. Additionally, we have established a grievance channel (response@kinpo.com.tw) to receive and investigate allegations of corruption and bribery. We handle all allegations with strict confidentiality and ensure no retaliation against whistleblowers, whether they are employees or business partners, who report contraventions of our Anti-Corruption Policies.

◀ Kinpo's Anti-Corruption Policy

Regulatory Compliance and Effectiveness

With Kinpo's business spanning globally, we continuously monitor the impact of international policies and regulations on our operations and finances. Concurrently, we establish various corporate governance standards and regularly offer related educational training sessions. Our commitment is to ensure all business practices observe relevant local laws, safeguarding employees from conflicts of interest that could jeopardize company interests. We pledge to respect intellectual property rights and privacy, and refrain from engaging in business activities that violate the Fair Trade Act and antitrust laws. Should employees have concerns regarding regulations, measures, or penalties while conducting business, they may apply through their respective business units for guidance from the Legal and Intellectual Property Office.

Protection of Personal Data (Privacy)

When collecting personal data, we abide by the laws and regulations of each country to ensure legality and privacy protection. Our company is set to establish a data protection policy to express a firm commitment to respecting and safeguarding the privacy of every individual, including employees, customers, and clients. Regarding legal and ethical obligations for personal information protection, we pledge to:

1. Take all reasonable measures to protect all personal information from loss, misuse, unauthorized access, or disclosure;
2. Not retain personal information longer than necessary to fulfill the purposes for which it was collected;
3. Not sell, trade, transfer, share, or otherwise disclose personal information to any third party unless mandated by law or regulations; and
4. Require strict compliance with this policy from our employees, agents, managers, directors, and other personnel.

In 2023, no significant violations (resulting in fines exceeding NT$1 million) related to business ethics, personal data protection, fair competition, intellectual property rights, human rights, or environmental protection were identified. To ensure effective ethical management and compliance with laws, we are stepping up employee education and training to ensure all staff understand and observe relevant policies and regulations.

Category	Description	Management	Performance 2023
Anti-Corruption, anti-bribery	Engaging in any act of providing or receiving directly or indirectly any improper benefits for the purpose of obtaining, acquiring, maintaining, or otherwise seeking business opportunities or commercial interests.	1. Developed an Anti-Corruption Policy to establish a clear and consistent anti-corruption and anti-bribery code. 2. Incorporated self-restraint clauses during contract review and reminded business units to prevent legal risks and negative impacts arising from violations. 3. For queries regarding the legality of actions, consult the Legal and Intellectual Property Office.	• In 2023, 175 employees participated in the "Striving for Excellence with Integrity and Honesty" training program, totaling 175 hours. • In 2023, 258 employees participated in the "Confidentiality and Ethical Obligations" training program, totaling 167 hours. • No reports of corruption and bribery incidents through formal channels were received.
Anti-trust practices	Activities involving restricting competition, damaging market fairness, manipulating market prices, or controlling market share.	1. Incorporated self-restraint clauses during contract review and reminded business units to prevent legal risks and negative impacts arising from violations. 2. For issues related to regulations, submit applications through business units for advice from the Legal and Intellectual Property Office.	No incidents of antitrust or anti-competitive behavior.
Breach of environmental laws and regulations	Penalties for violations of environmental laws and regulations.		No incidents of violations of relevant regulations.
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 incurred for illegally employing local workers below the minimum employment age. 2. Penalties incurred for inhumane treatment of employees from forced labor.	Enhanced identity checks and verification during recruitment	No incidents of discrimination or violation of child labor.
Protection of Privacy Rights	The right and measures to protect personal data and privacy information from illegal collection, use, storage, processing, or sharing.	1. Stepped up cybersecurity risk controls to prevent leakage of sensitive information belonging to employees, customers, and collaborating partners. 2. Provided education on personal data protection laws during new employee training.	No infringement of privacy rights.
Protection of Intellectual Property Rights	Protecting own intellectual property rights, legally utilizing intellectual property rights, and preventing engagement in any activities that infringe upon others' intellectual property rights.	1. Issued policies to incentivize creative inventions, enhancing the Company's intellectual property capabilities. 2. Signed licensing agreements when using others' intellectual property to ensure legal use. 3. Clearly defined responsibility for obtaining intellectual property rights when establishing contracts with clients or suppliers. 4. Issued an Anti-Piracy Statement to demonstrate Kinpo's commitment to combating the use of pirated software. 5. Reinforced the prohibition against using illegal software through repeated announcements to employees. 6. Conducted regular anti-piracy software education and training courses in collaboration with the IT Center.	No infringement of intellectual property rights.

Whistleblowing System and Whistleblower Protection

Employees or business partners encountering illegal, unethical conduct, or acts of corruption and bribery in the workplace may report or disclose such incidents through proper whistleblowing channels. Kinpo has set up a whistleblowing mailbox, and specific whistleblowing channels, procedures for handling, and measures for rewards and penalties are stipulated in the "Code of Ethical Conduct", "Operating Procedures and Behavior Guidelines for the Company's Integrity Management", "Employee Grievance Handling Procedures", and "Reward and Discipline Management Regulations". The whistleblowing mailbox is managed by the President and the Audit Manager, with the President responsible for assigning and overseeing cases, and the Internal Audit Office tasked with probing related cases. Dedicated personnel are assigned to form investigation teams for whistleblowing cases, launching investigations and handling them under conditions that protect and ensure confidentiality. Personnel with conflicts of interest regarding the reported cases are required to recuse themselves from the investigation. Investigators are obligated to maintain the confidentiality of the whistleblower's identity, protecting their rights and ensuring they are not subjected to undue treatment or retaliation.

Kinpo Whistleblower Mailbox: response@kinpo.com.tw

Internal Control and Audit System

Kinpo has set up an independent Internal Audit 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 Audit Officer also attends regular Board meetings to brief Board members on the execution of audit activities. Meanwhile, the Internal Audit 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 Audit Officer is subject to the approval of the Board of Directors and in accordance with the Code of Practice on Corporate Governance 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 Internal Audit Office, based on risk assessments and regulatory requirements, drafts the audit plan, which is executed after approval by the Board of Directors. It also performs special audits or reviews as needed. Internal auditors plan and evaluate the individual audit projects follow the annual audit plan and conduct audit operations. They document any deficiencies and abnormalities in the internal control system in the audit report, providing timely improvement recommendations and tracking these issues after the report is submitted for approval. All audit projects from the 2023 audit plan approved by the Board of Directors have been completed, and all required reports have been filed in accordance with regulations.

Internal Control and Audit Process

Assessment/Planning	Auditing	Audit Conclusions / Reports	Submission	Annual Filing
• Per competent authorities • Risk assessment • Annual plan priorities • Prepare annual audit plan	• Design audit items and procedures • Field audits/interviews	• Issue audit report/audit recommendation (deficiency improvement) • Track deficiencies quarterly until improvements	• Submit audit reports to Chairman/ independent directors in order • Prepare a business report for submission to the Board	• Audit plan execution • Internal Control Statement • Improvements to deficiencies

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 Internal Audit 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 Internal 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 2023 Annual Report, 3.Corporate Governance Report – 3.4 Implementation of Corporate Governance – 3.4.2 The Audit Committee.

3.3 Risk Management

In 2022, Kinpo issued a Risk Management Policy endorsed by the Board of Directors. The policy declares the Company's commitment to adopting risk management strategies grounded in the principle of equity. While striving for operational growth, the Company carefully considers adverse risk factors' overall impact on corporate sustainability. Kinpo has established risk-based pre-monitoring and improvement procedures so that employees across global locations promptly undertake risk management within their respective business scopes, thereby strengthening corporate governance.

Risk Assessment and Management

The Risk Management Committee, led by the President, serves as the supreme body for risk management. The committee holds regular meetings to map out preventive measures for risks identified by business units and assess the effectiveness of these plans. It also considers the impact of various risks from a company-wide perspective, facilitating cross-departmental risk management and communication.
Committee members, who are either business unit heads or their appointees, have the following key responsibilities:
1. Timely and accurate communication of risk information;
2. Ensuring effective implementation of risk regulations within their business units; and
3. Providing recommendations and responses to changes in external environments and internal strategies.

The Internal Audit Office draws up the annual audit plan based on risk assessment results to ensure effective risk control and timely improvement recommendations. The Company reports risk management operations to the Board of Directors at least once a year. The 2023 performance is set to be submitted to the Audit Committee and the Board on March 11, 2024. As per the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies," we arrange annual training courses for Board members on risk management and industry-related issues to keep them updated.

Risk Management Committee Organizational Chart

Risk Management Process

To strengthen corporate risk management, the Company has established mechanisms, processes, systems, and tools to cope with risks through four main steps: identification, assessment, control and supervision, and communication. This process addresses various risks encountered by the Company, including hazard risks, operational risks, financial risks, and other emerging risks.
Each business unit defines the risks within the Company's risk management scope, identifies all potential risk factors, and assesses the likelihood and impact of risk events, forming the foundation of our risk management framework. Each business unit is responsible for implementing risk control measures to manage and monitor the various risks inherent in their daily operational activities. In the case of significant cross-departmental and cross-site crises, the Risk Management Committee conducts risk assessments and devises response protocols and recovery plans. Risk management information is disclosed in accordance with regulatory requirements and is available in the annual reports and on the Company's website.

Risk Identification

Risk Types	Description
Hazard Risks	Safety protection and emergency response to fire, earthquakes, floods, and climate change.
Operational Risks	Daily operational risks, supply chain disruptions, information security, recruitment and retention of talent, corporate image management, and regulatory compliance.
Financial Risks	Accounts receivable, foreign exchange and interest rate risks, taxes, and inflation.
Other Risks	Any additional risks should be addressed with appropriate risk management procedures tailored to their specific characteristics and potential impact.

Kinpo's Major Risks and Management Policies

Following its operational guidelines, Kinpo identifies various risks and develops corresponding strategies and opportunities. We proactively mitigate potential losses within acceptable risk parameters, enhancing shareholder value, optimizing resource allocation, and ensuring the Company achieves its sustainable development goals.

Material Issues	Items	Description	Response Strategies	Opportunities	Corresponding Sections
Environmental	Environmental Impact	When risks occur, they may result in production disruptions, preventing normal operations, and causing losses to personnel and assets.	Aligning with environmental sustainability goals, the Company has introduced the ISO 14001 Environmental Management Systems to ensure that the production processes do not pollute the environment and comply with regulatory requirements. Meanwhile, the ISO 50001 Energy Management Systems have been set up to boost resource efficiency, reduce GHG emissions, and systematically mitigate environmental impacts through PDCA cycles.	Expanding into the green sector to increase renewables usage and reduce carbon emissions.	Chapter 5 Environmental Sustainability
	Climate Change		1. Actively supporting international initiatives and national policies, the Company integrates climate change issues into its risk identification framework. In 2022, it became a TCFD Supporter and adopted the TCFD framework to identify climate change risks and opportunities, formulating response strategies to mitigate and adapt to potential impacts. 2. Per ISO 14064 GHG Inventory, the Company establishes credible data benchmarks as the basis for submitting SBTi reduction targets. All of its global facilities obtained ISO 14064 certification by 2023. The Company submitted its SBTi commitment letter in September 2022, with reduction targets to be filed in 2024.	Promoting green manufacturing, consistently adopting new technologies to boost energy efficiency and reduce GHG emissions.	
Social	Occupational Safety	Risks arising from non-compliance, resulting in serious injuries, may result in negative perceptions from the public and supply chain partners towards the Company.	1. Actively strengthening injury prevention measures and improving poor health conditions through ISO 45001 occupational health and safety management certification. 2. Conducting regular fire drills and occupational safety training annually to cultivate employees' emergency response and safety management capabilities.	Complying with international conventions and national laws to create a safe workplace and foster a happy workplace.	7.5 Employee Health
	Human Rights Risks		1. Ensuring compliance with domestic and international human rights conventions and local government regulations regarding labor policies. 2. Holding regular labor-management meetings to discuss and achieve consensus on the implementation of human rights policies, labor environment and conditions, and issues related to policies, compensation, and benefits. Ensuring transparency and smooth communication between labor and management.	Establishing an inclusive workplace that allows employees to showcase their potential, receive fair compensation, and improve the Company's image.	7.1 Human Resources Management Policy
Governance	Business Interruption	These impact employee and equipment safety, leading to operational disruptions.	Assessing potential emergency events such as pandemics, fires, or windstorms that could impact employees, facilities, and operations. Developing preventive measures to minimize their occurrence.	Effectively managing operational risks to protect our crucial assets - our employees - and bolster stakeholder confidence in Kinpo, ensuring secure business partnerships with suppliers and customers.	Chapter 3 Corporate Governance
	Interest Rate Fluctuations	Floating rate investments for loans and receivables, fixed rate and floating rate borrowings.	Analyzing the impact on Kinpo's profit and loss from interest rate risks associated with floating-rate investments and borrowings as of the end of the financial reporting period, assuming a one-year accounting period and a 10-basis-point increase/decrease in interest rates.	Anticipating the impact of interest rate fluctuations on financials.	
	Exchange Rate Fluctuations	Related to operating activities (when revenue or expenses are denominated in currencies other than the Company's functional currency) and net investments in foreign operations.	Regularly reviewing assets and liabilities denominated in functional currencies, managing exchange rate risks through forward foreign exchange contracts based on Kinpo's currency funding needs.	Effectively managing currency exchange rate fluctuations and their impact on cash flow and asset valuation.	
	Information Security	Resulting in significant asset losses for the Company, potentially causing operational disruptions and property damage, affecting sustainability foundations.	1. Building an Information Security Management System (ISMS) compliant with international standards, certified under ISO/IEC 27001. 2. Raising employee awareness of cybersecurity to address evolving cyber threats, ensuring our employees can identify and respond to potential cybersecurity risks. 3. Continuously conducting cybersecurity vulnerability scans and assessments, promptly patching vulnerabilities to minimize cybersecurity risks.	Adhering strictly to cybersecurity policies, conducting regular audits of cybersecurity systems, and establishing a robust and effective image.	3.4 Information Security Management

Kinpo's Emerging Risks and Management Policy

As emerging technologies rapidly reshape the consumer electronics industry, computational resources and data analytics capabilities are becoming critical competitive factors. The post-COVID-19 era has accelerated digital innovation, expanding the scope of cybersecurity issues beyond financial implications to encompass economic and technological losses. According to the World Economic Forum (WEF), digital crime and cyber-attacks are among the top five risks anticipated over the next decade. Malicious activities in digital spaces are escalating, exploiting widespread exposure opportunities for aggressive and sophisticated attacks. This trend could potentially lead to other significant risks such as geopolitical conflicts and terrorist threats. Consequently, a single strategy is no longer adequate for comprehensive protection.

Aligning with the ISO 31000:2018 Risk Management System and the COSO ERM Framework, the Company has established an enterprise risk management framework, that systematically integrates governance and oversight mechanisms, setting risk baselines, management policies and standards. This framework facilitates operational-level risk management efforts and assists management teams in understanding risks fully during decision-making processes, thus achieving the Company's business strategies and corporate objectives.

3.4 Information Security Management

2024-2026 Information Security Goals

2024

- Gradually comply with ISO 27001 certification for all facilities
- Complete ISO 27001:2022 transition at headquarters
- Enhance network security detection with a Web Application Firewall (WAF)
- Strengthen supply chain security with industrial control firewalls, third-party server, and website vulnerability scans, and conduct at least two disaster recovery drills annually
- Perform a social engineering exercise for corporate emails with a 95% pass rate
- Activate Data Loss Prevention (DLP) features
- Step up cybersecurity training for employees and IT managers

2025

- Gradually continue to comply with ISO 27001 certification for all facilities
- Evaluate IEC 62443 certification for all facilities
- Implement a Security Information and Event Management (SIEM) platform at headquarters
- Introduce source code scanning mechanisms
- Deploy cloud security defense platforms
- Carry out a social engineering exercise for corporate emails with a 97% pass rate

2026

- Evaluated introducing IEC 62443 certification at key facilities
- Deploy a SIEM platform across the KINPO GROUP
- Undertake red and blue team cybersecurity drills at headquarters
- Conduct a social engineering exercise for corporate emails with a 98% pass rate
- Implement an email audit and control system

Information Security Policy

Kinpo obtained ISO 27001 information security certification in 2021, ensuring the confidentiality, integrity, and availability of corporate information and the reliability of information equipment (including computer hardware, software, peripherals) and network systems. This certification raises employee awareness of information security and protects these resources from any interference, destruction, intrusion, or adverse actions and attempts that could compromise customer and company interests. In 2022, we stepped up internal audits and assessments, improvement, and control of our information security management system, and appointed a Chief Information Security Officer (CISO). In 2023, we strengthened endpoint access management to ensure that only authorized and compliant devices can access the Company's network, reducing the risk of unauthorized access. This ongoing effort guarantees that our information security system remains robust and reliable in an increasingly complex digital environment, supporting the Company's goal of business continuity. In 2023, we experienced no cyberattacks or incidents that significantly compromised business operations and were not involved in any related legal cases or regulatory investigations.

Information Security Committee Organization

The Information Security Committee is chaired by the President or an appointed supervisor, who serves as Chief Information Security Officer (CISO). The committee holds at least one management review meeting annually, with ad-hoc meetings convened as needed. The 2023 information security execution results will be presented to the Board of Directors on March 11, 2024.

Information Security Committee Organizational Chart

Information Management Performance in 2023

Monitoring and responding to information security incidents are fundamental to our information security management. By tracking and analyzing possible risks that could jeopardize company operations, we implement measures to mitigate potential damages. Moreover, we conduct regular social engineering drills to assess employees' ability to detect and respond to phishing attacks and other social engineering tactics. High pass rates in these drills demonstrate heightened employee awareness and effective response to cybersecurity risks. We are also dedicated to raising information security awareness through regular training sessions, applying the knowledge gained to improve our daily operations and continuously build up our overall cybersecurity defenses. In 2023, we successfully fulfilled all customer information security requirements and completed related audits, notifying customers accordingly.

Information Security Education & Training

- 5 sensitive data project cybersecurity awareness courses
- 4 cybersecurity training courses
- 12 EDM and cybersecurity video screenings

Significant Information Security Incidents

0

Pass Rate of Social Engineering Drills

95.6%

Information Security Management Items

Items	Implementation Measures	Management Performance in 2023
Network Protection	• Establishing a network access control system • Firewall data centralized analysis platform • NDR real-time network detection system • Network management/cybersecurity data platform • Email APT defense • Intelligence joint defense	1. Enhanced Endpoint Access Management: Ensured authorized and compliant devices could access the Company's network, reducing the risk of unauthorized access and supporting the Company's business continuity goals. 2. Firewall Data Centralized Analysis Platform: Achieved cross-device information analysis, real-time incident notification, and reduced cybersecurity risks. 3. Network Detection and Response (NDR): Identified potential cybersecurity risks in real-time. 4. Network and Cybersecurity Data Platform: Leveraged big data to strengthen cybersecurity strategies. 5. Defense against Advanced Persistent Threats (APTs) in emails: Blocked 15,539 malicious file attachments and 210,359 malicious URL emails. 6. Intelligence Joint Defense: Collaborated with TWCERT/CC and ExtraHop for enhanced defense capabilities.
System Management	Continuous promotion of ISO 27001 Information Security Management Systems	In January 2024, we passed the ISO 27001 BSI re-certification with no major or minor non-conformities.
Software Protection	• NGAV antivirus software/server dual MDR endpoint security detection mechanism • Compliance software audit platform	1. Server Dual Managed Detection and Response (MDR) endpoint security detection mechanism: Provided round-the-clock network monitoring and timely responses to security incidents, reducing cybersecurity risks. 2. Enhanced Software License Monitoring: Monitored software usage in real-time with the endpoint access management system, complemented by existing software usage monitoring platforms. This dual monitoring mechanism enhances the visibility of R&D software usage, ensuring all software is legally licensed.
Hardware Protection	• Network equipment/server upgrades • Server/website vulnerability scanning • Third-party penetration/attack testing exercises	Conducted bi-annual scanning for server/website vulnerabilities and ad-hoc scans for critical threats/ vulnerabilities, promptly patching to step up protective measures.
Regular Testing	• Email social engineering drills • Server/website vulnerability scanning • Third-party website penetration tests • Regular audits of outgoing emails • Inventory of Information asset values	1. Group Email Social Engineering Drills: Achieved a 95.6% pass rate. 2. Regular scans for server/website vulnerabilities and ad-hoc scans for critical threats/vulnerabilities: Promptly carried out patching to strengthen protective measures. 3. Third-Party Penetration Testing: Conducted one core website test to fix potential security threats/vulnerabilities and enhance website security. 4. Sensitive Project and Departing Employee Outgoing Email Audits: Reduced the risk of sensitive customer information leaks, with no incidents throughout the year. 5. Regular Information Asset Value Inventory: Conducted risk assessments and compiled operational impact analysis reports, with continuous risk planning and drills for high-risk items.
Group Joint Defense	Regular group IT meetings	Held weekly IT meetings to synchronize cybersecurity policies and bolster the effectiveness of the group's joint defense.

Cybersecurity Incident Management

To mitigate the risks of information security incidents and operational disruptions, and to safeguard critical operational processes from significant information system failures or disasters, we developed a business continuity plan based on operational impact analysis and risk assessment. This plan includes emergency response, system recovery, and information business resumption procedures. Additionally, we carry out annual drills of the business continuity plan. In 2023, we conducted 3 scenario-based drills centering around business continuity: "Core API Server Service Interruption", "Core Database Connectivity Failure", and "Data Center Power Outage". The results of these drills met the planned Recovery Time Objectives (RTO). Throughout 2023, there were no significant adverse impacts on our business operations due to cyber-attacks or cybersecurity incidents, nor were we involved in any related legal cases or regulatory investigations.

3.5 Tax Policy

Tax Policy

Kinpo's Financial/Accounting Management Office 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 Office, 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.

To pursue sustainability and fulfill corporate social responsibility, and 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.

Company Names, Primary Operational Locations, Nominal Tax Rates, and Main Business Activities

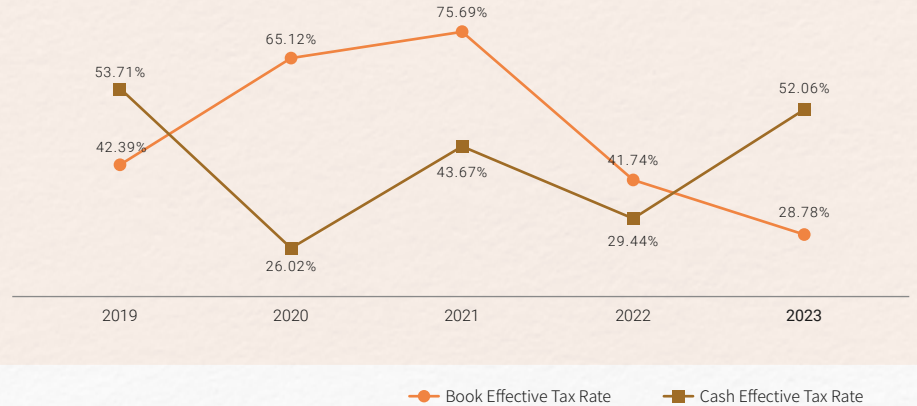
Tax Jurisdiction	Nominal Tax Rates	Group Members	Main Business Activities
Taiwan	20%	Kinpo Electronics, Inc.	Investment holding, manufacturing, sales
		XYZprinting, Inc.	Investment holding, sales
		Cal-Comp Electronics & Communications Co., Ltd.	Parent company support services
		Crownpo Technology Inc.	Manufacturing, sales
		CastleNet Technology Inc.	Product design, Manufacturing, sales
		New Era AI Robotic Inc.	Sales, software development
		Li-Cheng Materials Co., Ltd	Manufacturing, sales
		Cal-Comp Precision (Singapore) Limited Taiwan Branch	Headquarters support services
		Cal-Comp Asset Management, Inc.	Investment holding
Brazil	34%	Cal-Comp Industria e Comercio de Eletronicos e Informatica Ltda.	Processing, manufacturing, sales
		Cal-Comp Industria de Semicondutores S.A.	Processing, manufacturing, sales
British Virgin Islands	0%	Kinpo International Ltd.	Investment holding
		Logistar International Holding Co., Ltd.	Investment holding
		Ranashe International Ltd.	Investment holding
		CastleNet Technology (BVI) Inc.	Investment holding
Cayman Islands	0%	Lipo Holding Co., Ltd.	Investment holding
		Cal-Comp Semiconductor Ltd.	Investment holding
		Cal-Comp Precision Holding Co., Ltd.	Investment holding
Philippines	25%	Kinpo Electronics (Philippines), Inc.	Manufacturing, sales
		Cal-Comp Precision (Philippines) Inc.	Manufacturing, sales
		Cal-Comp Technology (Philippines), Inc.	Manufacturing, sales
		XYZlife (Philippines) Inc.	Manufacturing, sales
		Confiar Land Corp.	Real estate transactions and leasing
Samoa	0%	LIZ Electronics (Samoa) Co., Ltd.	Investment holding

Tax Jurisdiction	Nominal Tax Rates	Group Members	Main Business Activities
Singapore	17%	Kinpo International (Singapore) Pte. Ltd.	Investment holding
		Cal-Comp Precision (Singapore) Limited	Investment holding, procurement
Thailand	20%	Cal-Comp Electronics (Thailand) Pub Co., Ltd.	Investment holding. Manufacturing, sales
		Cal-Comp Precision (Thailand) Limited	Manufacturing, sales
		XYZprinting (Thailand) Co., Ltd.	Sales
		Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd.	Manufacturing, sales
United States	21%	XYZprinting, Inc.	Sales
		Cal-Comp Electronics (USA) Co., Ltd.	Manufacturing, sales
		Cal-Comp USA (San Diego), Inc.	Manufacturing, sales
China	25%	Kinpo Electronics (China) Co., Ltd.	Manufacturing, sales
		Dongguan Kaipo Electronics Co., Ltd.	Manufacturing, sales
		XYZprinting (Suzhou) Co., Ltd.	Sales
		Cal-Comp Optical Electronics (Suzhou) Co., Ltd.	Manufacturing, sales
		Cal-Comp Precision (Dongguan) Limited	Manufacturing, sales
		LIZ Electronics (Kunshan) Co., Ltd.	Manufacturing, sales
		LIZ Electronics (Nantong) Co., Ltd.	Manufacturing, sales
		CastleNet Technology Inc. (Kunshan)	Manufacturing, sales
		XYZprinting (Shanghai) Cloud Technology Co., Ltd.	Sales
		ICKP (Beijing)Technology Development Co., Ltd.	Sales
		Cal-Comp Optical Electronics (Yueyang) Co., Ltd.	Manufacturing, sales
		NKG Advanced Intelligence and Technology Development (Yueyang) Co., Ltd.	Manufacturing, sales
		Cal-Comp Precision (Yueyang) Co., Ltd.	Manufacturing, sales
Japan	16.55%-25.59%	XYZprinting Japan, Inc.	Sales
Malaysia	24%	Cal-Comp Precision (Malaysia) Sdn. Bhd.	Manufacturing, sales
		Cal Comp Malaysia SDN. BHD	Manufacturing, sales
Mexico	30%	Cal-Comp Electronics de Mexico Co., S.A. de C.V.	Manufacturing, sales
Netherlands	25.8%	XYZprinting Netherlands, B.V.	Sales

Tax Payment

Kinpo's operational sites adhere to local tax laws, and tax information in financial reports is disclosed according to relevant standards and guidelines to ensure transparency. The effective cash tax rate in 2023 exceeded that of 2022, primarily due to income tax payments occurring in the subsequent year. In 2022, the Group's higher profitability led to increased income tax payments, contributing to the elevated effective cash tax rate observed in 2023.

Effective Tax Rate over the Years



04

R&D and Innovation

P.40 4.1 R&D and Green Design

P.43 4.2 R&D Patents

P.44 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. 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 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.

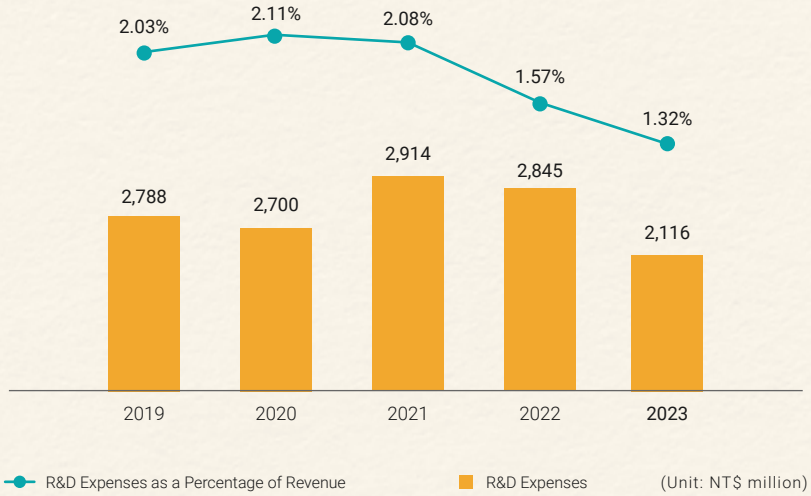
4.1 R&D and Green Design

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$2,116 million injected to R&D in 2023, representing 1.32% of our revenue in 2023, with 4,112 R&D technical staff employed.

R&D Costs and Staff 2019-2023

Year	2019	2020	2021	2022	2023
Costs (NT$ million)	2,788	2,700	2,914	2,845	**2,116**
Percentage of Revenue (%)	2.03	2.11	2.08	1.57	**1.32**
R&D Technical Staff (Person)	4,471	4,178	4,977	5,115	**4,112**

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



Kinpo's main products encompass electronic calculators, home networking products, household vacuum cleaners and hair care appliances, printing and peripheral equipment, plastic injection molding and molds, and storage products. However, with the ongoing technological advancements and the gradual integration of artificial intelligence (ChatGPT), there has been a notable surge in the demand for network bandwidth, leading to the continued expansion of demand and applications for network products. Consequently, planning for short-, medium-, and long-term deployment is underway for applications in wired (fiber optic) and wireless communications (5G/LEO/WiFi) across various bandwidths.

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

Short-term

- The demand for electric vehicle charging equipment (charging stations) is rapidly rising, driven by the growing number of EVs, advancements in charging technology, and subsidies from the U.S. government under the IIJA aimed at promoting EV charger installations.
- Networking products are benefiting from ongoing advancements in communication technologies such as XGS-PON, WiFi 7, IPCAM, etc., leading to rising customer demand.
- Focus on the development of networking products in vertical application areas, such as AI-powered smart retail devices for IoT.

Medium -term

- Semiconductor manufacturing equipment: Issues of decentralizing production bases are gaining attention, accelerating semiconductor investments, and presenting opportunities in short-chain project initiatives.
- 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.
- Satellite communications: Develop products in the low-earth orbit satellite sector.
- IoT applications: Combine regional wireless and multi-wireless technologies with smart home, smart transportation, smart healthcare products, etc.
- Surveillance systems: Develop high-resolution image sensors, face recognition technology, etc.

Long-term

- Resource Renewability
- Green materials use
- AI-driven process intelligence.
- Green energy collaboration in industry

Digital Instrument

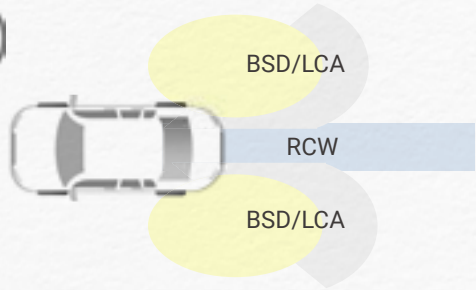
For Vehicle

For 2/3 wheels

Kick to Open

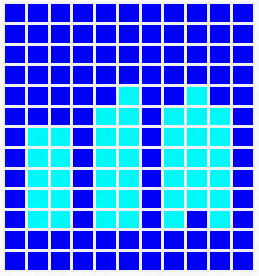
Child Presence Detection

RCW : Rear Collision Warning
BSD : Blind Spot Detection Radar
LCA : Line Change Assist



2023 2024 2025 2026

Bundle/Application software



Green Product Design Outcomes in 2023

Kinpo is committed to environmental sustainability, advancing eco-friendly practices across product design, manufacturing, packaging, sales, and service, focusing on energy conservation. In response to sustainable development trends, our green product design in 2023 emphasized sustainable materials, sustainable production, green packaging and transportation, and packaging reuse, aiming towards "introducing low-carbon products and moving towards a circular economy" as our medium to long-term goal.

1. Sustainable Materials - Adopting materials with low environmental impact

- Partial replacement of virgin materials with recycled plastics.
- Warranty card material changed to 100% recycled paper, with a reduction in paper weight.

2. Green Packaging

- Elimination of PE packaging bags for shipped finished products.
- Replacement of plastic hang tags packaging with paper box packaging.
- Substitution of Styrofoam with cardboard.
- Design optimization to minimize cardboard usage.

3. Packaging Reuse

- Replacement of plastic stretch film used to secure goods on pallets with reusable elastic bands.
- Reuse of plastic crates for shipping to reduce the purchase of new plastic crates.
- Reuse of packaging materials for injection-molded parts to minimize plastic packaging usage.

4. Green Transport

- Increased product stacking on pallets by 33%, cutting transportation energy use.

Green Product Design Achievements in 2023

Total Carbon Reduction	Total Electricity Savings	Total Material Savings
40,779.0 tCO2e	50,688 kWh	15,179.5 metric tons

Using Plastic Pellets and Recycled Plastic Packaging Materials

According to statistics from the United Nations Environment Programme (UNEP), the world generates up to 400 million metric tons of plastic waste annually, with less than 10% of it being recycled. As plastic use increases, so do GHG emissions from plastic production. Issues such as plastic waste and microplastics entering oceans pose environmental and ecological threats that ultimately impact human health. Internationally, various initiatives are underway to cut plastic consumption. For example, in 2023, the United Nations released a draft of the Global Plastics Treaty, establishing guidelines and standards for the entire lifecycle of plastics—from production and consumption to disposal. Additionally, in 2023, the CDP Water Security Questionnaire introduced a plastic category for the first time, prompting many companies to disclose relevant data on plastic production and usage. Moving forward, more external assessments are expected to incorporate the issue of plastic reduction in their criteria.

Based on the CDP Water Security Questionnaire, Kinpo administered an initial survey on the types of virgin and recycled plastic pellets, and plastic packaging materials used by the Company. This encompassed plastics made from fossil fuels or renewable energy sources, as well as those recycled from industrial or customer end sources. Kinpo collected data on the amount of plastics recycled and utilized. The compiled statistics for 2023 indicated that the Company used a total of 92,394.23 metric tons of plastic pellets and 6,567.06 metric tons of plastic packaging materials.

Green Design Case

Partially Replacing Virgin Materials with Recycled Plastics

Kinpo is devoted to minimizing the use of plastics in its products, such as cutting the amount of virgin plastic in plastic blisters by incorporating a specific proportion of recycled plastic during production. Additionally, several products now utilize paper-based packaging materials for securing items. Moreover, efforts are also underway to minimize plastic hang tags in product packaging using paper-based designs. R&D staff have noted that incorporating recycled materials during manufacturing poses a risk of increased fragility in plastic shell products, requiring ongoing experimentation to determine the optimal blend ratio. Therefore, in response to customer demands and without compromising product aesthetics and durability, Kinpo adds a specified proportion of recycled materials in plastic shell production. This endeavor not only curbs the use of virgin plastics but also lowers product carbon footprints and mitigates environmental impact.

Energy Star Certification

The Energy Star certification is globally recognized as the most stringent energy efficiency program. Products meeting Energy Star standards not only save on more energy costs but also gain a competitive edge over others. Responding to customer demand, Kinpo has obtained Energy Star certification for specific product lines, with the certification prominently displayed on the product bodies

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 "Regulations for Rewarding Inventions and Creations" to motivate our staff to file patent applications.

Kinpo's Rewards for Inventions

- Discuss with inventor
- Prior art search & evaluation
- Determine if innovative proposal fit for patenting
- Obtain a patent
- Assess the management & planning of patent assets by business units
- Capitalize on patent assets

- Set up an electronic system for managing intellectual property applications.
- Liaise closely with external patent firms.
- Conduct searches and careful assessments of intellectual property rights of others to reduce risk.

Patent Protection and Management

The company will apply for patent protection in different countries around the world based on different patented technical contents and different market demands, to make the company's global patent protection more complete and more in line with the company's future business development needs. Therefore, we also employ the "Kinpo Material System - Patent Related System" for control purposes, asking the business units whether they want to continue maintaining the patent and trademark before it expires, so 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 27 patent applications filed, 23 were approved, 93 were lapsed/abandoned and 116 were validly renewed in 2023.

Kinpo Intellectual Property Development

Before 1999

Established the "Regulations for Rewarding Inventions and Creations" and reviewed and revised them annually according to the amendments of laws and regulations, the Company's operation status and the changes of domestic and international situations.

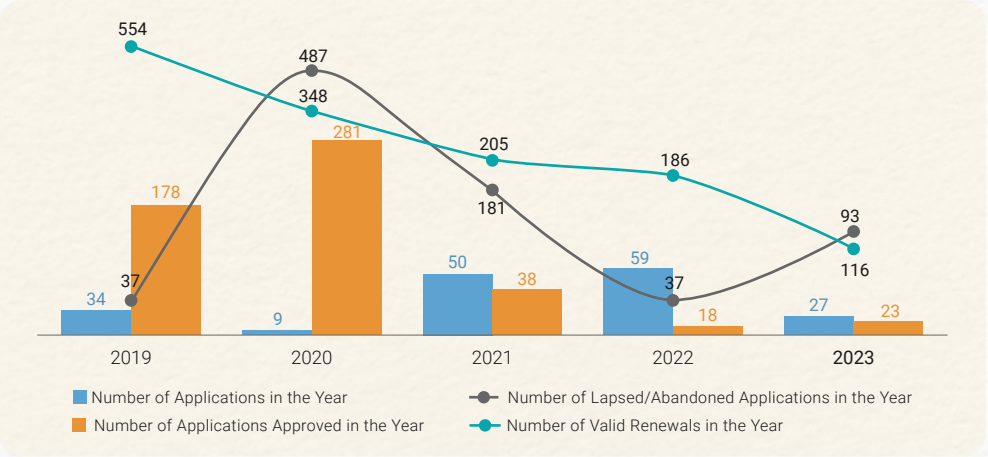
2003

Set up an electronic IP patent application management system.

2023

In response to the pandemic, we completed the internal training course "How to Apply for a Patent and Introduction to the Company's Patent Incentive Scheme" and uploaded the video of the course to the KINPO GROUP e-learning platform so that employees can view it at any time. The course was attended by 126 participants in 2023, totaling 189 hours.

Number of Patents over the Years



*Number of valid renewals in the current year = Number of valid renewals in the previous year + Number of approved in the current year - (Number of lapsed/abandoned in the current 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 newcomers 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. In addition, in 2023, we also concurrently planned digital courses to provide online access for new hires, those needing refresher training, and those unable to attend in-person sessions.

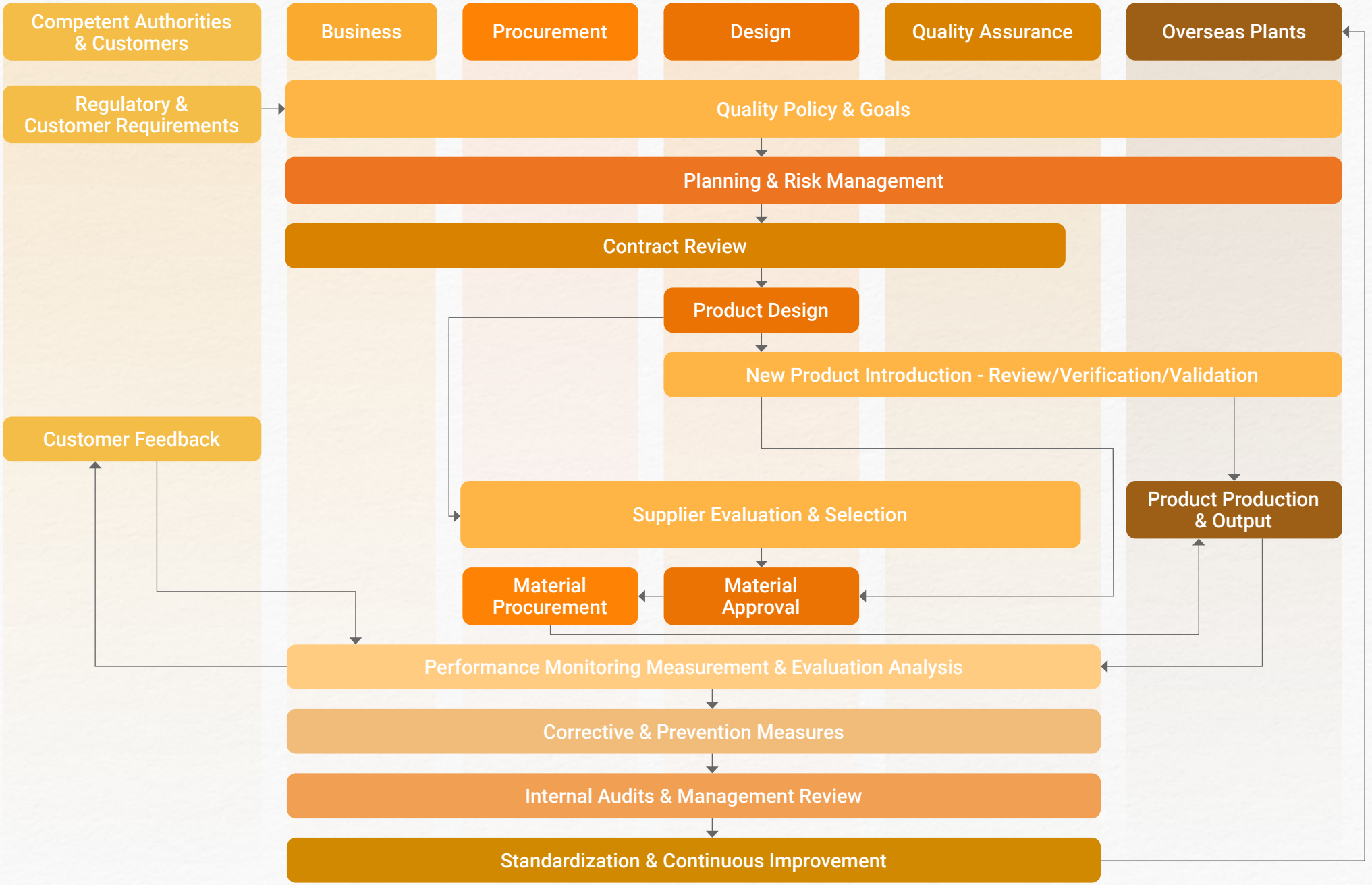
Quality Education Training Outcomes 2023

Course Titles	Trainees	No. of trainees (person)
Introduction to Quality and Harmful Substances and CSR System	Newcomers	79
Six Sigma Yellow Belt Online Training Series	Newcomers	79
3rd Party Report Interpretation Training and Introduction to Regulations_2 stages	BU heads and staff	377
Annual Hazardous Substances Regulations Education Training_2 stages	BU heads and staff	154
8D Problem Analysis and Measures	BU heads and staff	46
PDCA	BU heads and staff	35
Risk Assessment Operations and Tools	BU heads and staff	85
ISO Internal Auditor Education Training	BU heads and staff	46
DMP-ISO Document Procedure System Introduction	BU heads and staff	80
Supplier Evaluation System Operation Instructions	BU heads and staff	126

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 2 times a year and third-party external audit activity 1 time a year on a scheduled basis to ensure that our quality management system complies with ISO 9001 through validation. In 2023, 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)

Aligned with the President's advocacy of "breaking boundaries, innovating the future," Kinpo, a global leader in electronic manufacturing services, not only champions Industry 4.0 digital transformation but also introduced a Product Lifecycle Management (PLM) system in 2022. The PLM implementation project commenced in April 2022, completed testing and data migration by December, and officially launched in 2023 across Kinpo and its affiliate companies. The PLM system establishes a standardized and consistent R&D process management platform, standardizes the new product development process. By adopting source management principles, it integrates product information across business units, ensuring a cohesive and accurate flow. This approach effectively coordinates global, cross-departmental development teams, and stays on top of design quality and scheduling while boosting 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 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 Number/BOM Management
- Product Change Management
- Project/Document Management Integration
- Green Product Management Integration

Establish a Unified R&D Data Management Platform

Improve Product Development Workflow

Integrate Product-related Information through System Integration

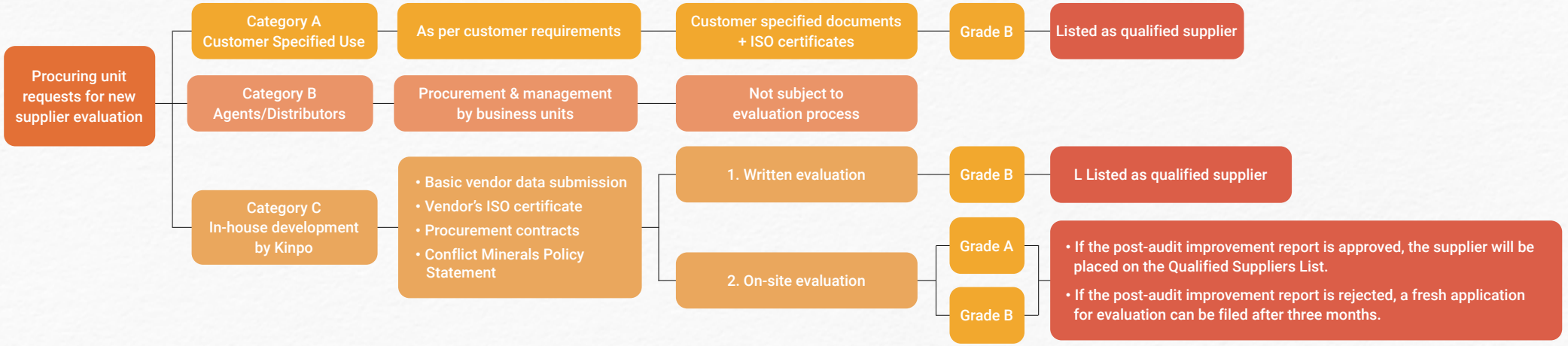
Data Transfer

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 the Suppliers' Code of Conduct, basic supplier information (e.g. company profile, existing customer base) and accompanying documents Environmental Protection Guarantee, Intellectual Property Rights Guarantee, Responsible 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 2023, new suppliers were evaluated with a 100% pass rate after rectification.

New Supplier Evaluation Process



Regular Supplier Delivery Quality Rating

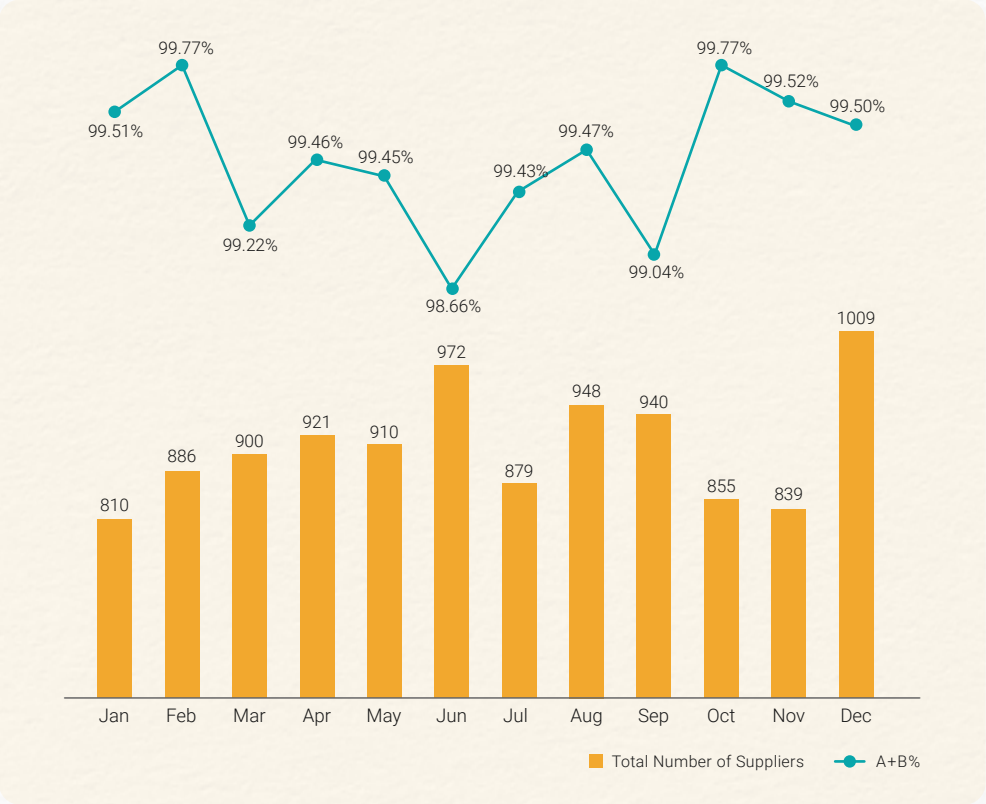
On the 10th of every month, the KINPO GROUP Quality Assurance Center collects and compiles the monthly report of the previous month's supplier's delivery quality ratings across its plants worldwide. The rating items are divided into three categories: incoming material quality, process material quality 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 fail with a C or D grade, our incoming quality control (IQC) unit at the plant will request the submission of improvement measures or improvement plans. If necessary, the IQC unit will refer the case to our headquarters to urge them to improve.

We will continue to monitor supplier delivery quality, with concerted efforts from the Group's QA Center, Business Division procurement units, and plant IQC units, aiming to elevate suppliers from C, D grades to A, B grades and continuously improve product quality. In 2023, the proportion of suppliers rated A or B each month reached 98.5%, peaking at 99.77% in February, with a yearly average of 99.39% for A and B grade suppliers. Moving into 2024, we aim for all Kinpo suppliers to achieve A or B grade, aiming for 100% compliance.

Supplier Rating Grades and Scoring Ranges

Grade	Scoring Range	Description
A (Excellent)	Score ≧ 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 ≧ 81	For fair responsiveness to improvement measures for delivery quality and material quality abnormalities, current procurement can be maintained.
C (Observation)	71>Score ≧ 80	For a supplier placed on the list of warning, the IQC unit at the plant 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 plant 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 2023



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.

Supplier Annual Re-evaluation Process

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 2023, we conducted an annual re-evaluation of our suppliers, with a 100% pass rate after improvement.

05

Environmental Sustainability

P.51 5.1 Climate Change Risk & Management

P.60 5.2 GHG Management

P.62 5.3 Energy Management

P.63 5.4 Biodiversity

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 "GHG Management" and "Energy Management" in order to achieve the goal of environmental sustainability.

2023-2030 Environmental Sustainability Promotion Goals

Item	Goals 2023 (Statement of Achievement)	Goals 2024	Goals 2025-2027	Goals 2028-2030
GHG Management	• 100% of plants certified under ISO 14064 • Initiation of ISO 14067 project • 50th Anniversary Climate Declaration • Implementation of internal carbon pricing	• Achieve ISO 14067 certification for products • Develop carbon reduction pathways and strategies • Submit and gain approval for SBT (Science Based Targets) • Introduce a GHG management information system • Complete Scope 3 GHG inventory for all global sites (including transportation, purchased goods and services, operational waste, and sold product usage)	• CDP Leadership • Commit to SBT NET ZERO goals • Propose NET ZERO roadmap	• Carbon-neutral at headquarters • Hold SBT temperature rise below 1.5°C
Energy Management	• 12 plants worldwide certified under ISO 50001 Energy Management Systems	• Obtain ISO 50001 energy management system certification for all sites • Host a global energy-saving and carbon reduction conference for all sites	• Save 30% on electricity at headquarters • Renewable energy goals for sites worldwide	• Save 50% of electricity at headquarters • 100% use of electric company cars at headquarters

5.1 Climate Change Risk & Management

Kinpo, a key player in the global electronics supply chain, is proactively addressing the impacts of climate change by integrating it into the Company's risk management framework. In anticipation of the net-zero era, we adopted the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations in 2021, focusing on governance, strategy, risk management, and metrics and targets to manage and mitigate climate change impacts. In 2022, Kinpo officially became a TCFD Supporter. By the end of 2023, we expanded the TCFD scope to our Thailand plant, completing the identification of climate change risks and opportunities there by early 2024.

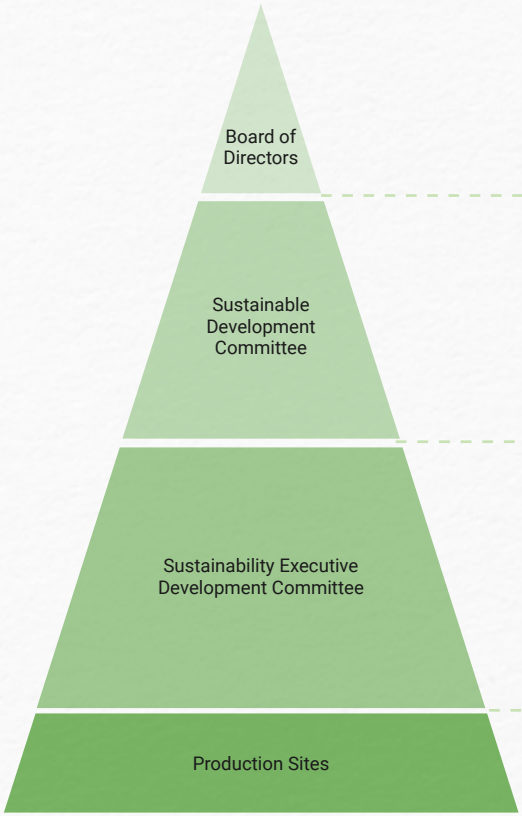
TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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

Climate Change Governance & Framework



- **Board of Directors:**
  The highest decision-making body for climate change risk management, responsible for overseeing and approving risk management policies and key risk management systems, tracking the implementation of risk management and the achievement of performance targets.
- **Sustainable Development Committee:**
  Responsible for formulating the vision, goals, policies, and strategies for sustainable development, overseeing capital expenditures required for sustainability initiatives, monitoring and guiding the execution of sustainable development activities. In 2023, the Sustainable Development Committee was upgraded to a functional committee.
- **Sustainable Development Executive Committee:**
  Headed by the President as the chairperson and composed of senior executives from all KINPO GROUP and business units as members, the Committee is tasked with overseeing issues related to climate change; identifying and regularly reviewing risks and opportunities associated with climate change; and reviewing and consolidating climate change risk management reports.
- **Production sites:**
  implement the KINPO GROUP's climate change-related strategies and actions.

Climate Change Strategy

Employing the TCFD framework, we identify climate-related risks and opportunities, analyze their potential impacts on our operations and finances, seize transition opportunities, and understand financial implications. We then develop strategies to achieve carbon neutrality, implement energy management, enhance green product design, and promote sustainable supply chain management, extending these efforts to our global operations.

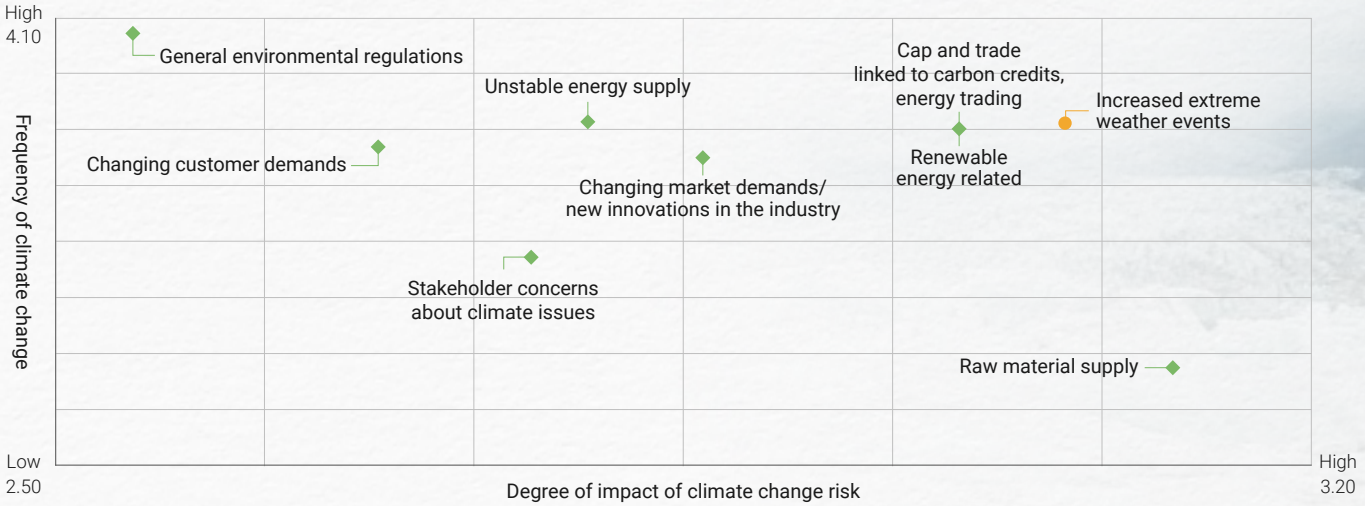
Climate Change Risk Management

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). In 2023, we strengthened identified climate risks and opportunities by consulting the classification method from the CDP Climate Change Questionnaire. This approach allows us to present our strategies for addressing risks and opportunities in a more specific and clear manner.

Climate Risk Identification Process

Make Inventory of Risks	Rank Risks in Order of Materiality	Set up Responses and Disclosures
Collect and analyze domestic and international reports and information, and complete an inventory of risk items.	Through interviews and surveys, we conducted a matrix analysis based on "frequency" and "degree of impact" to prioritize climate change risks and opportunities. We reported the results to the Sustainability Executive Development Committee.	Identify the potential risks and opportunities of climate change, and then propose appropriate management strategies and damage prevention efforts, and disclose them in the annual sustainability report.

Climate Change Risk Matrix

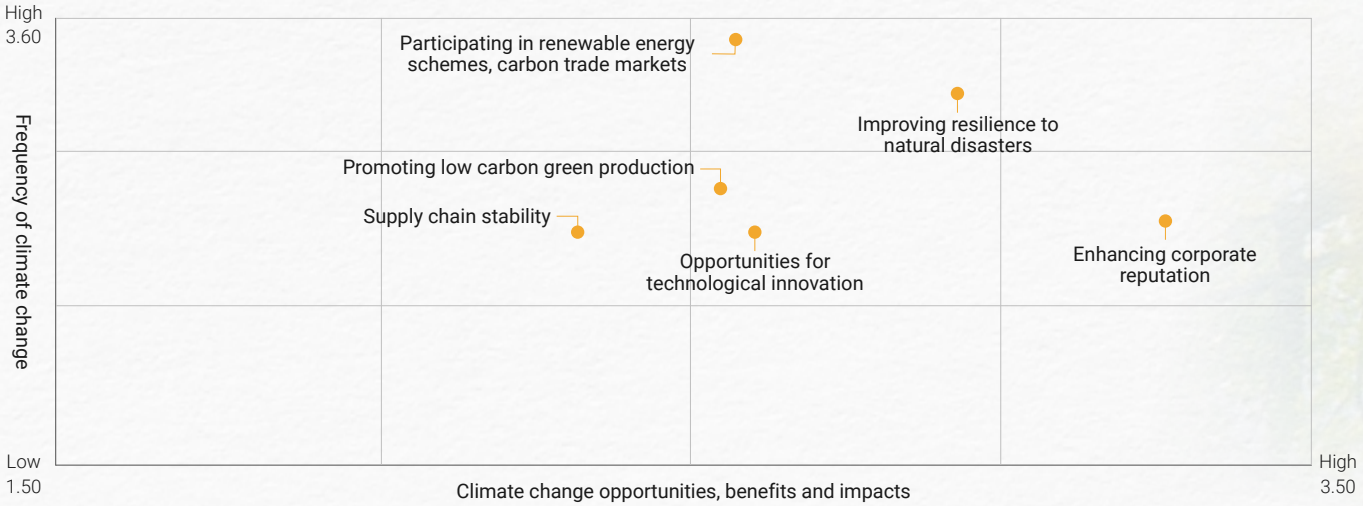


Climate Change Risk Statement

	Item	Description	Financial Impact	Coping Strategies
			Acute	
Risk Assessment Type: **Physical Risks**	Increased 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.	• Increase in operating costs • Decrease in revenue • Loss of assets	1. Establish Business Continuity Management (BCM) and develop Business Continuity Plans (BCPs) for various types of extreme weather. 2. Conduct regular emergency response plan exercises and evaluate the potential impact of extreme weather on the plant and adjust preventive measures. 3. Incorporate climate change factors into the assessment of new plants to avoid risk impacts.
			Emerging Regulation	
Risk Assessment Type: **Transition Risks**	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.	• Increase in operating costs • Increase in capital expenditure	1. 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.) 2. Set SBT targets and map out a GHG reduction pathway that meets the goal of limiting global warming to 1.5C or below. 3. 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. 4. Introduce low carbon building assessment for new buildings to lower GHG emissions. 5. Adopt internal carbon pricing and integrate carbon reduction results with operational performance indicators to accelerate the transition to a low carbon footprint.
	Renewable energy related	Tighter regulations on renewable energy in the future, increased demand in the market and additional costs.	• Increase in operating costs • Increase in capital expenditure	1. Keep an eye on the trend of renewable energy legislation and changes in the renewable energy trading market worldwide. 2. Promote energy-saving projects, adopt ISO 50001, and establish an internal energy-saving incentive mechanism to reward units for effective energy saving or R&D of energy-saving technologies to cut energy demand. 3. 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.

Risk Assessment Type	Item	Description	Financial Impact	Coping Strategies
Transition Risks	**Current Regulation**			
	General environmental regulations	Stricter general environmental regulations or specific hazardous/chemical regulations that increase environmental costs or enforce operational shutdowns.	• Increase in operating costs • Increase in capital expenditure	1. Ensure the effectiveness of environmental management through ISO 14001 following the PDCA cycle. 2. Comply with the environmental laws and regulations of government authorities at production sites. Continuously optimize pollution control equipment and introduce low-pollution raw materials to curb pollution at the source.
	Technology			
	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.	• Decrease in revenue	1. The R&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. 2. Commit to new product and technology development, such as AI-integrated products, home automation products, etc. 3. Lead supply chain partners in low-carbon transition and set supply chain carbon reduction targets to lower the carbon footprint of products.
	Market			
	Unstable energy supply	Delays in production schedules due to unstable energy supply/ transportation, government policies restricting power supply, etc.	• Increase in operating costs • Increase in capital expenditure	1. Install UPS system in the plant and regularly check it and activate it when the power is unstable or out of service. 2. Search and identify alternative energy sources suited to production activities to minimize the impact of power restrictions. 3. 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.
	Raw material supply	Higher raw material costs or insufficient supply.	• Increase in operating costs	1. Establish an alternative supply channel to diversify the sources of raw material supply to mitigate the risk of material disruption from a single supplier. 2. Regularly review supply chain supply risks and evaluate supplier alternatives.
	Changing customer demands	Customer requirements for environmental friendliness in the production process.	• Increase in operating costs • Increase in capital expenditure	1. Introduce clean energy, promote and maintain ISO 14001 Environmental Management System, QC 080000 Hazardous Substances Process Management System, ISO 50001 Energy Management System, etc. 2. Consider waste reduction and resource reuse at the design stage, and introduce environmentally friendly materials and low-pollution alternative materials. 3. Organize regular green seminars to build the environmental knowledge and capability of our staff. 4. Develop environmental friendly product design capabilities through industry-academia collaboration.
	Reputation			
	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 emissions, environmental pollution, etc.).	• Increase in operating costs	1. Strengthen the communication channels for stakeholders, such as multimedia design and interactive functions, ESG website, electronic version of the report, social media platform, etc. 2. Actively participate in international initiatives (SBT) and sustainability assessments (CDP) to publicly reveal the management and effectiveness of climate issues.

Climate Change Opportunity Matrix



Description of Climate Change Opportunities

Item	Description	Coping/Management Strategies
Resource Efficiency/Resilience		
Improving resilience to natural disasters	1. Drought and extreme heat - improving water and energy efficiency. 2. Flood - Flooding scenario analysis, managing in-plant flood risk. 3. Other natural disasters - developing crisis management procedures and build disaster preparedness and response systems.	1. Implement water and energy-saving measures and introduce the ISO 50001 Energy Management System to continuously optimize energy saving. 2. Raise the foundations or locate major process equipment on higher floors for sites at high risk of flooding or typhoons. 3. Establish Business Continuity Management (BCM) and Business Continuity Planning (BCP) for all types of extreme weather.
Resilience		
Participation in renewable energy projects, carbon trade markets	1. Enhancing energy diversification and improving energy structure. 2. Obtaining public sector incentives, participating in GHG offset programs, and carbon trading markets.	1. Implement the operation of the energy management system and cut down the electricity consumption in the production process. 2. Expand the types of renewable energy use, such as assessing the feasibility of on-site renewable energy generation at plants, and negotiating power purchase agreements with renewable energy providers. 3. Evaluate carbon trading mechanisms in various countries and channels for purchasing carbon credits.
Supply chain stability	Maintaining close cooperation with supply chain partners, enhancing supply chain sustainability and resilience, and reducing risks related to non-compliance with energy efficiency regulations, thereby lowering manufacturing costs.	1. Incorporate ESG into the supply chain evaluation items, conduct regular on-site audit/desk assessment, and track improvements for high-risk projects. 2. Assist suppliers in sustainable development guidance (e.g. GHG inventory, energy efficiency improvements, etc.) to boost the sustainability capabilities of the supply chain.

Item	Description	Coping/Management Strategies
		Products and Services
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.	• Accelerate the following measures to enhance climate change adaptation and mitigation: 1. Actively invest in green product design, energy-efficient plant management (ISO 50001), and increased use of renewable energy. 2. Strengthen plant infrastructure and introduce Business Continuity Plans (BCP). • Actively participate in external sustainability organizations such as RBA and CDP, and make stakeholders more aware of relevant actions through Kinpo's ESG website, sustainability reports, etc.
Promoting low-carbon green production	1. Improving energy efficiency to save operating costs. 2. Developing a Suppliers' Code of Conduct and implementing an evaluation mechanism. 3. Recycling raw materials and increasing the use of recycled materials.	1. Introduce product green design to improve production efficiency and establish a recycling mechanism to extend the product life cycle. 2. 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.
		Energy Source
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.	1. Increase investment in product R&D to develop innovative low-carbon products to match customer needs. 2. Develop innovative product design capabilities through industry-academia collaboration. 3. Organize regular seminars on technical innovation to enhance the knowledge and capability of our staff.

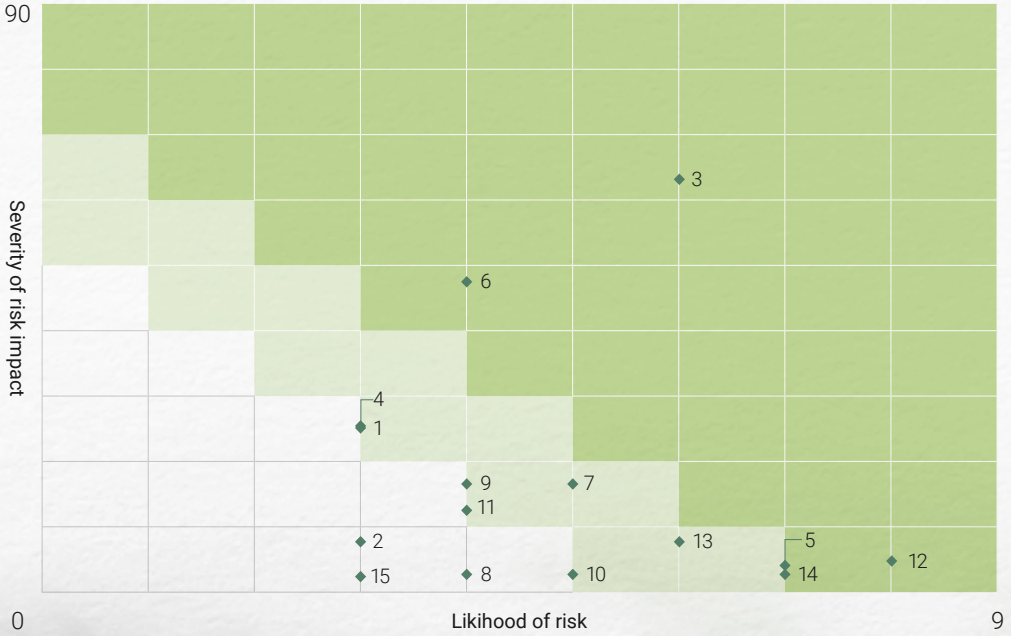
Quantitative Scenario Analysis of Physical and Transition Risk

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.
	Internal Carbon Pricing Starting in 2022, our company initiated the evaluation of internal carbon pricing. By 2023, we finalized methodologies for allocating GHG emission quotas across departments. Starting in 2024, each business unit is mandated to incorporate internal carbon fees into their monthly management statements. We gather data and estimate future decarbonization costs (e.g., renewable energy purchases) to develop the calculation formula and principles for internal carbon pricing, setting the internal carbon price at US$10 per metric ton. Moving forward, every April, we obtain the Group's total GHG emissions for the previous year; in June, we announce the carbon pricing alongside each department's allocated quota for the upcoming year; and at year-end, operational departments include internal carbon fees when preparing the budget for the following year.

2023 TCFD Implementation at Thailand Plant

In 2023, we expanded the boundary to the Thailand plant and introduced the TCFD framework there. Departments in the Thailand plant that might be affected identified potential risks and opportunities within the value chain, and assessed their frequency and impact. We then undertook a matrix analysis to prioritize material risks and opportunities, consolidated the results from all departments, and developed response strategies.

Climate Change Risk Matrix and Materiality Ranking for Thailand Plant



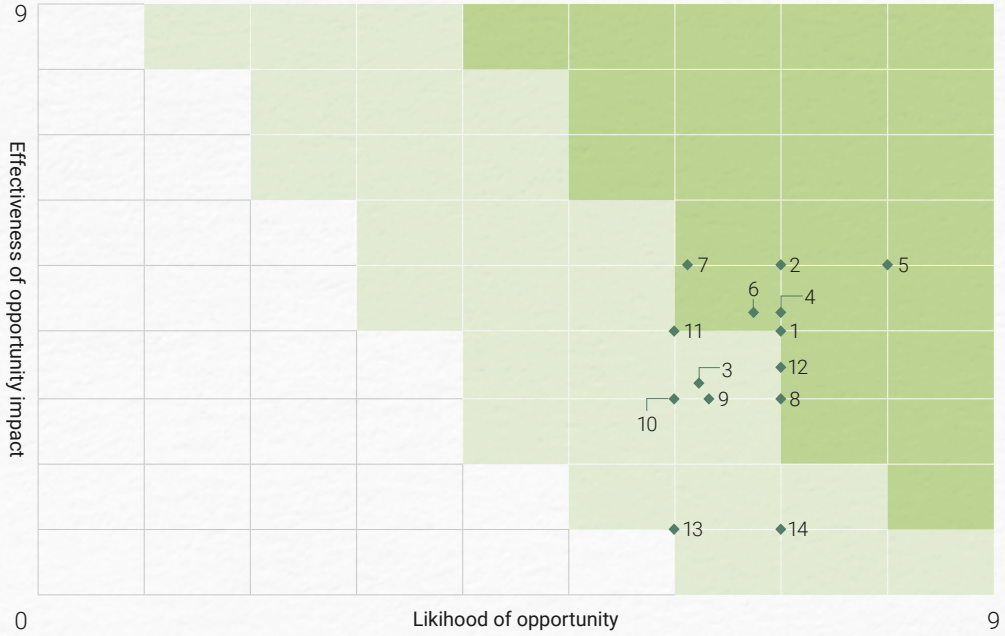
1	Rising sea level (long-term)
2	Rising mean temperatures (long-term)
3	**Increased severity of extreme weather events such as cyclones and floods (short-term)**
4	Changes in precipitation patterns and extreme variability in weather patterns (long-term)
5	Uncertainty in market signals (mid-term)
6	**Stigmatization of sector (long-term)**
7	Shifts in consumer preferences (mid-term)
8	Regulations mandating the use of renewable energy (mid-term)

9	Poor performance in Ratings (e.g., MSCI, CDP) (mid-term)
10	Mandates on and regulation of existing products and services (long-term)
11	Increased stakeholder concern or negative stakeholder feedback (long-term)
12	**Increased pricing of GHG emissions (long-term)**
13	Increased cost of raw materiasl (long-term)
14	Enhanced emissions-reporting obligations (long-term)
15	Changing consumer behavior (long-term)

Climate Change Risk Description for Thailand Plant

	Item	Risk Description	Impact of Risk	Coping Strategies
	Acute			
Risk Assessment Type: Physical Risks	Increased severity of extreme weather events	Natural disasters such as heavy rain and floods may hinder employees from commuting to work, causing operational disruptions at the plant.	• Short-term: Increased raw material costs, higher operational costs • Mid-term: Direct loss of assets and property, infrastructure failures • Long-term: Supply chain disruptions	1. Arranging shuttle buses for employees during the rainy season to ensure safe commuting. 2. Conducting weather monitoring and adjust production plans to avoid delays in product delivery. 3. Embedding Business Continuity Management (BCM) concepts among employees and developing business continuity planning (BCP) for various extreme weather events, with regular BCP drills.
	Policy and Regulations			
Risk Assessment Type: Transition Risks	Increased pricing of GHG emissions	Currently, Thailand has not implemented mechanisms such as carbon taxes or carbon trading to reduce GHG emissions. However, it may align with international trends and adopt carbon pricing mechanisms in the future.	• Short-term: Banks may adjust interest rates based on GHG reduction efforts, increasing borrowing costs. • Mid-term: Access to funding may become more difficult. • Long-term: Expansion of the Company may become more challenging.	1. Introducing ISO 14064 and conduct GHG inventories, setting emission reduction targets in line with the headquarters' Science-Based Targets (SBT). 2. Implementing internal carbon pricing. 3. Purchasing carbon credits to offset emissions shortfalls. 4. Evaluating renewable energy sources and seeking alternative renewables to reduce carbon emissions.
	Reputation			
	Stigmatization of sector	Due to the characteristics of the industry, it may be perceived as environmentally harmful, affecting the Company's reputation and reducing demand for its products and services, resulting in revenue decline. Negative perceptions may also decrease investor confidence and interest.	• Short-term: Decreased investor confidence and interest. • Mid-term: Difficulty attracting new customers, augmented regulatory scrutiny. • Long-term: Loss of existing and potential customers.	1. Enhancing measures for GHG emissions management, energy management, and environmental management. 2. Publicly disclosing environmental information to boost stakeholder confidence in the Company. 3. Strengthening stakeholder communication to clarify the Company's vision and diverse protective policies, boosting investment willingness.

Climate Change Opportunity Matrix and Materiality Ranking for Thailand Plant



1	**Use of supportive policy incentives**
2	**Use of recycling**
3	Use of public-sector incentives
4	**Use of new technologies**
5	**Use of more efficient production and distribution processes**
6	**Use of more efficient modes of transport**
7	**Use of lower-emission sources of energy**
8	Shift toward decentralized energy generation
9	Shift in consumer preferences
10	Resource substitutes/ diversification
11	Reduced water usage and consumption
12	Participation in renewable energy programs and adoption of energy-efficiency measures
13	Development of new products and services through R&D and innovation
14	Development and/or expansion of low-emission goods and services

Climate Change Opportunity Description for Thailand Plant

Item	Description	Response Strategies
Resource Efficiency		
Use of Recycling	Reducing energy and resource usage by establishing recycling systems.	• Reviewing various types of industrial waste, increasing the recycling of waste materials, promoting the use of substitutes, and reducing energy and resource consumption in product manufacturing processes. • Expanding the scope of recycling and increase the use of renewable energy. • Developing recycling plans for various industrial wastes, continuously reducing the use of non-renewable energy.
Use of More Efficient Production and Distribution Processes	Implementing more efficient production and distribution processes to cut energy and resource usage and lower operating costs.	• Continuously optimizing processes to improve production efficiency. • Introducing energy management (ISO 50001) in the plant to cut down energy consumption and save costs.
Use of More Efficient Modes of Transport	Adopting efficient transportation processes to boost energy and resource efficiency and lower operating costs.	• Utilizing low-carbon transportation methods, such as electric vehicles, to reduce energy consumption in goods transport. • Increasing cargo load per trip to lower transportation costs.

Item	Description	Response Strategies
Energy Source		
Use of New Technologies	Introducing new technologies to reduce processing time and increase production yield.	• Adopting new technologies to enhance efficiency and cost savings. • Adopting green design to improve process efficiency and enhancing market competitiveness.
Use of Supportive Policy Incentives	Participating in relevant incentive policies to qualify for subsidies for equipment changes.	• Evaluating the replacement of energy-consuming equipment to reduce energy consumption.
Use of Lower-emission Sources of Energy	Anticipating regulatory and stakeholder expectations ahead of time to minimize the potential impact of power rationing.	• Evaluating the feasibility of on-site renewable energy development at the plant, expanding the use of renewables, improving the energy mix, and diversifying energy usage.

Climate Change Metrics and Targets

1. We regularly assess the potential for flooding and develop preventive measures.
2. **GHG emissions baseline**: By 2023, Kinpo achieved 100% GHG coverage, with ISO 14064 Validation and Verification obtained across all its plants.
3. **GHG reduction targets**: The Company set science-based short-term goals; submitted goal commitment letter in 2022; and expected to present goals and achieve approval by Q1 2024. Its medium to long-term goal is carbon neutrality.
4. **Energy conservation and energy creation**: Kinpo enhances energy conservation through ongoing energy improvement initiatives. By 2023, all 12 of its global plants achieved ISO 50001 certification for Energy Management Systems. The Company conducts feasibility studies for onsite renewables projects at its global sites, actively negotiating power purchase agreements with renewable energy suppliers. In 2023, Kinpo recorded a global renewable energy utilization rate of 7.8%, with strategies in place to further increase this percentage.
5. **Strengthened communication with stakeholders**: We participated in the international organization CDP rating and received a B in 2022 and a B- in 2023, indicating that our climate change management is gradually gaining external recognition.
6. **Green product design**: In 2023, Kinpo implemented 10 green design projects resulting in a total reduction of 40,779.0 tCO_2e, saving 50,688 kWh of electricity, and reducing material weight by 15,179.5 metric tons.
7. **Enhancing supply chain sustainability and resilience**: Kinpo completed risk assessments for 60 critical suppliers in 2023.

5.2 GHG Management

At the 26th United Nations Climate Change Conference (COP26), countries reached the Glasgow Climate Pact, aiming to limit global warming to 1.5°C. Kinpo participated in the Science-Based Targets initiative (SBTi) in 2022 and set a target to reduce emissions by 55% in 2033 compared to 2022, in support of the Glasgow Climate Pact. The Company has calculated the required emission reductions and intensity based on SBTi guidelines and plans to submit its science-based targets in March 2024 for SBTi approval.

To achieve the science-based reduction targets, we are implementing the following measures:

Establishing a Group GHG Emission Baseline

We are conducting GHG inventories across all our global sites, achieving 100% coverage of emissions since 2022. These inventories have been verified by a third party according to ISO 14064 standards to ensure data reliability.

▲ Factory 1 Roof

▲ Factory 3 Roof

▲ Cafeteria Roof

2020-2023 GHG Emissions by Site

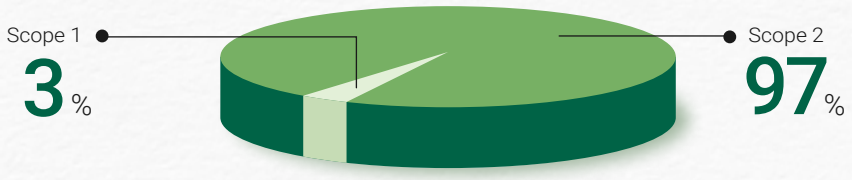
In 2023, verified GHG emissions were as follows: Scope 1 emissions were 4,871.1354 tons CO2e, accounting for 3% of total emissions, while Scope 2 emissions were 170,247.1656 tons CO2e, accounting for 97% of total emissions. Due to the introduction of the ISO 50001 Energy Management Systems and the consolidation of production processes, total GHG emissions (Scope 1 and Scope 2 combined) in 2023 decreased by 27% compared to 2022. Additionally, with ongoing efforts to promote energy-saving initiatives aimed at improving energy efficiency and increasing the proportion of renewable energy sources, the GHG emission intensity in 2023 was 1.10 tCO2e/Million dollars, reflecting a 17% reduction compared to 2022.

(Unit: NT$ million)

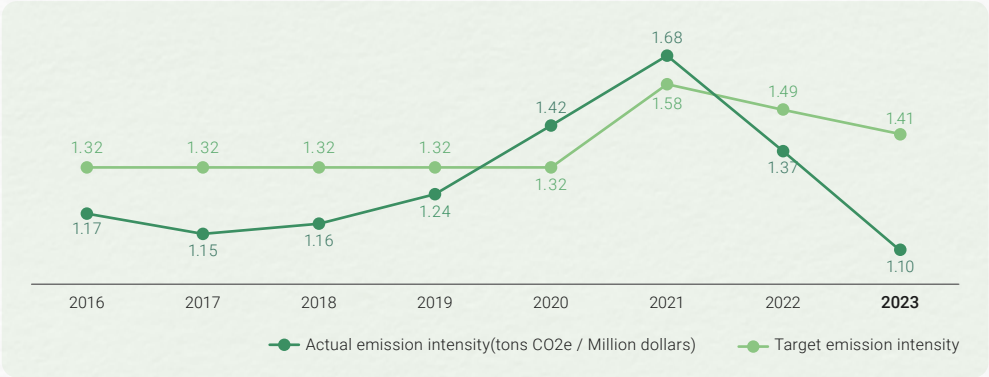
Sites / Scopes	2020			2021			2022			2023		
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Taiwan*	199	1,863	2,062	310	2,319	2,629	380*	2,294*	2,674*	289.1774	1,777.9986	2,067.1760
China	1,094	76,363	77,457	1,143	61,179	62,321	580	50,051	50,631	421.8600	33,011.0400	33,432.9000
Thailand*	2,777	59,196	61,973	1,416	81,883	83,299	1,604	93,310	94,914	1,364.0200	70,960.6400	72,324.6600
Philippines	1,197	29,729	30,925	4,463	71,257	75,720	2,983	79,320	82,303	1,839.3500	57,490.2800	59,329.6300
Malaysia	-	-	-	57	5,137	5,194	188	5,314	5,502	246.3700	5,449.3700	5,695.7400
Brazil	209	7,274	7,483	141	2,548	2,690	708	0	708	530.6180	5.3870	536.0050
Mexico	120	2,601	2,721	560	2,115	2,675	1,305	2,040	3,345	179.1900	1,316.0900	1,495.2800
USA	-	-	-	2	237	239	1	224	225	0.5500	236.3600	236.9100
Total	5,596	177,026	182,622	8,092	226,675	234,767	7,749*	232,553*	240,301*	4,871.1354	170,247.1656	175,118.3010

* Kinpo's 2022 Sustainability Report disclosed a total GHG emission of 248,116 tonnes CO2e for the year 2022. After third-party ISO 14604 verification, the scope 1 emissions for the Taiwan headquarters were corrected to 380 tonnes CO2e, and scope 2 emissions to 2,294 tonnes CO2e, totaling 2,674 tonnes CO2e. Thus, the revised total GHG emissions for 2022 were 240,301 tonnes CO2e.
* For the Taiwan headquarters, scope 1 and scope 2 emissions in 2023 decreased by 22.70% compared to 2022.
* The Thailand sites include Cal-Comp Electronics (Thailand) Public Company Limited (CCET) and Cal-Comp Precision Thailand. In 2022, the combined Scope 1 and Scope 2 emissions for CCET were 78,488 tonnes of CO2e. In 2023, the emissions decreased to 60,551.42 tonnes CO2e, marking a reduction of 22.85% compared to 2022.

2023 GHG Emission Breakdown by Scope



GHG Emission Intensity



*For Cal-Comp Electronics (Thailand) Public Company Limited (CCET), the GHG emission intensity was 23.13 tonnes CO2e/ Million dollars in 2022. In 2023, it decreased to 18.69 tonnes CO2e/Million dollars, representing a 19.18% reduction from 2022.

2023 Scope 3 GHG Emissions

We conducted the Scope 3 GHG inventory based on the principles of the GHG Protocol Scope 3, and identified significant indirect emission sources by evaluating factors such as materiality, impact, data availability, and accuracy. Significant indirect emissions were then included in the inventory scope based on these assessments. In 2023, we validated and verified three Scope 3 emission sources with employee commuting, business travel, and operational waste. Total emissions amounting to 264,271.7790 metric tons, operational waste constituted the highest GHG emissions, followed by employee commuting.

Sources of GHG Emissions	GHG Emissions (tonnes CO_2e)
Employee Commuting	34,701.1134
Business Travel	1,502.4082
Operational Waste	228,068.2574
Total	**264,271.7790**

In 2024, we will also increase the calculation and verification of purchased goods and services, upstream/ downstream transportation and distribution, and use of sold products for the Scope 3 emissions. We will gradually increase the Scope 3 emissions inventory categories by international standards, and improve the transparency of carbon information disclosure, as the foundations of energy-saving and carbon reducing measures.

Implementing Scientific Methods

2021 Planning Phase	2022 Adjustment Phase	2023 Set Reduction Targets	2024 Validate Reduction Targets
• SBT Education and Training • Establish Organizational Boundaries • Implement ISO 14064 Certification	• Significant Scope 3 Emission Identification • Develop Reduction Pathways • Submit SBT Commitment Letter	• Quantify Reduction Targets • Conduct Scope 3 Inventory	• Establish SBT Targets • Achieve Approval for SBT Targets • Stakeholder Communication

Developing Carbon Reduction Initiatives

In response to evolving industry structures and technological trends, companies must continually innovate for sustainable operations. As a responsible corporate citizen, Kinpo promotes effective GHG reduction through the following measures:

- **Enhancing Energy Efficiency**: We continue to implement energy-saving and carbon-reducing measures across our plants, such as process optimization and upgrading or replacing high-energy-consuming equipment. In 2023, we introduced the ISO 50001 Energy Management Systems to systematically advance energy-saving projects.
- **Developing Renewable Energy**: We are expanding our renewable energy generation/use through self-generation or power purchase agreements (PPAs). By 2023, the share of renewable energy had increased to 7.8%.
- **Internal Carbon Pricing**: To accelerate the transition to a low-carbon economy, we have implemented internal carbon pricing. This pricing helps us manage the costs of reducing GHG emissions needed to achieve our carbon neutrality goals. In 2022, our Sustainable Development Executive Committee approved an internal carbon price of US$10 per tonne of CO2e. We piloted this pricing for a year in 2023 to guide investment, operational transformation strategies, and major decision-making. We will continue to adjust the internal carbon price as needed to effectively achieve our carbon neutrality goals.
- **Carbon Asset Management**: To achieve our long-term net-zero emissions goal, we invest in new carbon removal technologies and purchase carbon credits to offset residual GHG emissions. Early planning in carbon asset management helps mitigate operational risks associated with emissions.

5.3 Energy Management

KINPO GROUP Energy Policy

We are committed to managing and improving energy efficiency to achieve the goal of sustainable development. To this end, we commit to provide the necessary resources to implement this energy policy.

- **Comply with regulations** : Comply with government energy regulations and other relevant requirements, and abide by energy-related voluntary commitments.
- **Reduce energy consumption** : Commit to saving energy and improving energy efficiency, support the procurement of energy-saving products and services, and use renewable energy.
- **Continuous improvement** : Regularly review and improve energy efficiency, and ensure the realization of goals through the setting and tracking indicators.
- **Strengthen communication** : Promote energy-saving education and training, enhance employees' energy-saving awareness, establish good communication channels, and continue to convey the Group's energy policies to stakeholders.

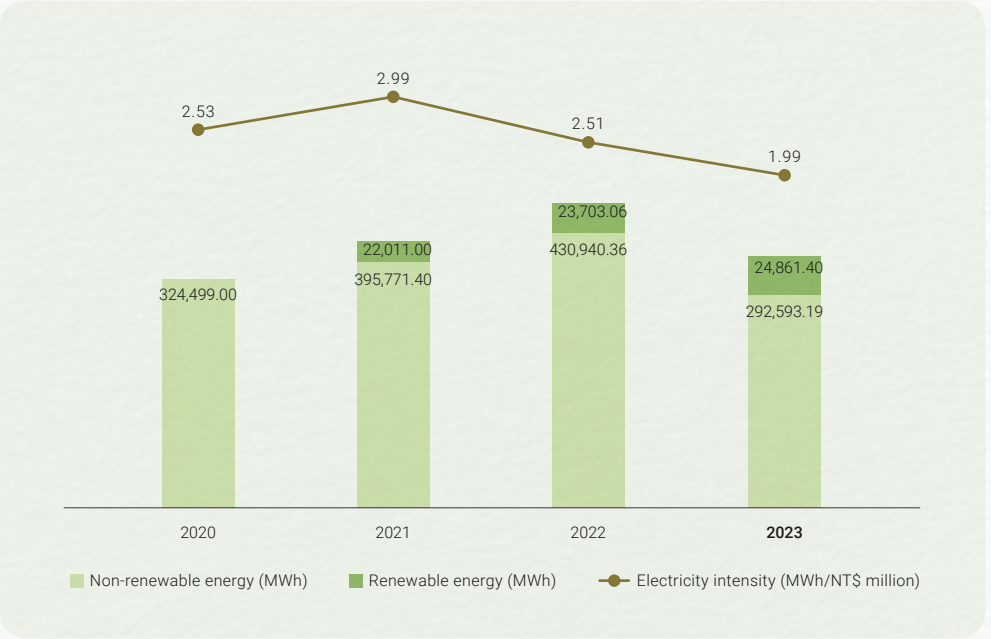
KINPO GROUP shall regularly review and update the energy policy to ensure its continued effectiveness and compliance with the Group's sustainable development goals.

We continuously promote energy management strategies by introducing the ISO 50001 Energy Management Systems to reduce our own energy consumption, enhance energy efficiency, and increase staff awareness of energy conservation. By the end of 2023, a total of 12 plants were certified under the ISO 50001 Energy Management Systems. The headquarters established a 1% electricity consumption reduction per year to comply with Taiwan's regulations. In 2023, the headquarters reduced by 11.6% electricity consumption compared with the past year, over the reduction target.

Cutting Energy Consumption	Boosting Energy Efficiency	Heightening Staff Awareness of Energy Savings
• 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)	• Equipment automation • Upgrading equipment performance • Raising production yields	• Environmental education courses • Energy saving and carbon reduction presentation sessions

In 2023, Kinpo's energy use was predominantly electricity (96.45% of company-wide energy use), with very low usage of natural gas, LPG, motor gasoline and diesel (less than 4%). Our total electricity consumption in 2023 was 317,454.60 MWh, with 137,188.82 MWh lower than in 2022 (decreased 30%), and our electricity intensity decreased by approximately 21% compared to the previous year. We also continue to plan for increased investment in renewable sources, with renewable energy use growing to 5% of total electricity consumption in 2023 against 2022. (For more details on energy consumption, please refer to Appendix - Environmental Sustainability Indicators)

Electricity Consumption and Intensity of Use for the Last 4 Years



Kinpo prioritizes energy management to decrease energy demand and increase renewable energy usage, aiming towards RE100. Current initiatives include assessing and implementing onsite renewable energy globally, negotiating power purchase agreements with renewable energy providers, and purchasing renewable energy certificates. In 2023, we purchased 2 certificates, accounting for 4.1% of electricity use, contributing to a total of 7.8% from renewable sources.

Low-carbon Energy Categories	2022		2023	
	Electricity Consumption (MWh)	Usage percentage (%)	Electricity Consumption (MWh)	Usage percentage (%)
Onsite Renewable Energy	2,538.93	0.6%	11,182.21	3.5%
Power Purchase Agreements	1,735.13	0.4%	751.19	0.2%
Renewable Energy Certificates	19,429.00	4.3%	12,928.00	4.1%
Total	23,703.06	5.2%	24,861.40	7.8%

5.4 Biodiversity

The World Economic Forum's "Global Risks Report 2023" reveals that environmental risks dominate 6 out of the top 10 global risks over the next decade. The top four risks are all related to environmental concerns, including failure to mitigate climate change, failure of climate-change adaption, natural disasters and extreme weather events, and biodiversity loss and ecosystem collapse. Besides climate change, the loss of biodiversity presents significant risks to ecosystems, species, and genetics. Both climate change abatement and biodiversity protection are critical areas of focus. In 2023, Kinpo began to address biodiversity concerns and plans to develop a Biodiversity Policy in 2024 for presentation to the Board of Directors. We will also adopt the Taskforce on Nature-related Financial Disclosures (TNFD) framework for risk identification and disclosure of our actions related to nature.

Biodiversity Management and Promotion

Internally, we have organized biodiversity education training sessions, inviting Dr. Chi, Meng-jou, Secretary-General of the Taiwan WildOne Wildlife Conservation Association, to speak to employees on "Biodiversity - Our Natural Home". The talk explored current biodiversity threats, the impact of biodiversity on our daily lives, environment, and economy, and the importance of biodiversity protection, aiming to raise employees' awareness of biodiversity. Externally, we are actively aligning with domestic and international initiatives. We have become a member of the TNFD and keep up with international trends by participating in industry expert courses to gather the latest information (as detailed in the table below). We are also monitoring the UN's 15th Biodiversity Conference of the Parties (COP15) and the Kunming-Montreal Global Biodiversity Framework. We are building our knowledge to prepare for ecosystem dependency and impact analysis in 2024, aiming to identify optimal solutions for achieving harmony between business and nature.

Course Titles	Organizers
Nature in Growth Series	PwC Taiwan and PwC Taiwan Sustainability Services
SinoPac ESG Forum: Building Financial Resilience with Natural Capital	Taiwan Business Council for Sustainable Development (BCSD Taiwan)
Progress of the Convention on Biological Diversity and Corporate Involvement	Delta Electronics Foundation
2023 Taiwan Biodiversity Forum (TWBF)	Forestry and Nature Conservation Agency, Ministry of Agriculture and Taiwan Institute for Sustainable Energy (TAISE)

Biodiversity Risks

At the end of 2022, the Kunming-Montreal Global Biodiversity Framework emphasized that the private sector should manage and disclose biodiversity-related risks to ensure sustainable production practices. Kinpo plans to establish a natural risk management and disclosure framework by adopting the TNFD. This will involve gradually identifying, assessing, managing, and disclosing dependencies, impacts, risks, and opportunities related to nature. We will also continue to analyze and evaluate methodologies to actively address global biodiversity goals. The 4 core components of TNFD - Governance, Strategy, Risk and Impact Management, and Metrics and Targets - are outlined as follows.

1. Governance and Strategy

The highest oversight body for nature-related risks and opportunities is the Sustainable Development Committee. The Sustainable Development Office is responsible for analyzing and assessing nature-related frameworks (TNFD, SBTN), delving into how biodiversity issues are addressed at Kinpo, and leading internal projects. Additionally, the office plans to revise the "KINPO GROUP Suppliers' Code of Conduct" to include biodiversity requirements, with the goal of collaborating with suppliers to reduce dependence on and impacts to critical natural capital.

2. Risk and Impact Management

- **Identification and Assessment**: Using the natural-related data tool catalog provided by TNFD, we employ Encore for dependency and impact analysis. Kinpo's main production activity is electronic product assembly. We have a moderate reliance on surface water and groundwater, and a low reliance on the atmospheric and ecological dilution effects. Regarding impacts, since the production process mainly involves assembly and most of the water used is for domestic purposes, the impact on water pollution is low. Additionally, solid waste is generated during production, representing a moderate impact.
- **Evaluation**: Based on the analysis, the corresponding natural-related risks are as follows:

Risk Category	Description	Coping Strategies
Physical Risks	Water scarcity disrupts supply chain deliveries and causes material shortages.	Incorporate natural-related risk indicators into supply chain evaluations.
	Waste disposal causes land pollution, habitat destruction, and reduction in arable land for food crops, which affects pollination and reduces the availability of certain plant species.	Reuse waste materials to save resources.
Transition Risks	Increasingly stringent GHG emission standards.	Set carbon reduction targets according to SBTi methodologies to minimize environmental impact.

3. Metrics and Targets

By 2024, we plan to establish a natural risk management and disclosure framework through the implementation of TNFD. This will involve gradually developing metrics and targets to manage and disclose dependencies, impacts, risks, and opportunities related to nature. We will also continue to analyze and assess methodologies to respond to global biodiversity goals with concrete actions.

Biodiversity Promotion Plan

Leveraging our experience with TCFD climate-related financial disclosures, KINPO GROUP will extend its focus from climate to nature, examining how its operations depend on and impact natural issues and assessing the risks associated with these issues. We will also explore opportunities presented by natural issues and prepare steps for LEAP. Considering the financial impacts of nature-related risks and opportunities, we will integrate climate and nature-related financial considerations into our organizational decision-making through strategic planning and management.

06

Partnerships

P.66 6.1 Customer Demand Management

P.67 6.2 Customer Satisfaction Survey

P.70 6.3 Restricted Substance Management

P.71 6.4 Responsible Mineral Management

P.72 6.5 Sustainable Supply Chain Management

6.1 Customer Demand Management

Kinpo focuses on customer needs by consolidating ESG issues that customers may be concerned about based on international trends and external ratings. We also compile information on initiatives customers participate in, such as the Carbon Disclosure Project (CDP), Science-Based Targets initiative (SBTi), RE100, carbon neutrality goals, etc. We conduct sustainability surveys among key customers to assess their concerns across these issues. Customers rate their level of concern for each issue, and we rank these issues based on their scores. We then categorize issues into five levels: Very High Concern, High Concern, Moderate Concern, Low Concern, and Not Concerned, based on defined score ranges.

Customer Concern Rating Levels and Ranges

Level	Score Range
Very High Concern	96-100 points
High Concern	91-95 points
Moderate Concern	86-90 points
Low Concern	81-85 points
Not Concerned	0-80 points

Customer Concerns in 2023

In 2023, Kinpo administered its first customer sustainability survey, identifying 5 issues of Very High Concern and 6 issues of High Concern after ranking. These included 3 environmental, 2 social, and 6 governance issues. There was overlap between customer concerns and the Company's identified material topics, all of which currently have corresponding response measures. The survey achieved a 68% response rate in 2023.

Levels of Concern	Issues of Concern	Content and Dimensions	Kinpo's Coping Strategies	Corresponding Report Sections
Very High Concern	Sustainable Supply Chain	Suppliers' Code of Conduct, Supplier Sustainability Screening, Critical Supplier Management, Supplier Sustainability Risk Management/Audits	Implementing sustainable development issues in supplier management, auditing critical suppliers, and actively tracking improvement.	6.5 Sustainable Supply Chain
	Quality Control	Quality Control Systems, Continuous Improvement, Customer Relationship Management, Product Recall	Establishing a sustainable quality management system through various quality management certifications, conducting regular training to ensure the delivery of top-quality products and services.	4.3 Quality Management
	Occupational Health and Safety	Occupational Health and Safety Management Policy/Mechanism/ Risk Assessment, Risk Improvement Measures, Education and Training, Health Management/Promotion	Establishing an ISO Occupational Health and Safety Management Systems, promoting environmental and occupational health and safety education and training to raise employee EHS awareness.	7.5 Employee Health
	Ethical Management	Code of Conduct, Anti-corruption, Anti-competitive Behavior	Developing internal regulations tailored to different stakeholders, ensuring ethical management policies and compliance with relevant laws.	3.2 Ethical Management and Regulatory Compliance
	Climate Strategy	Climate Change Strategy, Climate Risk Assessment, Financial Impact Assessment of Climate Change, Physical Risk Adaptation, GHG Management, Net Zero Carbon Emission Goals	Actively supporting international initiatives and national policies, identifying risks and crises from climate change, enhancing climate resilience, and minimizing financial impacts.	Chapter 5 Environmental Sustainability

Levels of Concern	Issues of Concern	Content and Dimensions	Kinpo's Response Strategies	Relevant Sections
High Concern	Information Security	Cybersecurity Governance, Cybersecurity Management Framework / Processes / Targets / Indicators, Management of Cybersecurity Incidents	Continuously improving internal management with high standards, obtaining ISO information security certification, and ensuring information stability and security in compliance with regulations.	3.4 Information Security Management
	Energy Management	Energy-Saving Strategy, Energy Efficiency Improvement/Energy Consumption Reduction, Use of Renewable Energy	Introducing the ISO 50001 Energy Management Systems to enhance energy system operations and ensure effective energy management.	5.3 Energy Management
	Innovation Management	Collaborative Innovation with External Units, Innovation in Products/Services, Innovation in Operational Processes	Adopting a product lifecycle management system to reduce environmental footprints from the design stage, using sustainable materials throughout manufacturing, packaging, and transportation to minimize environmental impact.	4.1 R&D and Green Design
	Product Liability	Sustainable Design Indicators for Products/Services, Product Life Cycle Impact Assessment, Product Resource Use Efficiency, Commitment to Managing Harmful Substances in Products	Honoring commitments regarding restricted substances and responsible minerals management, organizing regular education and training to ensure product compliance with regulations.	4.3 Quality Management
	Waste Management	Waste Reduction/Recycling, Use of Recycled Materials, Waste Disposal, Reduction of Hazardous Waste, Reduction of Landfilled Waste	Managing waste classification and disposal methods according to GRI standards to cut waste generation.	Appendix - Environmental Sustainability Indicators
	Diversity and Inclusion	Diversity in Talent Recruitment/Local Representation/Ethnic Integration, Employee Diversity Dialogue	Establishing comprehensive human rights and labor management policies, fostering a diverse, inclusive, and supportive workplace, and complying with relevant local regulations and international human rights conventions.	7.1 Human Resource Management Policy

Customer Participation in International Initiatives

Responding to international trends, Kinpo tracks whether our customers participate in international initiatives. From the returned questionnaires, 29% of customers participate in the Carbon Disclosure Project (CDP), with 3 customers achieving Leadership grade(A). Additionally, 22% of customers have joined the Science-Based Targets initiative (SBTi), 7% are part of RE100, and 22% have committed to carbon neutrality.

Going forward, we will continue to monitor issues our customers are concerned about, regularly administer surveys on these topics, and publicly disclose the results and our responses. Additionally, we will stay attuned to customer requirements for Scope 3 carbon neutrality and observe SBTi requirements by annually disclosing the carbon emissions and reduction measures for our materials and products.

6.2 Customer Satisfaction Outcomes

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.

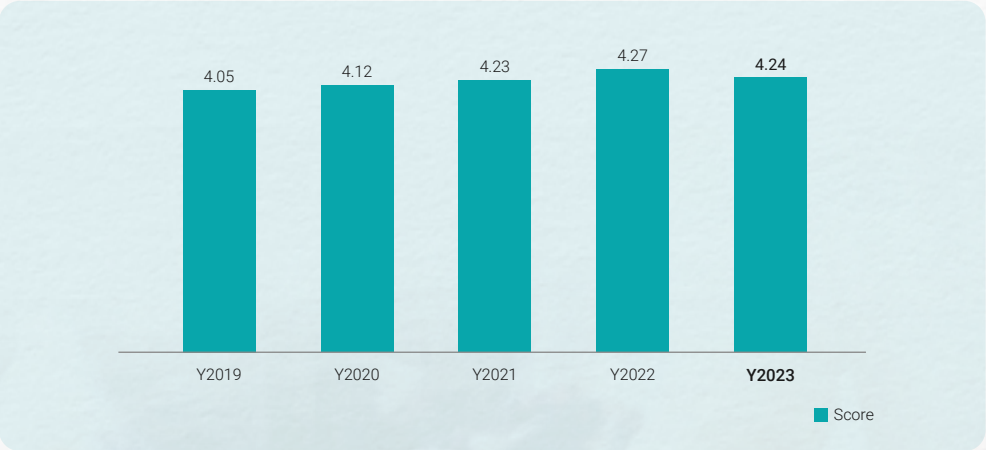
Kinpo's Customer Satisfaction Survey Process

1. Each unit assigns relevant staff to analyze the data
2. Each unit identifies the causes and solutions to improve
3. Collect customer satisfaction data from various business groups per customer satisfaction survey guidelines
4. Conduct internal process improvement within the deadline based on the feedback received
5. Continually track the results of strategy implementation
6. Conduct satisfactory performance audits at management review meetings attended by senior executives

Customer Satisfaction Survey Outcomes

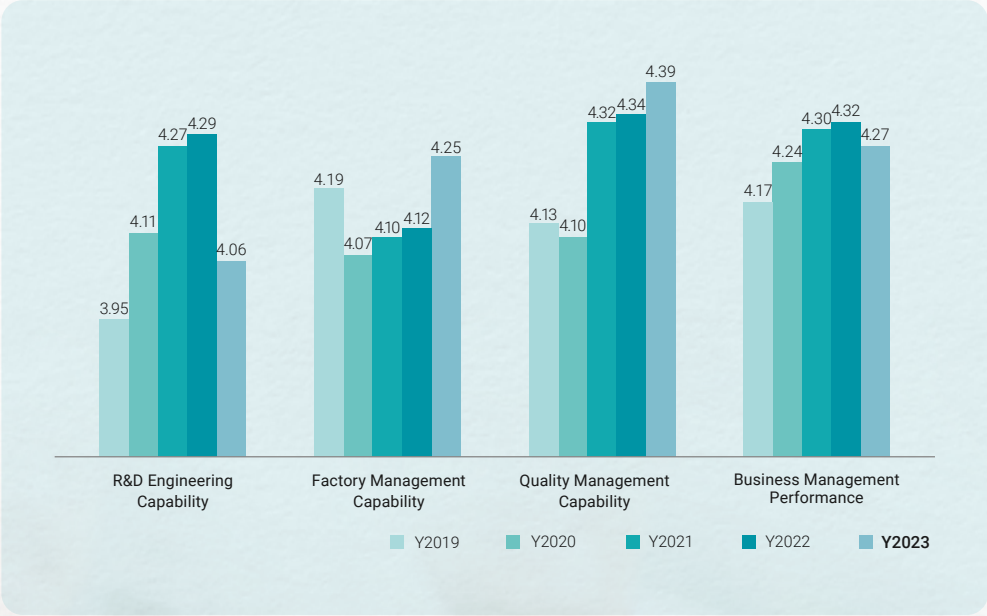
We maintain a close partnership with our customers and provide genuine responses to customer satisfaction, with a 100% response rate to our customer satisfaction surveys for 3 straight years from 2021 and 2023. In the 2023 Customer Satisfaction Survey, we administered the questionnaire to 32 respondents and conducted QBRs with 9 customers, of which the average satisfaction score was 4.24, above the target value of 4, while in the customer QBR survey, 8 respondents outperformed the 2022 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	Excellent	Good	Fair	Poor	Bad
Score	5	4	3	2	1

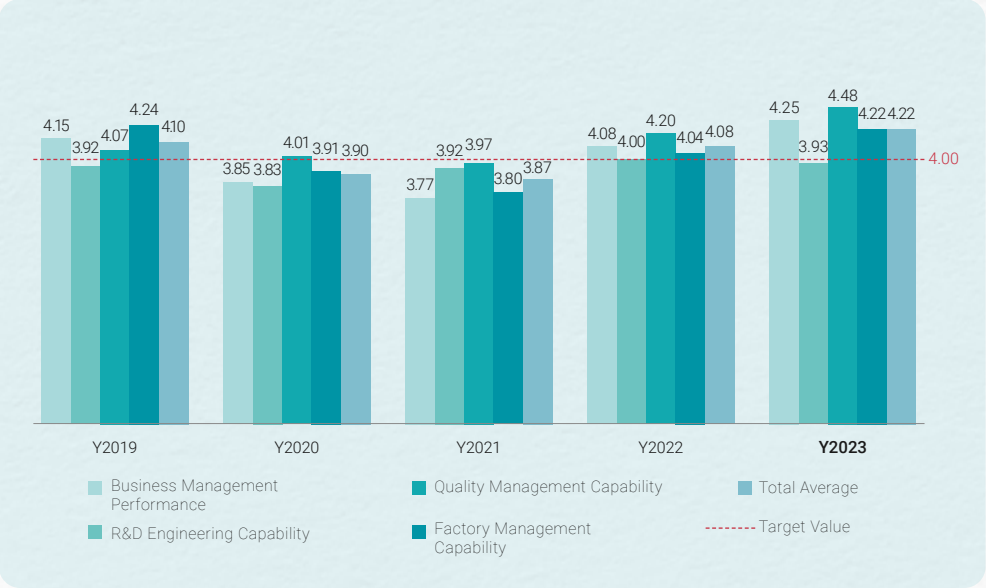


Average Scores of the 4 Capability Indicators in Recent Years

Compared to 2022, 2 performance indicators saw an uptick: factory management capabilities grew by 2.67%, and quality management capabilities rose by 1.64%. However, 2 indicators showed slight decreases: R&D engineering capabilities dropped by 5.03%, and business management performance declined by 1.46%. For lower-scoring items, the business units will implement continuous improvement measures.

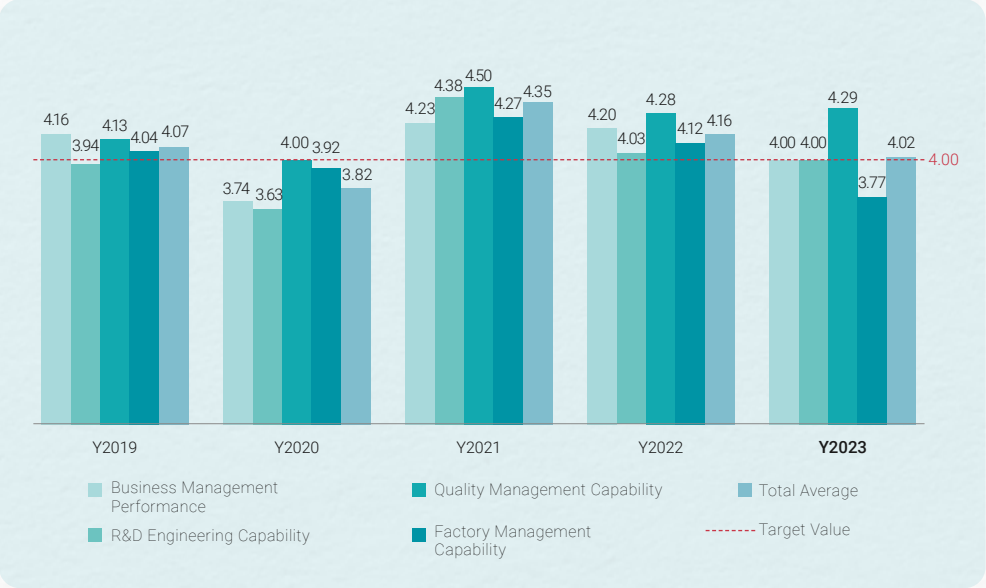


Customer Satisfaction Survey-Product Category (Netcom)

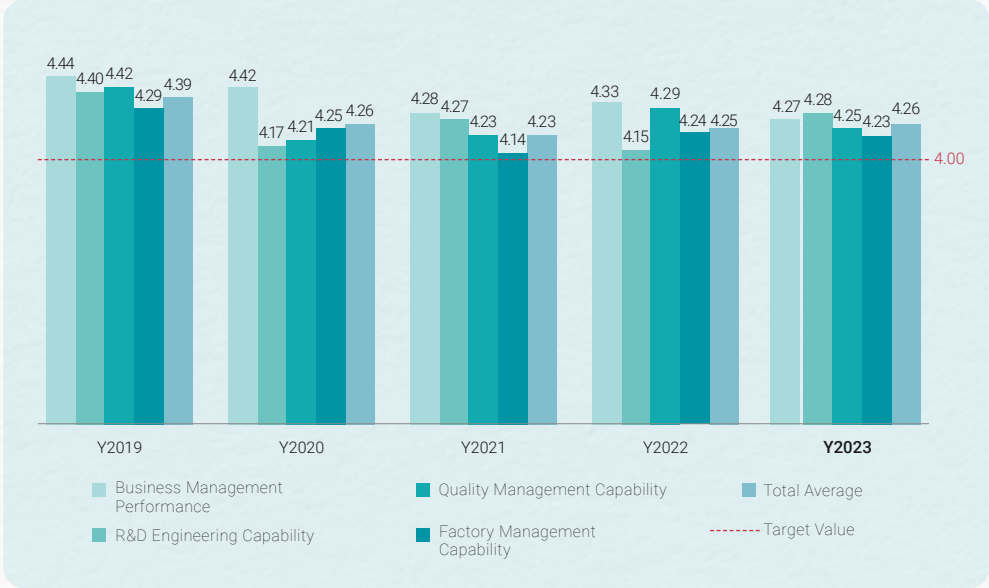


Customer Satisfaction Survey-Product Category (Computer)

Customer Satisfaction Survey-Product Category (Storage)



Customer Satisfaction Survey-Product Category (Printing)



6.3 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, EU POPs, California Proposition 65, 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 2023.

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 Suppliers' 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 ensure that suppliers provide parts and products that meet the Company's or customers' Hazardous Substances (HS) standards, Kinpo developed the Green Product Management (GPM) system aimed at systematically managing green supply chain risks. Suppliers can directly submit HS declarations and test reports via the platform, accelerating parts compliance reviews, enabling more efficient supply chain management, and keeping track of the status of parts in compliance with international regulations. The system also allows for the selection of capable suppliers that can consistently provide electronic and mechanical components that meet specifications, produce green products, and increase international customer satisfaction and trust. To continuously optimize the system for ease of use and real-time operation, increase customer satisfaction, and lessen green compliance risks, Kinpo collaborates with third-party chemical laboratories SGS and CTI to develop a cloud-based third-party test report link. By entering partial information of the test report into the GPM system, suppliers can automatically download the report and its content from the laboratory's cloud link into the GPM. The system then automatically checks HS compliance, shortening the time suppliers spend uploading reports and filling in test data, preventing errors, and saving time for staff reviewing reports, thus creating a win-win situation. Additionally, it links to the Product Lifecycle Management (PLM) system, overseeing the quality and timeline throughout the product lifecycle, integrating current management mechanisms and information systems to establish a product information management platform, and enhancing a company's 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 plant 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.

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, the Company overcomes geographical and pandemic limitations to provide annual educational training, so that employees can promptly access international regulatory information, enhance organizational knowledge, and strengthen organizational efficiency. A total of 23 training sessions were held in 2023.

6.4 Responsible Mineral Management

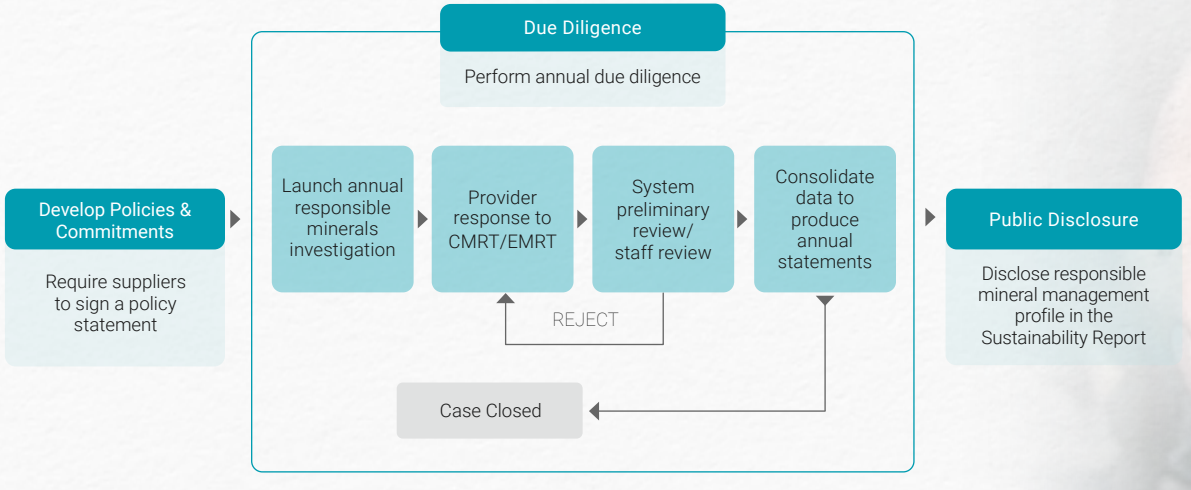
As an RBA member, Kinpo adheres to the RBA Code of Conduct's 5 areas: labor, health and safety, environment, ethics, and management systems. The Company follows the RBA's guidelines on "Responsible Mineral Sourcing," and establishes policies and conducts due diligence on the sources and supply chains of tantalum, tin, tungsten, gold, and cobalt used in its products and components. In line with the OECD's "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas," Kinpo transparently discloses the use of conflict minerals in its products and components. The Company requires suppliers to utilize the Conflict Minerals Reporting Template (CMRT) to reveal information about smelters and minerals in the supply chain, fulfilling its corporate and social responsibilities.

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 2023, we achieved a 100% completion rate of due diligence and all of our new suppliers subscribed to the Responsible Minerals Policy Statement.

RMI System E-Management

To streamline the administrative processes of responsible mineral investigations, Kinpo developed and implemented the Responsible Minerals Investigation (RMI) system in May 2023. Through systematic RMI management, Kinpo consolidates conflict mineral reports and mineral source analysis. The system's automated initial review and follow-up functions expedite the due diligence process, while disseminating important RBA updates to suppliers. Kinpo's RMI system uses standardized report templates (CMRT, EMRT) for annual or customer-specific responsible mineral investigations, auditing whether product materials contain tantalum, tin, tungsten, gold, cobalt, or mica. This comprehensive e-management of supply chain conflict risks reduces redundant manual tasks and ensures minerals and metals come from legitimate sources.

Responsible Minerals Investigation Process



6.5 Sustainable Supply Chain Management

2024-2026 Sustainable Supply Chain Goals

Strategy	Actions	2024	2025	2026
Enhance Sustainable Risk Management Capabilities Require suppliers to follow KINPO GROUP Suppliers'Code of Conduct to improve performance in labor rights, safety and health, environmental protection, business ethics, and management systems; actively guide suppliers to refine their core capabilities to diminish operational disruption risks.	Identify Supplier Social and Environmental Responsibility Risks:	Achieve 100% completion rate for sustainable risk assessments of critical suppliers.	Achieve 100% completion rate.	Achieve 100% completion rate.
	Evaluate and verify suppliers' social and environmental responsibility performance, providing ongoing improvement guidance and support.	Achieve a 100% response rate for effective corrective actions from high-risk critical suppliers.	Achieve 100% effectiveness in corrective actions.	Achieve 100% effectiveness in corrective actions.
	Assess the ESG potential or risks of new suppliers for negotiations and selection.	Achieve 100% completion rate for assessments of new suppliers.	Achieve 100% completion rate for assessments.	Achieve 100% completion rate for assessments.
Promote a Low-Carbon Supply Chain Lead suppliers in conducting carbon inventories and building their GHG management capabilities.	Strengthen communication within the supply chain to improve adaptability to evolving sustainability trends	Topic: Promotion of Suppliers' Code of Conduct and GHG Management	Topic: Biodiversity	Topic: Talent-related disclosure requirements.
	Promote the development of local suppliers to reduce transportation-related carbon emissions.	Establish methodology for upstream transport carbon emissions, calculation and verification of carbon emissions.	Set upstream transportation carbon reduction targets.	Promote local procurement to achieve annual carbon reduction targets.
	Help suppliers build carbon inventory capabilities and set shared carbon reduction goals; establish a supplier carbon emissions database to inform procurement decisions.	Form a sustainable ESG partner alliance.	Urge alliance members to establish credible GHG emission data.	Urge alliance members to achieve carbon reduction targets.

Supplier Sustainability Management Strategy

Kinpo, as a member of the RBA, bases its Suppliers' Code of Conduct on the RBA Code of Conduct and the Company's sustainability requirements to build suppliers' sustainability capabilities. Since 2022, the Company has integrated sustainability issues into supplier management alongside QDCS—Quality, Delivery, Cost, and Service. New suppliers are mandated to sign procurement contracts (including the Suppliers' Code of Conduct), Responsible Minerals Policy Statement and environmental protection assurances to ensure compliance with Kinpo's sustainability standards. Existing suppliers undergo sustainable supply chain management processes so that the Company can identify sustainability risks among critical suppliers, adopting support mechanisms to boost their performance.

The Company continues its sustainable supply chain initiative, overseen by the Board of Directors, and communicates its commitment to sustainability through the annual supplier conference. Together with suppliers, we strive towards high-quality supply and sustainability goals. Annually, besides carrying out sustainability risk assessments for critical suppliers to ensure adherence to KINPO GROUP Suppliers' Code of Conduct, high-risk suppliers undergo audit, guidance, and improvement tracking. Suppliers failing to meet improvement deadlines are reported to the procurement unit for potential replacement consideration. In 2023, the Company established a Sustainable Procurement Working Group comprising 29 procurement representatives from diverse divisions. The working group force convenes regularly to discuss and drive the implementation of the sustainable supply chain program, highlighting its role in international carbon reduction initiatives.

◄ Suppliers' Code of Conduct

Supplier Screening Criteria

Kinpo uses the proportion of transaction amounts to total procurement expenditures as the basis for screening critical suppliers, excluding RBA members and affiliated companies. Over the past 2 years, the screening of critical suppliers has been as follows:

- In 2022, suppliers representing the top 70% of transaction amounts in 2021 were screened.
- In 2023, suppliers representing the top 75% of transaction amounts in 2022 were screened.

In 2024, the Company will introduce a new sustainability risk assessment for suppliers, proactively evaluating their relevance in environmental, social, governance, and business aspects.

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 - Sustainable Supply Chain Management Strategy

As a member of the Responsible Business Alliance (RBA), Kinpo has developed the 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 critical suppliers (excluding agents, RBA members, affiliates, etc.) whose purchase amount constitutes over 75% 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

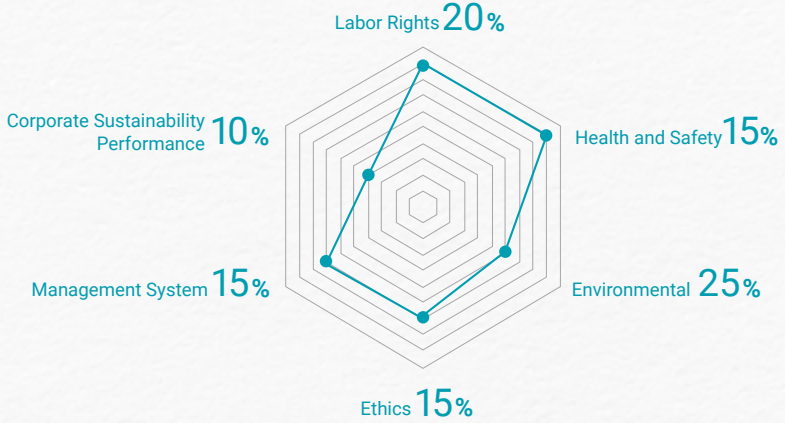
For high-risk suppliers, we undertake audits and request for improvement, and within one week of the audit, we will issue a Corrective Action Request for the supplier to make rectifications and reply within one month, and follow up until the case is closed.

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 2023

In 2023, Kinpo selected 60 critical Tier 1 suppliers, each representing over 75% of the total procurement amount in 2022, and initiated a Self-Assessment Questionnaire (SAQ) survey. Suppliers were required to respond to queries on labor rights, health and safety, environmental protection, ethics, management systems, and corporate sustainability performance. They also needed to provide supporting evidence such as certification of management systems or relevant operational documents. Supplier self-assessment results serve as the basis for subsequent sustainability risk management. The response rate for the 2023 SAQ among critical suppliers reached 100%.



Supplier Audits

Kinpo identifies potential supply chain risks through SAQ questionnaires, defining suppliers with scores below 60 as high-risk. In 2023, the Company identified 7 high-risk suppliers. To manage sustainability risks, Kinpo conducted audits on these high-risk suppliers to confirm and understand their risk profiles.

The Company conducts sustainability audits on high-risk suppliers. For non-compliance with the Suppliers' Code of Conduct, suppliers are required to submit corrective action plans for audit deficiencies. They must rectify these deficiencies and provide supporting evidence within 1 month. For suppliers unable to improve within the stipulated time, Kinpo reports them to the procurement unit, recommending replacement.

Percentage Breakdown of Audit Deficiency Categories

Following the above identification process, Kinpo audited 7 high-risk suppliers in 2023, identifying 48 non-compliance reports. These included 3 labor rights issues, 1 health and safety issue, 15 environmental protection issues, 12 ethics issues, and 17 management system issues. For non-conforming issues, we confirm that the suppliers has taken appropriate corrective action plans, all of which have been implemented in relevant units, and follow up on the completion of plans, with a plan closure rate of 100%.

07

Employee Wellbeing

P.75 7.1 Human Resource Management Policy

P.83 7.2 Compensation & Benefits

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Employees are an essential asset to a company and a key to staying competitive. Founded 50 years, 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 workplace, listening to the voices of our employees, and understanding their needs, and in 2023, we achieved the following performances:

1. The headquarters received the 1111 Job Bank Happy Enterprise Award for 3 consecutive years.
2. The Company was named a 2023 CHR Healthy Enterprise Partner by CommonHealth magazine.
3. The headquarters passed the Talent Quality Management System (TTQS) assessment.
4. Since 2011, the headquarters has provided a maternity subsidy of NT$66,000 per newborn, with a total subsidy of NT$1,782,000 for 27 employees in 2023.
5. Employee satisfaction with the administration and general affairs management department at headquarters reached 9 out of 10, while new employees' average satisfaction scored 4.5 out of 5.

7.1 Human Resource Management Policy

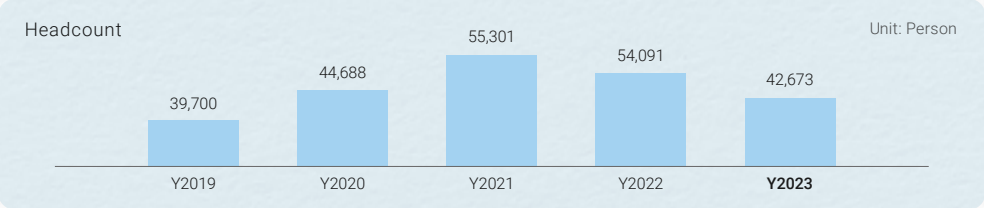
Kinpo respects the uniqueness of each employee and sees "people" as a strategic resource that can create advantages for the organization. In human resources management, we treat all employees fairly, humanely and systematically, and establish appropriate communication channels to give employees the opportunity 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:

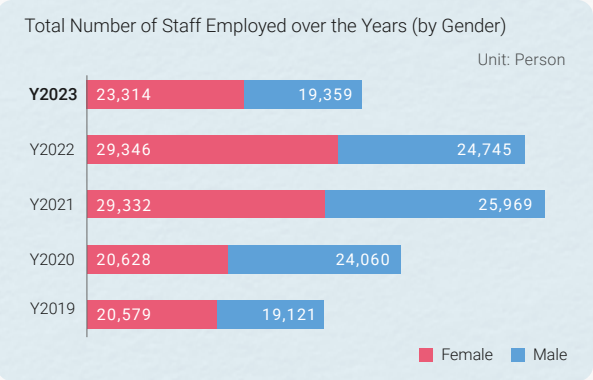
- Employment Policy: We correctly assess the human resource needs of the organization and conduct internal and external selection in an open, fair and equitable manner to select like-minded people to join the Company and realize the concept of "the right person for the right position".
- Training and 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, workplaces, communication channels, and employee assistance. We foster a quality corporate culture to align employee goals with organizational goals, enhance employee happiness, and maximize employees' and employers' benefits.

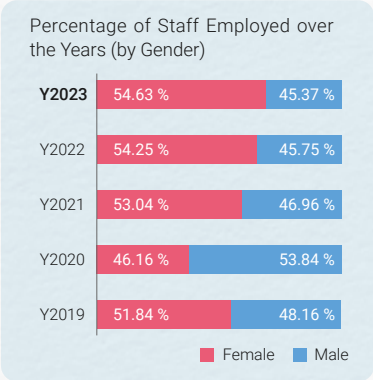
Human Resource Analysis

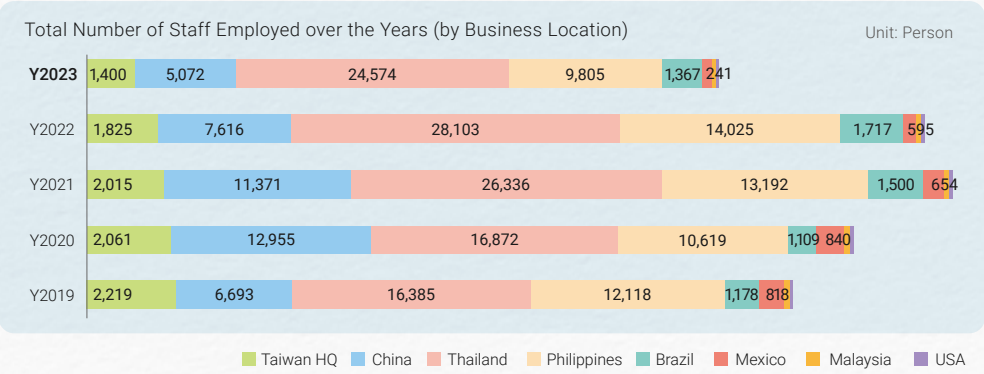
Our Company is headquartered in Taiwan and has set up business units by product, as well as R&D departments and management centers with varying functions, while establishing manufacturing sites in China, Thailand, the Philippines, Brazil, Mexico, Malaysia, and the United States. Each year, headquarter 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





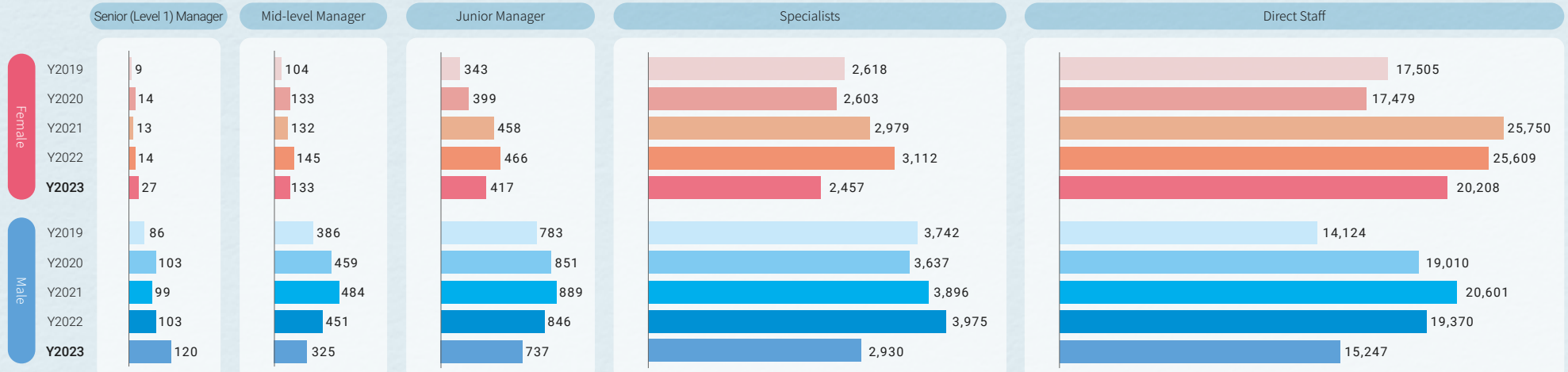




*In 2023, each operational site within the Group adjusted staffing levels according to actual operational conditions.

Total Number of Staff Employed over the Years (by Gender)

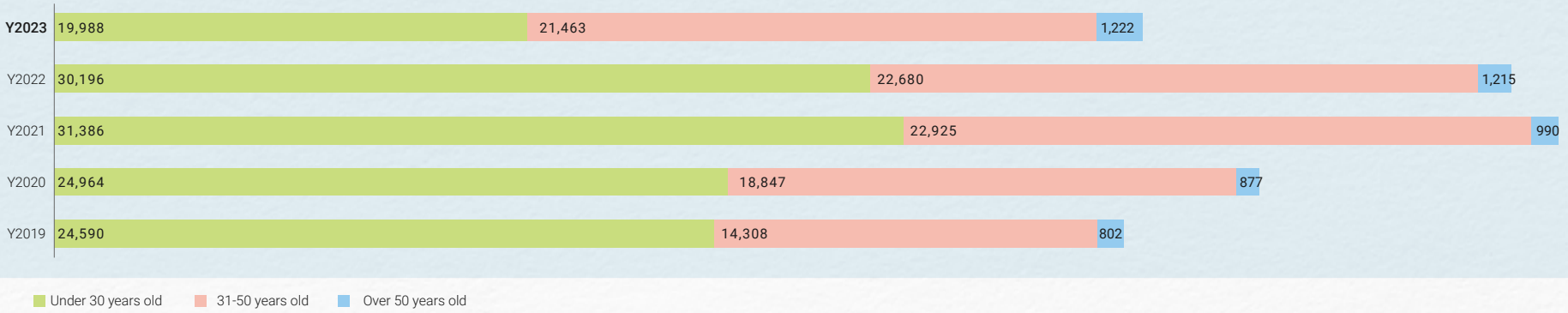
Unit: Person



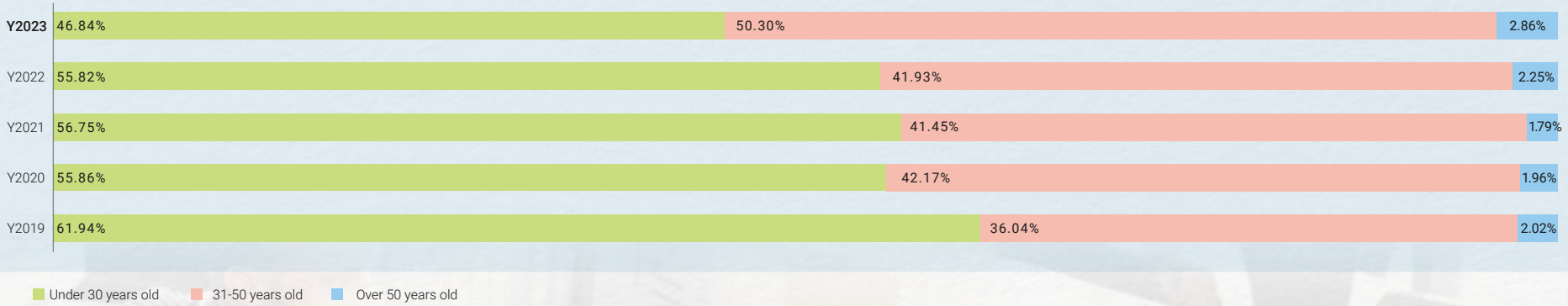
Number of Staff by Position over the Years (by Age)

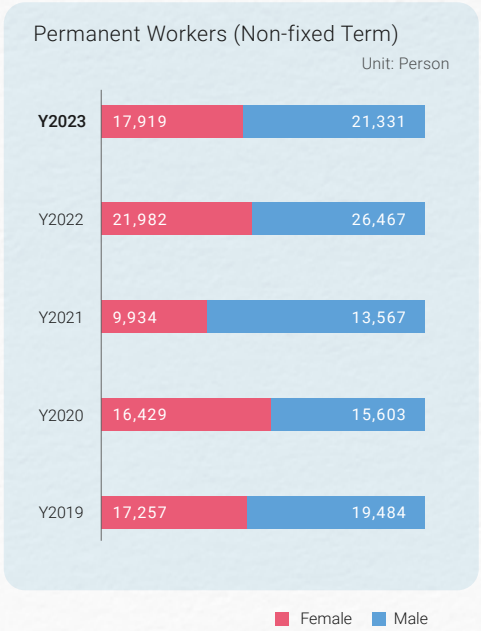
Unit: Person

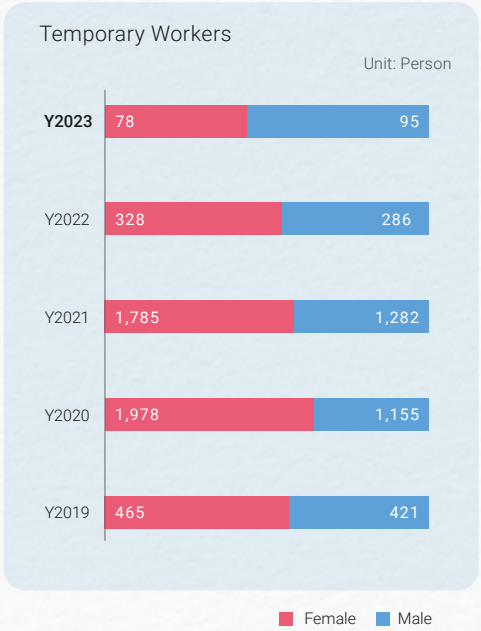
Total Number of Staff Employed over the Years (by Age)

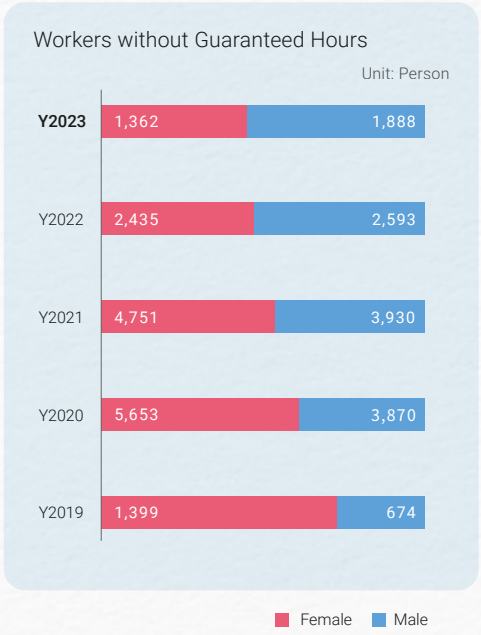


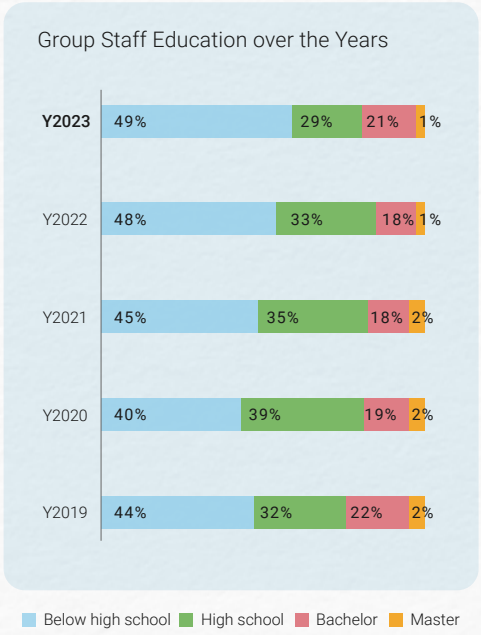
Percentage of Staff Employed over the Years (by Age)











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. In Headquarters, we currently employed 16 people with mental and physical disabilities, including 4 with mild, 3 with moderate and 9 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 plants 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. In 2023, overseas plants hired a total of 183 employees with disabilities.

Human Resource Mobility

The Company sets its recruitment targets according to the current year's industrial situation and employment needs. In 2023, our headquarters responded to job seekers' questions openly, transparently and immediately through our external recruitment website, while our overseas plants 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.

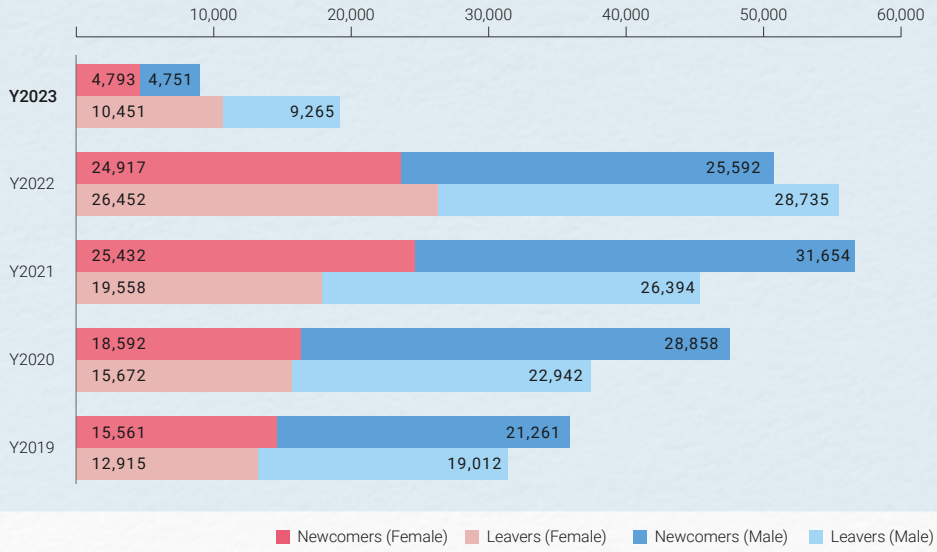
Significance to the Company/ Management Policy	Founded on the idea that talent is the fundamental and most valuable asset of a company, Kinpo has built an inclusive and friendly workplace through diverse and innovative recruitment channels to bring in talented people from all over the world, and is committed to building a happy workplace and contributing to the sustainable growth of our customers and the Company continuously.
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 plants 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	1. Short-term goals • 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%. • Implement employee care and provide various benefit packages. 2. Medium and long-term goals • Set up a better performance appraisal system to motivate staff by awarding them more competitive rewards. • 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. • Take care of the physical and mental health of our employees and design a more flexible benefit package based on their needs.

Age of Newcomers/Leavers

Due to the economic downturn in 2023, the Company adjusted its workforce according to operational needs, resulting in a decrease in both new hires and departures across various plants, as shown in the table comparing new hire and turnover rates over five years.

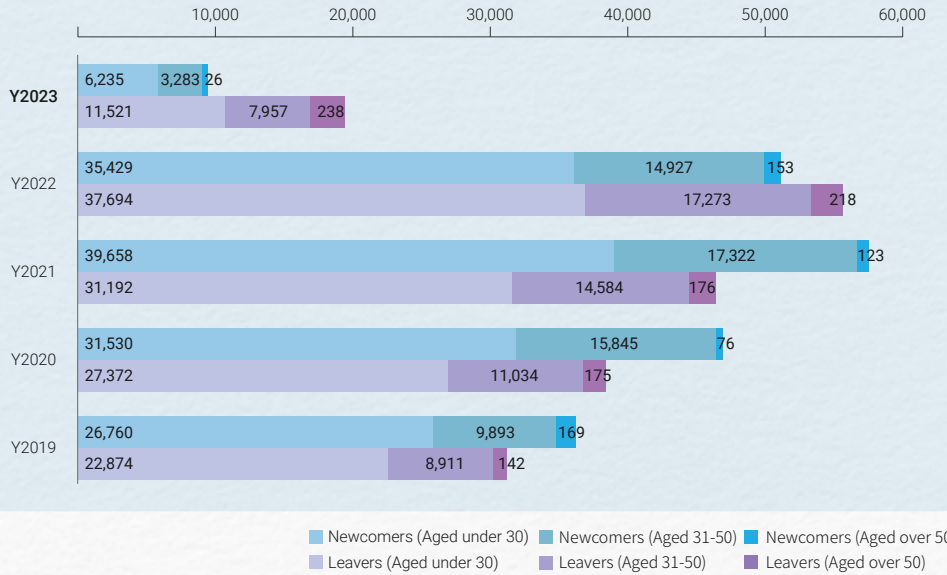
Number of Newcomers and Leavers over the Years (by Gender)

Unit: Person



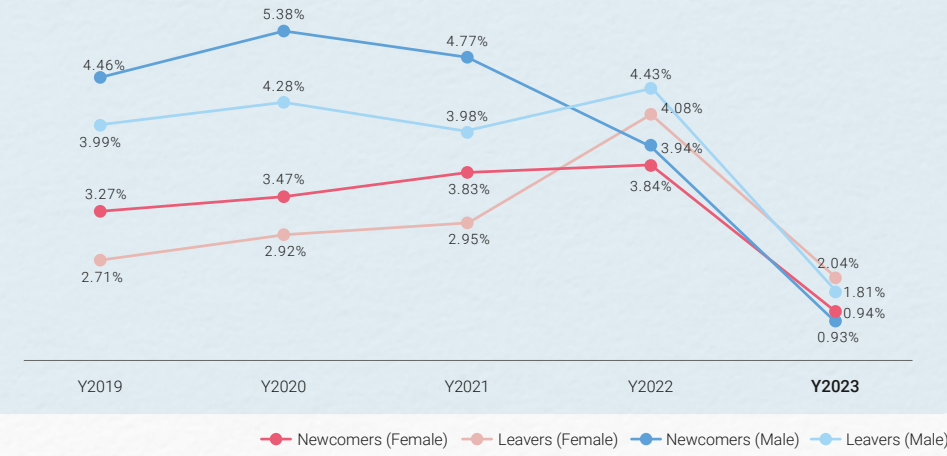
Number of Newcomers and Leavers over the Years (by Age)

Unit: Person



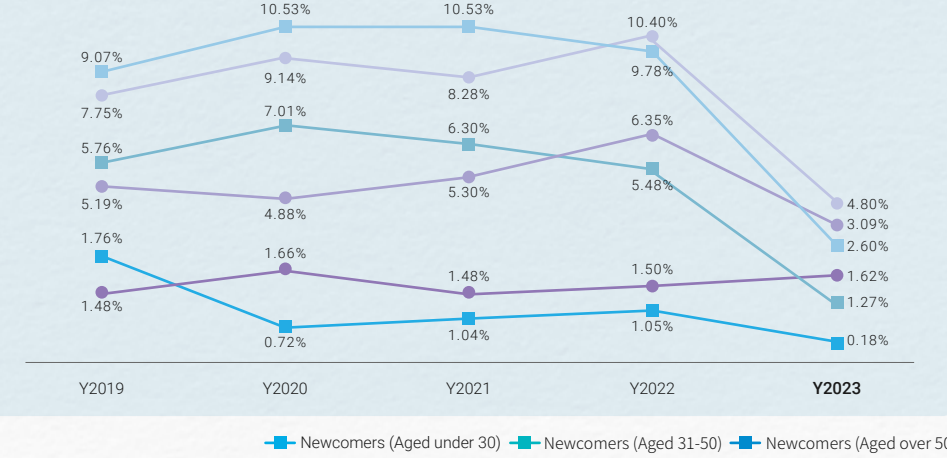
Employment Rate and Turnover Rate over the Years (by Gender)

Unit: %



Employment Rate and Turnover Rate over the Years (by Age)

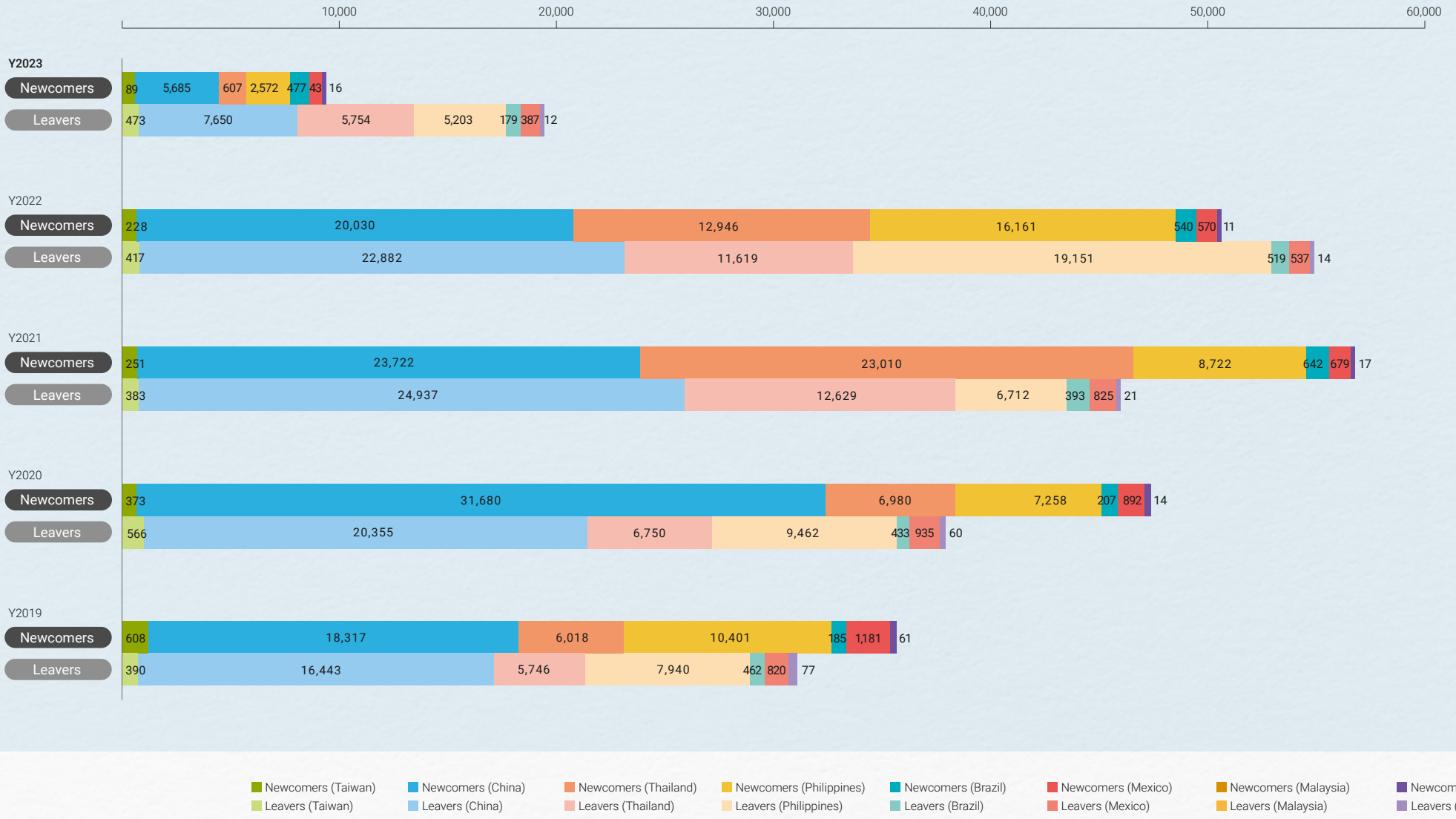
Unit: %



*Notes:
1. Emoloyment 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.

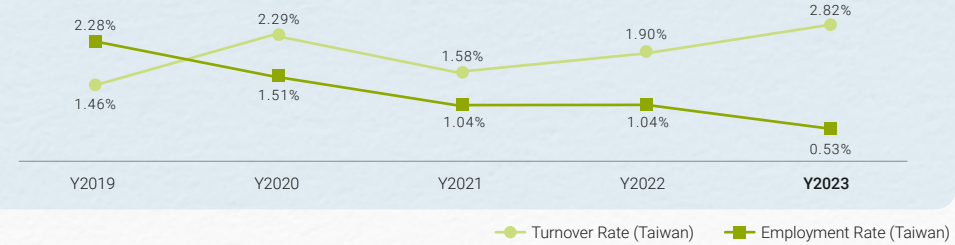
Number of Newcomers and Leavers over the Years (by Operating Location)

Unit: Person



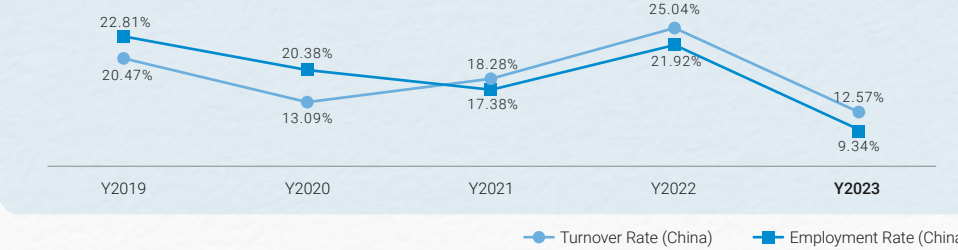
Employment Rate and Turnover Rate over the Years-Taiwan(by Operating Location)

Unit: %



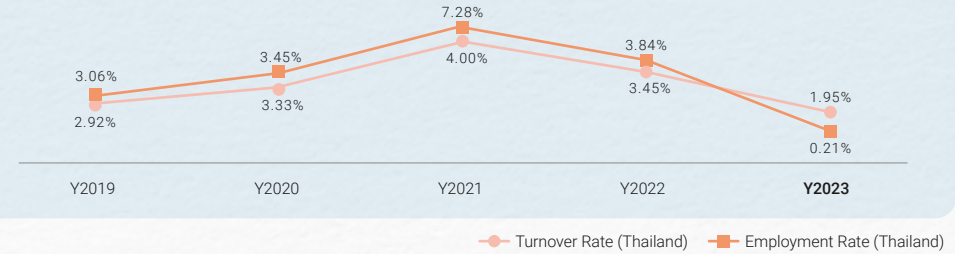
Employment Rate and Turnover Rate over the Years-China(by Operating Location)

Unit: %



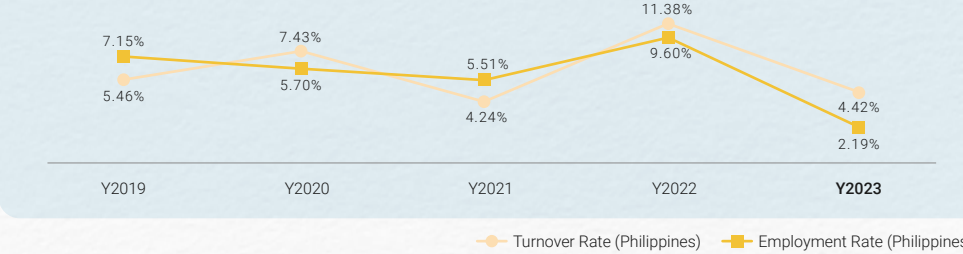
Employment Rate and Turnover Rate over the Years-Thailand(by Operating Location)

Unit: %



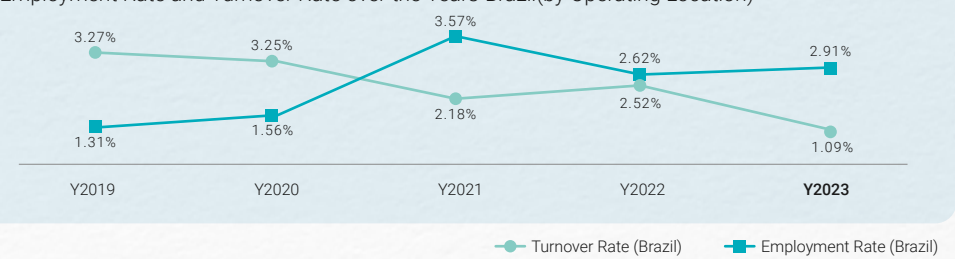
Employment Rate and Turnover Rate over the Years-Philippines(by Operating Location)

Unit: %



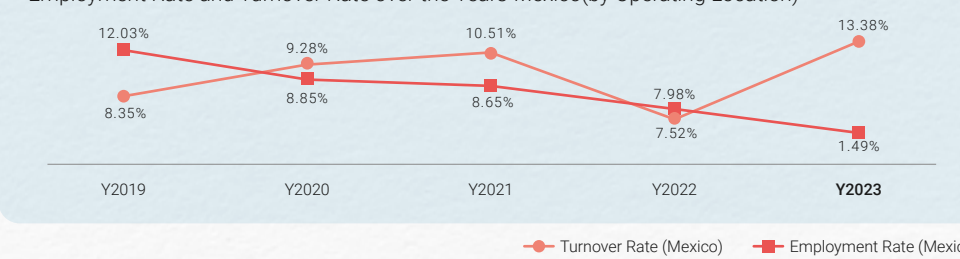
Employment Rate and Turnover Rate over the Years-Brazil(by Operating Location)

Unit: %



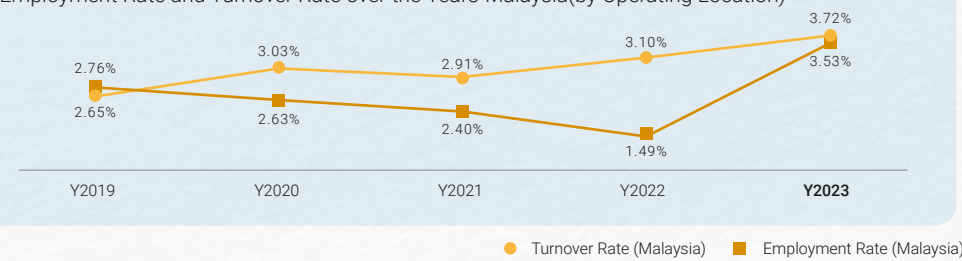
Employment Rate and Turnover Rate over the Years-Mexico(by Operating Location)

Unit: %



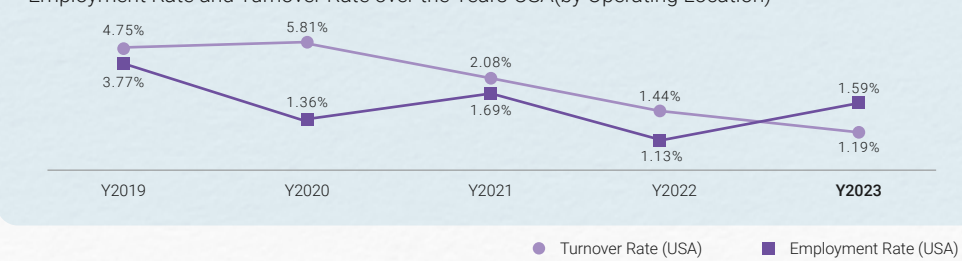
Employment Rate and Turnover Rate over the Years-Malaysia(by Operating Location)

Unit: %



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

Unit: %

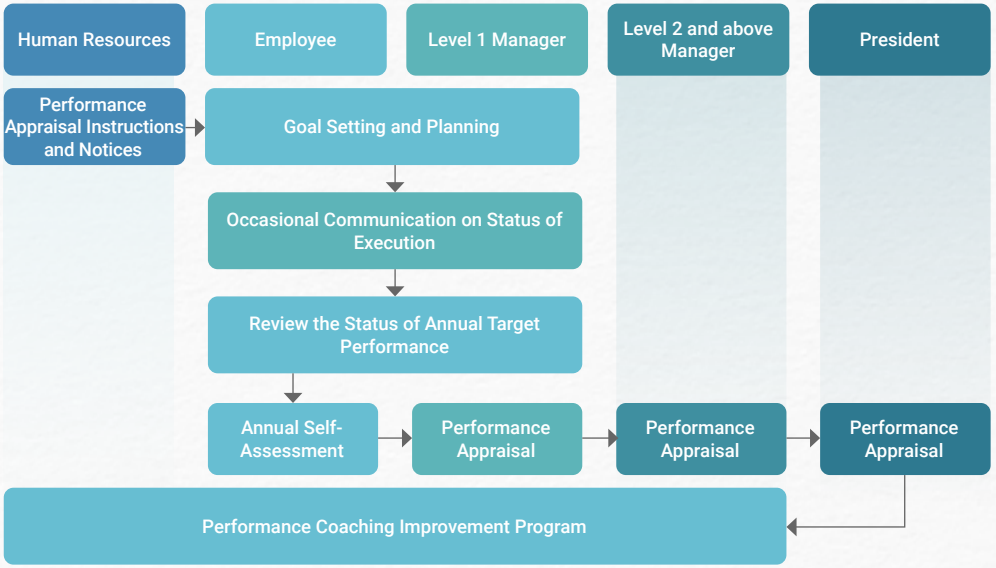


Performance Appraisal and Job Rotation

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. During performance evaluations conducted by supervisors, assessments are undertaken based on team performance outcomes within their respective units, individual contributions within project teams, and each employee's personal job performance. 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. Prohibit Discrimination: The Company eliminates unlawful discrimination based on race, nationality, color, age, pregnancy, gender, sexual orientation, religion, disability, union membership, or political affiliation, ensuring equal employment opportunities, including equal pay for equal work and equal pay for work of equal value.
2. Prohibit Child Labor: The Company bans the employment or use of individuals under 15 years of age, those who have not completed compulsory education, or those below the legal employment age in their respective country/region. The Company does not engage with suppliers or subcontractors who employ child labor.
3. Prohibit Human Trafficking: The Company forbids the use of forced, bonded (including debt bondage), or indentured labor, involuntary or exploitative prison labor, slavery, or human trafficking.
4. Prohibit Forced Labor: The Company respects employees' freedom, granting workers the right to leave or terminate their employment at any time.
5. Provide Reasonable Compensation and Benefits: The Company offers employees basic wages and benefits that meet or exceed local legal requirements, including protections related to minimum wage, overtime, and statutory benefits.
6. Ensure Freedom of Association and Collective Bargaining: Employees may freely associate according to local laws where the Company operates, choosing to join or not join unions or employee organizations. The Company respects employees' rights to collective bargaining, ensuring they can communicate with employers or management about working conditions without fear of retaliation, threats, or harassment.
7. 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.
8. Healthy, Safe and Friendly Workplace: We provide a safe, healthy and harassment-free workplace.
9. 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.
10. Keep Communication Channels Open: We have established an open management style and communication environment that encourages frank expression of opinions.
11. Respect for Privacy: We make sure that the collection and use of personal information conforms to regulatory requirements.
12. Continued Improvement: We regularly review and evaluate relevant risks and effectiveness and optimize management measures.

The Company strives to create a harmonious workplace, eliminating illegal discrimination and harassment, and respecting individual uniqueness. Kinpo adheres to labor laws and international human rights conventions across all its locations, ensuring the protection of employee rights. Meanwhile, the Company provides fair compensation, comprehensive benefits, robust talent development, and effective communication channels. In 2023, there were no incidents of child labor, forced labor, labor disputes, gender inequality, discrimination, or sexual harassment.

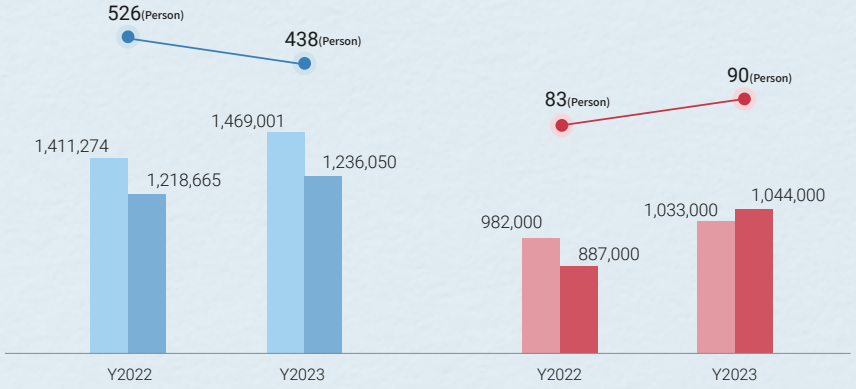
7.2 Compensation & Benefits

Decent Salary

The Company has established a compensation 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 3 items and those in the previous year. The increase in average and median salaries in 2023 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 2023, resulting in higher salaries than in 2022.

Full-Year Average and Median Salary



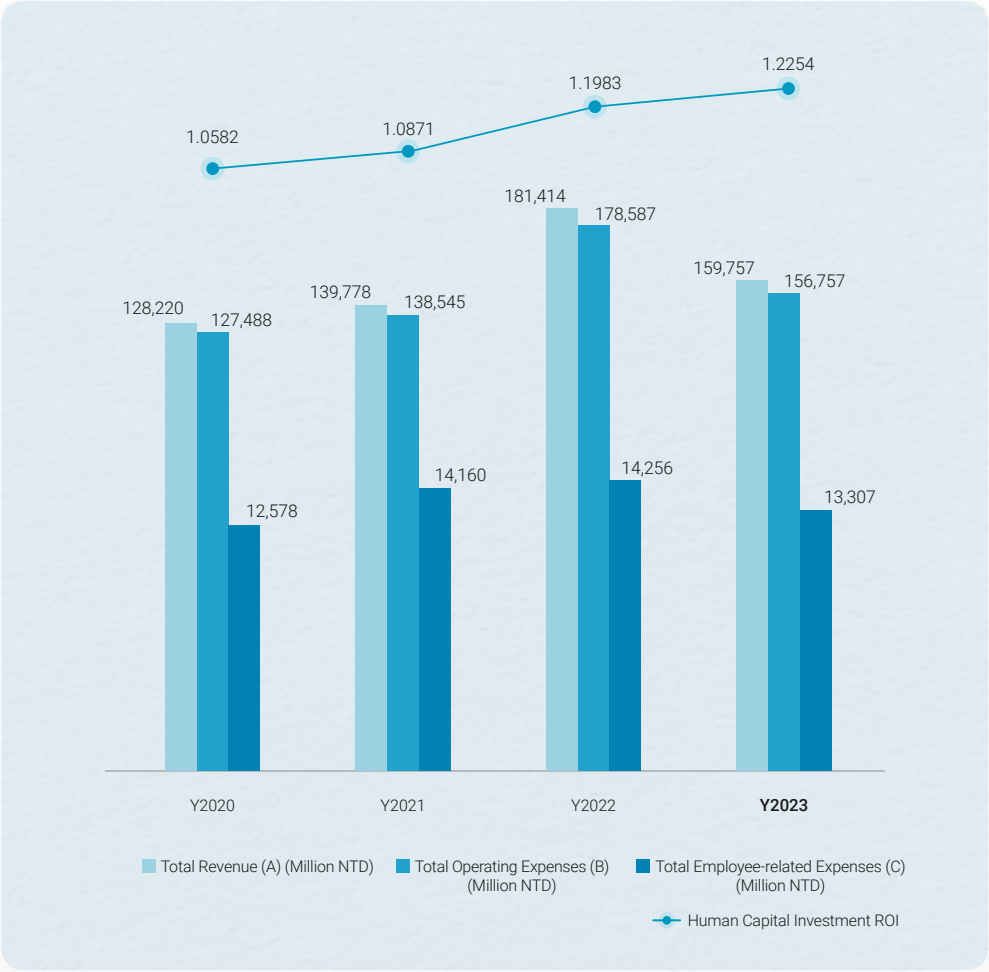
Kinpo
Variance (2022/2023)

No. of full-time employees **88** (Person)
Average salary **57,727** (NT$)
Median **17,385** (NT$)

CastleNet Technology
Variance (2022/2023)

No. of full-time employees **7** (Person)
Average salary **51,000** (NT$)
Median **157,000** (NT$)

Human Capital ROI



*1. Human Capital ROI=(A-(B-C))/C
2. Due to revised financial statement disclosures, the figures for 2020-2022 have been adjusted accordingly.

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.
Engagement Leave	HQ	Employees can apply for engagement leave if they hold an engagement ceremony before marriage.
Breastfeeding Time	HQ	The Company provides unrestricted breastfeeding and breast pumping time; employees can use the lactation room as needed.
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.
Tuition Assistance for Expatriates' Children	HQ	In some regions, expatriate employees receive tuition assistance for their children in the host country, up to US$2,500 per semester.
Language Learning Bonus	HQ/Thailand	HQ employees receive a two-year bonus for passing language proficiency exams. Employees in Thailand receive an incentive of 1,000 to 2,000 THB.
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.
Typhoon Leave	HQ	Employees receive paid leave when the government declares a typhoon holiday.
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.
Housing Allowance for Expatriates	Singapore/Japan	The Company provides a housing allowance for expatriates assigned to locations without company dormitories.
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/ Singapore/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/Singapore/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.

*Site descriptions:
China: Site in China; Thailand: Site in Thailand; Philippines: Site in Philippines; Brazil: Site in Brazil; Mexico: Site in Mexico; Malaysia: Site in Malaysia; USA: Site in USA; Singapore: Site in Singapore; Japan: Site in Japan.
*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 Bonus

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 2023, a total of 27 people were granted a birth allowance, with a total amount of NT$1,782,000 awarded for maternity bonus. From 2011 to 2023, a total of 829 employees received maternity bonus and the total amount of the maternity bonus amounted to NT$54,714,000.

Year	Number of Recipients (Person)	Amount of Benefit (NT$)
Y2019	63	4,158,000
Y2020	58	3,828,000
Y2021	53	3,498,000
Y2022	47	3,102,000
Y2023	27	1,782,000

Tuition Assistance for Children of Long-term Expatriate Employees Stationed Overseas

To ensure long-term expatriate employees can work with peace of mind and address their children's education needs locally, tuition assistance ranging from US$1,000 to US$2,500 per child per semester is provided for children aged 3 to 23 studying in the Philippines, Malaysia, Thailand, Japan, the United States, Brazil, Mexico, or other designated regions.

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.

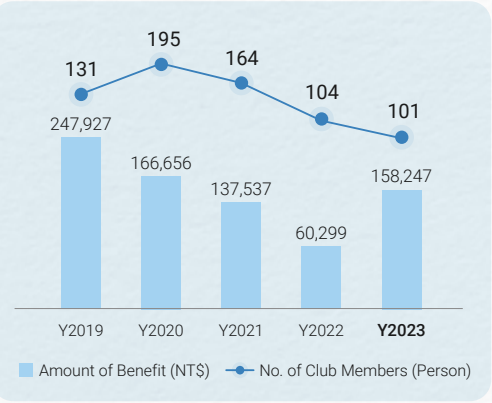
Headquarters Staff Welfare Programs and Input Costs

Item	2020	2021	2022	2023	Remarks
Benefits (Marriage, Funeral, Maternity and Hospitalization)	740,600	722,100	439,000	511,000	
Travel Allowance	1,522,792	2,917,349	0	3,717,284	
Festival and Birthday Bonus	7,220,000	6,834,000	8,684,231	5,990,000	Paid by Employee Welfare Committee
Scholarships for Employees' Children	558,500	359,000	678,000	580,500	
Club Grants	166,656	137,537	60,299	158,247	
Departmental Social Events and Lunar New Year gifts	10,335,574	0	8,230,362	5,507,136	
Year-end Party	10,655,444	6,406,000	6,815,793	10,975,364	Paid by Company
Professional Certification and Language Learning Bonus	6,292,200	4,822,531	4,329,668	3,249,398	
Total	**37,491,766**	**22,198,517**	**29,237,353**	**30,688,929**	

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 2023, 3 clubs organized sports and athletic contests and other activities beneficial to the physical and mental health of our employees, with a total of 101 participants and a funding of approximately NT$150,000.

*Please refer to 7.6 Employee Participation for the outcomes of other activities at the headquarters and plants



Your Family is Our Family - Thailand Site

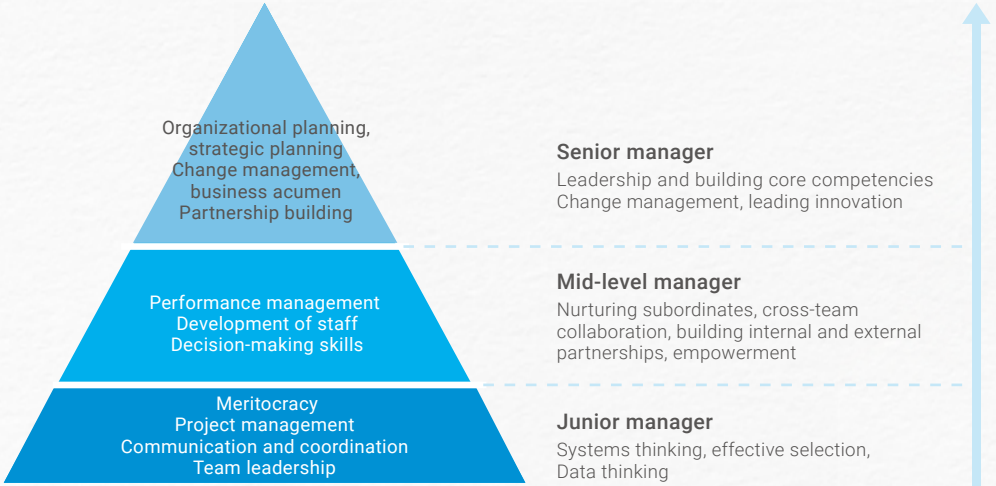
Thailand's Social Security Act, Article 40, provides a regulatory framework for self-employed individuals outside traditional labor or corporate structures. Recognizing the importance of social welfare for these individuals, the Thailand Site has proactively included this insurance benefit in its corporate welfare program. Under this framework, the initiative "Your Family is Our Family" has become a pioneering example of corporate social responsibility. Employees at the plant can enroll one family member for free in the Company's health and social insurance programs. Monthly contributions to the social security fund are made by the Thailand Site for eligible beneficiaries, thereby enhancing financial and medical security for employees and their families.

In 2023, the Thailand Site was commended by the Social Welfare Bureau for its commitment to social responsibility and its efforts in promoting and supporting social insurance initiatives.

7.3 Staff Development

Complete Training Plan

Kinpo upholds the belief that "talent is the fundamental and most valuable asset of the Company," committed to providing excellent opportunities for cultivation and development to assist employees in achieving personal growth. From the first day of employment, we offer comprehensive learning programs, promoting continuous exploration of new knowledge through flexible learning methods, and creating an innovative and progressive environment. Amid constant change, we cultivate a diverse and supportive workplace, promoting awareness of diversity, equality, and inclusion. We ensure every member feels valued within the organization, striving together for an inclusive future.



Kinpo offers diversified programs and resources to help employees realize their self-worth, thereby increasing their identification with the organization and fostering mutual growth. To enhance training effectiveness, Kinpo provides a conducive learning environment that focuses on practical employee needs. Each year, the Company conducts a training needs survey to guide next year's training direction, ensuring alignment with job requirements. Kinpo promotes various educational and training activities aimed at improving productivity, continuously elevating organizational talent value and competitive advantage, and facilitating high-efficiency job performance among employees.

Through various internal training programs (including but not limited to new employee orientation, group quality fundamentals, fire drills, legal and cybersecurity courses, etc.), functional training courses (including but not limited to core skills, management training, technical skills training, language training, etc.), external training, and on-the-job training within departments, Kinpo ensures a diverse approach to employee development. With sites spanning globally, Kinpo has introduced additional courses in English and Thai to sharpen employees' language proficiency, broaden their learning scope, and promote international talent within the organization. Mandatory educational training courses and credits are incorporated into promotion criteria across job levels, aiming to strengthen employees' professional knowledge, skills, and learning motivation, thus boosting job performance and fostering continuous growth.

In addition to systematically increasing management and professional capabilities, Kinpo has continued to strengthen post-training effectiveness tracking and feedback in 2023, fostering ongoing innovation, improvement, and knowledge sharing, culminating in the initial accreditation under the Talent Quality-Management System (TTQS).

KINPO GROUP Online Library

Kinpo has partnered with HyRead ebook in building the Group's online library, providing staff with more access to ebooks. 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 E-Learning School

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 E-Learning School, 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. Additionally, in 2023, we leveraged the online platform's discussion forums to foster continuous growth through interactive exchanges among employees, ensuring effective and uninterrupted learning.

KINPO GROUP
E-Learning School

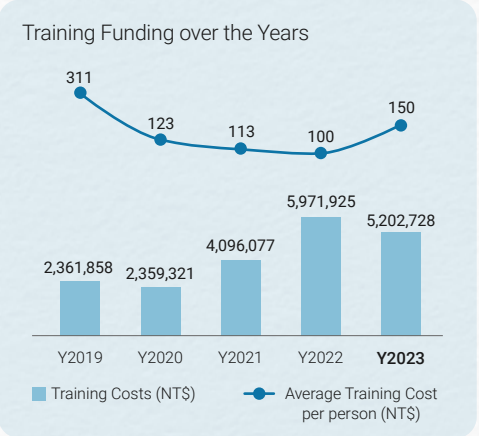
Added 20 new online courses in 2023, with **6,289** attendees and **8,137** hours of study.

KINPO GROUP
Online Library

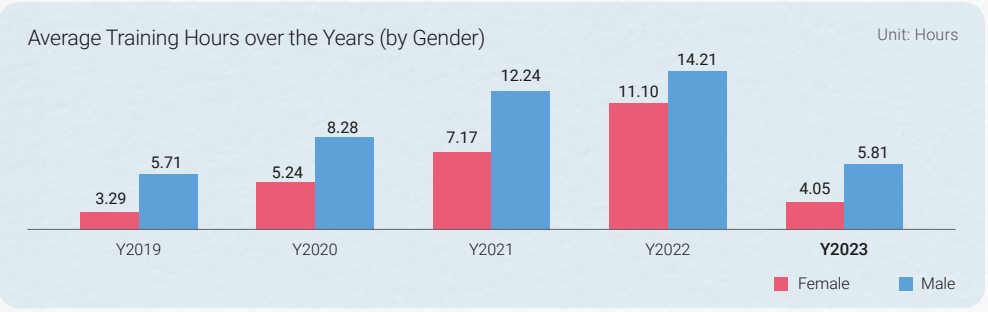
Each month in 2023, we updated and made available **6** books and **19** magazines for staff to read.

Throughout the year, a total of 72 books and 228 magazines were uploaded, resulting in **2,194** borrowings.

Education and Training Delivery Outcomes



*The total education and training hours, including orientation for new employees, decreased in 2023 due to a reduction in new employees.



7.4 Employee Communication

Promoting Harmonious Labor Relations

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.
FACEBOOK, LinkedIn, and Instagram	Post updates and photos related to important company events on Facebook and LinkedIn for staff to view.
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 headquarters 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.
Employee Computer Desktops	Set up the Group's media icon in the bottom right corner of the desktop, as well as monthly slogans promoting relevant content.
Sustainability Journal	Focusing on corporate governance, environmental sustainability, and social inclusion, the journal reports on internal practices, recommendations from leading companies, and facilitates internal dialogue among employees.

2023 of the Sustainability Journal

▲ SPRING ▲ SUMMER ▲ AUTUMN ▲ WINTER

▲TV Wall

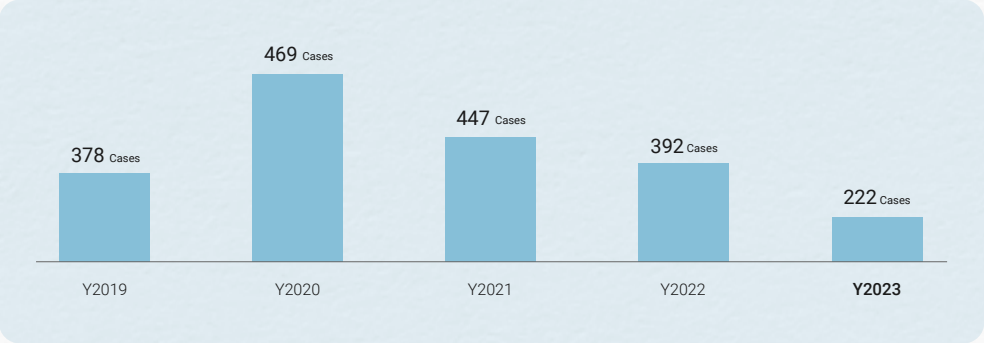
▲KINPO GROUP EIP and Computer Desktops

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 2023, 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 CEO_Andrew@kinpogroup.com for employees to send their opinions.

Staff Communication and Feedback

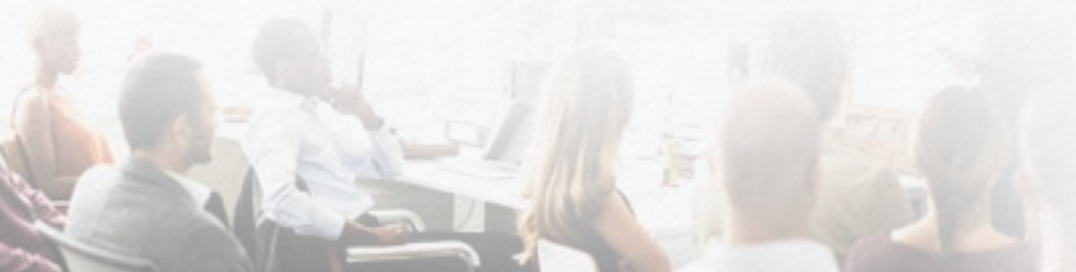


Labor Organization/Employee Welfare Committee

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 2023, the Employee Welfare Committee met 7 times.

Item	Taiwan	China	Philippines	Thailand	Brazil	Mexico
Total Number of Participants	24	29	47	29	6	9
Number of Labor Representatives	12	20	38	18	4	5
Number of Management Representatives	12	9	9	11	2	4
Ratio of Labor to Management	5.0 : 5.0	6.9 : 3.1	8.1 : 1.9	6.2 : 3.8	6.7 : 3.3	5.6 : 4.4

*The plant in Malaysia and the US have not set up a labor union, so no information is available.
*Currently, only the Brazil and Mexico plants have labor unions. The table below discloses the Employee Welfare Committees for each plant.



7.5 Employee Health

Environment, Safety, and Hygiene Policy

- Comply with the relevant national and government environmental and occupational safety and hygiene laws.
- Promote education and training activities related to environment, safety, and hygiene management, enhance employees' awareness of the environment, safety, and hygiene, and promote their participation in implementation.
- Continuously improve environmental, safety, and hygiene performance via pollution and accident prevention, energy conservation, and responsible care.
- Focus on the control of pollution source, waste reduction in the manufacturing process, and improvement of safety and hygiene facilities to achieve the purpose of pollution prevention and risk reduction.
- Establish good communication channels to continuously communicate our company's environmental safety policy to employees, suppliers, related groups, 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 environment, safety, and hygiene policy and objectives.
In 2023, all of Kinpo's global operational sites adopted the ISO 45001 Occupational Health and Safety Management Systems. With the exception of the plants in Mexico and the United States, all other plants are ISO 45001 certified. 1,237 people are employed at the Shenkeng plants at Kinpo and Cal-Comp Electronics & Communications, with a coverage rate of 97% at the headquarters.

◀ All of Kinpo's global operational sites adopted the ISO 45001 Occupational Health and Safety Management Systems

Occupational Safety and Health Committee

Since 2022, Kinpo has formed an internal Occupational Health and Safety Implementation Team at its headquarters as per ISO 45001 guidelines. Representatives from different departments have been chosen to improve occupational health and safety capabilities through education and training, thereby ensuring effective management of health and safety practices. 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 2023, Kinpo undertook improvements in high-risk areas identified with a risk assessment rating of 1. Given the longstanding use of the headquarters building's air conditioning and ventilation systems, Kinpo initiated a ventilation overhaul plan to mitigate the risk of high carbon dioxide levels in offices. This plan aims to enhance airflow capacity and reduce carbon dioxide concentrations effectively.

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 newcomers, 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 plant, 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 2023

Category	Course Title	Target Audience	No. of people
Safety and Hygiene Training	Occupational Safety and Health Education Training for Newly Employed Workers	New staff	57
	Occupational Health and Safety Education and Training for On-the-Job Workers	Current staff	71
	On-the-job Training for Occupational Safety and Health Personnel	Occupational safety and health staff	5
Emergency Response Training	Emergency Evacuation Drills	All employees	1,067
	Shuttle Bus Evacuation Drills	Employees using company transportation	271
Fire Safety Training	Fire Safety Training	New employees and members of self-defense firefighting teams	54

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 plant grounds, we do so by the following means:

- Employees are required to swipe their cards to enter the plant and wear identification cards for identification purposes.
- Vehicles leaving the plant 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.

	2019	2020	2021	2022	2023
Hours Worked in a Year (Hours)	93,942,896	95,957,192	115,664,176	120,743,552	95,574,280
Occupational Injury Fatalities (Persons)	-	1	-	-	-
Serious Occupational Injuries (Persons)	19	17	14	10	13
Lost Time of Operational Injury (Cases)	1,089	1,005	1,016	740	66
Restricted or Temporarily Transferred Days without Days away from Work (Cases)	11	26	14	8	17
Near Miss Incidents (Cases)	11	-	4	1	13
Work Day Lost (Days)	819	1,939	1,683	794	594
Recordable Occupational Injury (Cases)	132	179	125	110	156
Occupational Injury Fatality Rate (%)	0.00	0.00	0.00	0.00	0.00
Serious Occupational Injury Rate (%)	0.04	0.04	0.02	0.02	0.03
Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR) (%)	0.28	0.37	0.22	0.18	0.33
Days Away/Restricted or Job Transfer Rate (DART) (%)	2.34	2.51	1.78	1.24	0.17
Near Miss Frequency Rate (NMFR) (%)	0.02	0.00	0.01	0.00	0.03
Lost Workday Rate (LWD) (%)	1.74	4.04	2.91	1.31	1.24
Occupational Injury Rate (%)	0.00	0.00	0.00	0.00	0.00

Unit: %

* 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 fatality 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 2023 took the initiative to add a number of cancer screening programs for our staff, such as liver cancer, oral 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. In 2023, a total of 1,160 employees underwent health check-ups at the headquarters, and 472 from the Philippines site.

Staff Health Promotion Program

Annual Health Check	2020	2021	2022	2023
Annual Staff Health Check	1,338	1,612	1,541	1,160
Mammography	64	84	75	35
Pap Smear	170	181	206	107
Consultation with Occupational Medicine Specialist	40	122	136	57
Influenza Vaccination	234	256	263	207

To encourage employees to respond to health check results and maintain physical fitness, the headquarters on February 22, 2023 hosted health lecture "Easy Moves, Slim Easy" with 62 attendees and a satisfaction rating of 4.64, and "Elegant and Healthy Life - Female Cancer Prevention and Screening" on August 14, with a turnout of 38 employees. On October 23, the Chang'an plant organized a lecture on breast and cervical cancer prevention, with 30 participants, focusing on awareness and risk reduction through self-examination. In Brazil, the plant organized Pink October activities, offering gynecological consultations and referrals, along with lectures on urinary tract infections during pregnancy and breast cancer awareness. These initiatives aimed to educate female employees on the importance of self-examination for early detection of breast cancer. Psychological counseling was also provided. In total, 42 employees sought gynecological consultations and 50 attended psychological counseling sessions.

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.

To welcome newborns, Kinpo's various plants adjusted job duties for pregnant employees. In Thailand, a designated area for meals and rest was set up to ensure pregnant employees could work comfortably and take adequate breaks. Additionally, plants in Thailand, Mexico, and Brazil prepared maternity packages or newborn supplies for pregnant employees and their newborns, exceeding regulatory welfare standards.

* For details on applicable plants and superior benefits, please refer to Section 7.2 Compensation & Benefits.

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

		2019	2020	2021	2022	2023
Female	Employees Eligible for Unpaid Parental Leave (A)	106	88	80	67	63
	Employees Applying for Unpaid Parental Leave (B)	15	13	7	14	10
	Employees Projected to Reinstated in the Year (C)	18	9	13	14	8
	Employees Actually Reinstated to Work (D)	13	5	7	10	8
	Employees Still Employed 12 Months After Reinstatement (E)	7	9	5	6	8
	Unpaid Parental Leave Application Rate (B)/(A)	14.15%	14.77%	8.75%	20.90%	15.87%
	Reinstatement Rate upon Expiry of Unpaid Leave (D)/(C)	72.22%	55.56%	53.85%	71.43%	100%
	Retention Rate 1 Year After Reinstatement (E)/ Previous Year (D)	87.50%	69.23%	100%	85.71%	80%

Unit: Persons

		2019 年	2020	2021	2022	2023
Male	Employees Eligible for Unpaid Parental Leave (A)	156	148	143	133	101
	Employees Applying for Unpaid Parental Leave (B)	1	3	3	6	3
	Employees Projected to Reinstated in the Year (C)	1	1	4	5	6
	Employees Actually Reinstated to Work (D)	1	-	4	2	2
	Employees Still Employed 12 Months After Reinstatement (E)	2	1	4	-	1
	Unpaid Parental Leave Application Rate (B)/(A)	0.64%	2.03%	2.10%	4.51%	2.97%
	Reinstatement Rate upon Expiry of Unpaid Leave (D)/(C)	100%	0%	100%	40.00%	33.33%
	Retention Rate 1 Year After Reinstatement (E)/ Previous Year (D)	100%	100%	0%	0%	50%

Unit: Persons

* Due to frequent inter-company transfers between the headquarters and subsidiaries, data from 2019-2022 has been retrospectively corrected.

Human Factors Engineering

Based on the musculoskeletal symptom checklist completed by our employees, for those employees whose most painful and uncomfortable sites are scored ≧ 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 2023, the infirmary will arrange a consultation with a doctor on site for 143 employees whose most painful and uncomfortable sites are scored ≧ 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 2023, 136 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 plant 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, non-harassment, mutual respect and tolerance, and equal opportunity. All employees can report workplace misconduct and violations through a dedicated hotline and email. In 2023, 1 case of workplace misconduct occurred, and appropriate corrective measures have been taken in compliance with the law to ensure the safety and well-being of employees.

Hike Together for Health

Kinpo is dedicated to maintaining a balance between work and life for its employees. By organizing outdoor activities, employees can unwind and relieve work-related stress. In 2023, Kinpo headquarters hosted the "Hike Together for Health" at the Battleship Rock hiking trail, allowing employees to rejuvenate and refresh themselves amidst their work responsibilities. This event offered employees a chance to break away from the busy pace of life, appreciate life's beauty at a relaxed pace, reinvigorate their spirits, foster innovative energy, and enhance creativity and focus at work. A total of 229 employees registered for the activity in 2023, with 198 actually participating, achieving an attendance rate of 86.5%.

7.6 Employee Participation

Green KINPO Lecture Series

Kinpo regularly organizes relevant lectures to deepen employees' understanding of trending topics through expert insights. Physical lectures are evaluated and recorded for online courses integrated into KINPO GROUP E-Learning School, allowing employees who could not attend to view them online. Lecture content is also timely included in the quarterly ESG Sustainability Journal for internal engagement with employees.

Date	Topics	Speakers	Attendance
2/16	Advancing to COP27 - Analysis of the World Climate Summit	Chou, Yu-chin Su, Yen-cheng	29
4/27	Corporate ESG - Sailing Towards Sustainability with Green Buildings*	Chen, Chung-jen	50
7/25	Biodiversity - Our Natural Home	Chi, Meng-jou	34
9/14	Carbon Credits Strategy Series (Part 1): How to Obtain Carbon Credits? Understanding Essential Mechanisms!	Liao, Ching-hui	51
9/19	Carbon Credits Strategy Series (Part 2): Introduction to Carbon Trading Platforms - Essential Carbon Asset Management Strategies in the Carbon Era		49

* Earth Day Series Events

Each Plant Joyously Celebrates the Lunar New Year

The Lunar New Year, one of the three major festivals in Chinese society, is a significant occasion for family reunions and is traditionally celebrated with a week-long holiday filled with festive customs and cultural traditions. Following past practices, Kinpo Headquarters organized the "Kinpo Children New Year Visit" event. On New Year's Eve, the first-floor lobby was adorned with balloon decorations, welcoming employees and their children to visit Grandpa Hsu for red envelopes, fostering a festive and celebratory atmosphere.

At the Chang'an plant, traditional Lunar New Year delicacies such as dumplings and hotpot were prepared for employees to enjoy. From New Year's Eve to the third day of the lunar new year, oranges and candies were set up in the TV lounge and KTV area, allowing those staying in the factory to savor the festive spirit.

In the Wujian plant, Director Yu, Fugui, together with all plant supervisors, bid farewell to employees returning home for family reunions at the entrance. While those staying at the plant could not return home, the Company sought to create a relaxed and enjoyable environment during the Lunar New Year holiday. Activities included enjoying company-prepared delicacies, movies, and karaoke, ensuring that employees unable to reunite with their families due to work commitments or pandemic restrictions felt warmth and joy welcoming the festival.

In Singapore, the Company held a "Kick off Work Ceremony for Good Luck and Blessings" during the Lunar New Year, featuring lion and dragon dances to usher in a prosperous year ahead, aiming for continued success and prosperity.

Earth Hour - Lights Out One Hour

The World Wide Fund for Nature initiated Earth Hour in 2007, encouraging people to turn off "non-essential lights" for one hour at 8:30 PM local time on the last Saturday of March every year. It has become the world's largest voluntary public carbon reduction campaign. Over 192 countries, including more than 18,000 landmarks such as Taipei 101, participate in this international environmental movement.

On the evening of March 25, Kinpo's Shenkeng headquarters switched off exterior signs and non-essential lighting. The President, along with managers and employees, held signs to promote the "lights-off" action, emphasizing that under global climate change, everyone, regardless of age or status, has the power and responsibility to make a difference in the world.

Earth Day Series Activities

Bring Your Own Cutlery, Say No to Plastic - Philippines Site

On April 21, the Philippines Site encouraged all employees and vendors to wear green shirts or polo shirts, participate in a plant cleanup, and avoid using plastic spoons and forks. Employees had to bring their own cutlery or purchase stainless steel cutlery sold by the cafeteria. For several years, the Company has required cafeteria vendors to use reusable plates to reduce waste. This "Bring Your Own Cutlery, Say No to Plastic" initiative aimed to help employees practice environmental protection in their daily lives.

Cactus Harvest Giveaway - Mexico Site

On March 14, the Mexico Site distributed a set of cutlery to each employee to reduce waste from disposable tableware. On April 14, the plant organized the "Cactus Harvest Giveaway," encouraging employees to clean up green spaces on-site and take home harvestable cacti for cooking and enjoyment. The event saw enthusiastic participation, promoting environmental stewardship and encouraging employees to adopt green practices in their daily lives, thereby contributing positively to the world.

Sustainability Bazaar - Shenkeng Headquarters

On the eve of Earth Day, the Group invited unpackaged.U store, O'right, and the Carrefour Foundation to set up booths, promoting products free of chemical additives, local farming, fair trade, and zero packaging.

Employees were urged to bring their own containers and eco-bags and to buy only what they needed to avoid unnecessary waste. The unpackaged store, also known as the "naked shop," received the most enthusiastic response, motivating everyone to bring their own containers to cut single-use packaging waste. Many employees expressed their gratitude for the Company's efforts in driving green and environmental causes, hoping for more such market events in the future.

On the event day, Kinpo also put up signs next to the stalls, inviting everyone to join the "No Plastic Guests" and "Carbon Reduction Knights." The Group collaborated with Foodpanda to set corporate meal orders by default to not provide disposable tableware, offering discounts to corporate members and reducing disposable tableware use. Since domestic transportation carbon emissions are second only to industrial activities, carbon reduction has become a key action for advancing environmental sustainability. As a result, the Company partnered with GoShare to invite employees to ride shared scooters, actively implementing carbon reduction actions.

Turning Old Batteries into Love – Shenkeng Headquarters

The Company has long provided battery recycling bins to encourage recycling. In celebration of Earth Day, the Group hosted a 9-day event, "Turning Old Batteries into Love," inviting employees to gather old batteries to improve recycling rates. Thanks to the enthusiastic response, the event collected 34.5 kilograms of used batteries and 3 portable chargers. The recycling rewards were converted into snacks and donated to the Hsu Chauing Social Welfare Charity Foundation for children. Apart from collecting batteries from offices and homes, the Group also invited suppliers to participate, fostering strong ESG partnerships and working together for a better future.

Protecting the Earth, Brought by a "Cup" - Shenzhen Headquarters

Disposable beverage cups constitute a substantial portion of the headquarters' rubbish. In celebration of Earth Day, the Company hosted a 9-day event titled "Protecting the Earth, Brought by a 'Cup'", encouraging employees to use reusable cups and check in to share their photos on Facebook. The aim of this event was to inspire employees to change their consumption habits regarding disposable cups, urging them to carry reusable cups in daily life to cut waste.

Sailing Towards Sustainability with Green Buildings – Shenzhen Headquarters

Green buildings prioritize human health and comfort, aiming for sustainable development in harmony with the environment. They alleviate environmental impact and promote a symbiotic relationship with nature. To disseminate accurate knowledge about green buildings, the Company organized the Green Kinpo Lecture, featuring President Chen, Chung-jen of Segreene Sustainable Design & Consulting (SSDC). He highlighted the four aspects of green buildings: "ecology", "energy efficiency", "waste reduction", and "health", guiding the Company towards ESG sustainability and net-zero emissions.

KINPO GROUP is to construct a new headquarters building at Beishike, with SSDC serving as the green building design consultant. President Chen shared his extensive experience in green building consulting, educating employees on green building principles and how architectural design can reduce resource consumption, minimize environmental pollution, and achieve sustainability goals.

Singing Competition – Yueyang Plant

On April 21, the Yueyang Plant hosted the "I Am an Idol - Give Me a Song's Time" singing competition. Participants registered by scanning a QR code with their mobile phones, resulting in 122 valid entries. 16 contestants advanced to the finals, which were live-streamed and watched by over 2,000 viewers. The competition concluded with the selection of champions, runners-up, third-place winners, and a popularity award winner.

Mother's Day Series of Activities

May is the month to celebrate Mother's Day, which varies in date worldwide but is mostly observed on the second Sunday of May.

In Mexico, Mother's Day is on May 10. On this day, the Mexico plant gave corsages and small cakes to mothers among the staff, appreciating their hard work. Employees brought their children's thank-you notes for public recognition and received exquisite gifts in return.

The Philippines plant also hosted vibrant Mother's Day celebrations. At the FPIP plant, they organized an "Outstanding Mom Election" to honor working mothers for their contributions to both careers and families. Employees voted for four outstanding working mothers, who received gifts from the Company. The top vote-getter's family was invited to the award ceremony and afternoon tea. Meanwhile, the LIMA plant held a "Working Mom Beauty Contest" with 11 participants. Contestants showcased their beauty, supported by enthusiastic cheering squads. Employees selected the top three winners, making the event exciting and well-participated.

Challenge for Super Dads as Cook - Father's Day Activities

On the eve of Father's Day, the Welfare Committee honored each family pillar, expressing heartfelt gratitude for their hard work and dedication. The Company specially prepared Alishan "Aba" black tea for employees, allowing them to savor its aroma while enjoying a moment of tranquility and relaxation. The Shenkeng headquarters also organized a series of fun activities for men to unwind and showcase different sides of themselves. Events included the "Chef Extraordinaire" and "Super Dad" challenges, where super dads displayed impressive cooking skills in the kitchen or demonstrated patience and expertise in diaper changing and bottle preparation. These activities not only brought employees closer but also filled this special Father's Day with joy, laughter, and lasting memories. The Company hopes that every employee feels the warmth and cohesion of the Company family on this special day and continues to spread this camaraderie in their work and personal lives.

Let's FUN GAME Summer Contest

During the scorching summer, the Shenkeng headquarters held a unity-building, courageous, and encouraging event - "Let's FUN GAME Summer Contest" - to help employees release stress while working hard. The event featured the "Classic 300 Seconds No Mistakes" team challenge, where teams united under pressure and gave their all, filling the process with laughter. The individual "Mario Kart" challenge pushed participants to their limits, showcasing their courage and perseverance on the track, adding excitement and passion to the contest. The CEO, inspired by the employees' efforts, personally sponsored special bonuses. This unexpected gesture heightened everyone's enthusiasm and spurred them to pursue the ultimate goal. By the event's conclusion, cheers from participants and supporters alike fostered deeper cooperation and camaraderie among all involved.

"Step Up" Stair Climbing Competition

To encourage employees to use stairs instead of elevators, Kinpo organized the "Step Up" stair climbing points collection event. This initiative aims to save electricity and promote physical activity, helping employees maintain a healthy lifestyle despite their busy, sedentary office routines. The event has been held since 2022, preceded by preparatory activities such as relocating smoking areas to maintain good air quality in stairwells, aligning with LEED green building standards. Stairwells were also adorned with landscape pictures, information on the UN's Sustainable Development Goals (SDGs), motivational slogans, and details about the Company's sustainability and ESG policies to enhance the environment.
In 2023, the event utilized NFC technology and the internal app eFrom for point collection.

Participants earned points by swiping their cards each time they ascended a floor. Employees achieving 450 points within the 3-month period received a "Healthy Living Award." The event garnered enthusiastic participation, with employees opting for stairs during work hours, lunch breaks, and after work. In total, 614 employees took part, collectively climbing over 300,000 steps, equivalent to scaling 100 Taipei 101 buildings, and burning more than 30,000 calories.

In total, 614 employees took part, collectively climbing over 300,000 steps, equivalent to scaling 100 Taipei 101 buildings, and burning more than 30,000 calories.

Green Building Educational Tour

KINPO GROUP invited the Taiwan Green Building Council to lead employees and their families on a visit to New Taipei City's first public green building, the "Tamsui Art Gallery". Professional guides took them on a half-day tour along the Tamsui riverside, integrating local cultural history and development processes. Through this micro-travel approach, participants appreciated the beauty of diamond-level green building artistry.

The Tamsui Art Gallery was transformed from 4 connected Japanese-style police dormitories. The architecture itself uses Japanese black tiles from the original site to create wall scenes, with scroll-shaped copper pipe chimneys for natural ventilation and extensive floor-to-ceiling windows for optimal lighting, reducing electricity consumption. The roof features semi-transparent solar panels that generate electricity for nighttime lighting. Additionally, the windows facing the Tamsui River are equipped with electrically controlled shading canvases to adjust sunlight, effectively providing shading and lowering the need for air conditioning.

Furthermore, the entire roof area is designed for rainwater harvesting with collection tanks installed at the base level, which collect water from the roof for irrigating the greenery on the ground floor, leveraging Tamsui's high rainfall levels. The Tamsui Art Gallery exemplifies high standards in ecological sustainability, waste reduction, and energy conservation.

The event took place on August 26 and September 9, with a total of 64 employees and their families participating. Through on-site visits and professional explanations, the principles of energy conservation, environmental protection, and sustainability were effectively communicated, enriching the understanding of green building concepts among employees and their families.

Sports Events

In October, the Phetchaburi Plant in Thailand hosted an employee sports event from the 12th to the 25th. The event kicked off with a parade and dance performances on opening day, followed by after-work competitions in volleyball, futsal, football, and sepak takraw. Teams from departments such as CP, CA, A17, and Mah participated enthusiastically, fostering teamwork, cooperation, and trust among all participants and boosting team cohesion and morale.

Similarly, the Philippines site encouraged sports participation with a two-day sports event on September 16 and 17, featuring basketball, volleyball, and badminton, alongside street dance and cheerleading competitions, creating a vibrant atmosphere for all employees.

Football is immensely popular in Brazil, reflected in daily activities at the Brazilian site. Employees organize men's and women's football teams that practice after work. Recently, they took part in a football tournament held in the industrial area where the plant is located. The Brazilian site's football teams achieved commendable results across different categories, with the women's team of 14 players winning the championship.

Blood Donation Activities Across Plants

KINPO GROUP collaborates globally with communities and relevant organizations to regularly organize blood donation activities, showcasing their dedication to social responsibility. From May to August 2023, these activities took place at Shenkeng Headquarters, Chang'an Plant, FPIP Plant in the Philippines, LIMA Plant, and Phetchaburi Plant in Thailand, involving a total of 303 employees.

Over the past decade, the Thailand site has maintained its steadfast commitment to the community through annual blood donation drives. Since 2021, the Yueyang Plant has invited employees annually to participate in charitable blood donation events. These activities not only save lives but also promote blood circulation and overall health.

08

Social Engagement

P.101 8.1 Caring for the Underprivileged

P.102 8.2 Education Programs

P.104 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 " (cease). 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 Social Welfare Charity 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.

For over 20 years, we have supported social welfare, cared for vulnerable groups, and invested in rural education through the Hsu Chauing Social Welfare Charity Foundation. The kindness of Kinpo employees has been pooled into a warm current, spreading like ripples to reach more people in need. In 2023, donations from headquarters included eco-bags (including small packs), eco-friendly cutlery, umbrellas, picnic mats, and collapsible water bottles, benefiting rural children and schools. Employees contributed a total of NT$961,200 in donations. The foundation organized two events with the participation of 180 volunteers, benefiting 5,780 individuals.

Staff Participation in Volunteer Activities and Effect of Charity Activities

8.1Caring for the Underprivileged

Elderly Meal Delivery

Shenkeng Headquarters has partnered with the New Taipei City Gonghao Charity Association to provide long-term meal delivery services for the elderly, and the headquarters provides boxed lunches on workdays. In 2023, 20 meals were delivered on workdays regularly.

Dream Fulfillment Project - Children's Day Activity

Vulnerable children frequently lack adequate support due to their family environments. The Hsu Chauing Social Welfare Charity Foundation aims to raise awareness of their needs by inviting employees to participate in Children's Day caring activities. Through this initiative, employees join hands to support vulnerable children, offering care and encouragement to boost their confidence and courage on their educational journey. In 2023, 30 vulnerable children were supported through this program.

Let Love Soar Together - Christmas Event

The headquarters hosted the "Let Love Soar Together" charity concert and volunteer recognition event on the joyful eve of Christmas, expressing gratitude to volunteer partners who shine as beacons of kindness in others' lives through their actions. The event featured performances by charitable organizations, showcasing energetic dances by individuals with Down syndrome, heartfelt vocals and instrumentals by visually impaired performers, and seamless dances by deaf dancers. Employees joined in, moving to the music, clapping along with the rhythm, stirring up passion and emotion on a cold winter day. Local businesses were also brought in to set up booths, boosting the local economy. Nearly 30 employees participated, raising a total of NT$37,200, all donated to the Hsu Chauing Social Welfare Charity Foundation for rural education.

Yunxi Qingpo Welfare Home Visitation Event - Yueyang Plant

The ancient saying goes: "Care for the elderly as you would care for your own, and care for the young as you would care for your own". Kinpo's Yueyang Plant, in collaboration with local Yunxi community volunteers, visited the Qingpo Welfare Home for an outreach event. We engaged with the elderly residents, chatting about daily life to alleviate loneliness, and provided fruits, snacks, and beverages to enrich their meals. The seniors shared humorous stories from their youth, inspiring admiration for their independence, resilience, and confidence.

Community Service and Care for Vulnerable Groups - Brazil Site

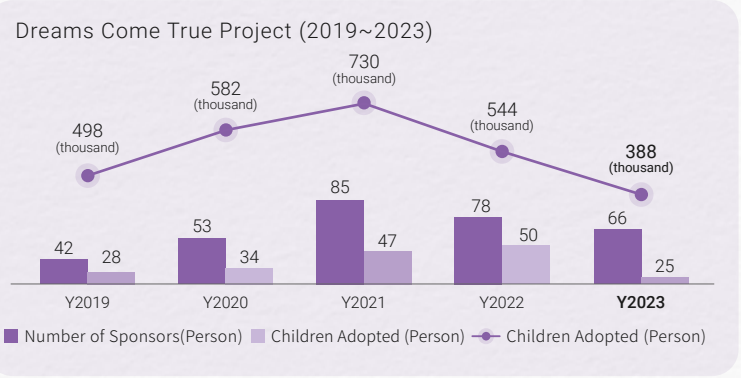
Kinpo's Brazil plant volunteers visited the Moacyr Alves Shelter this year, a home for individuals aged 3 months to 54 years with disabilities. Accompanied by compassionate employees, they shared pleasant afternoons with the shelter's residents. Additionally, the Brazil Site initiated employee collections of food, clothing, and personal hygiene items, donated to the shelter to promote the well-being of its residents.

8.2 Education Programs

"Dreams Come True Project" - Living the Dream with Children

Rural settings, family circumstances, economic hardships, and poverty should not hinder children from experiencing happiness, growth, and developing artistic talents. Kinpo holds a positive and caring attitude, wholeheartedly supporting these children. Over the years, the Hsu Chauing Social Welfare Charity Foundation has implemented the Dreams Come True Project, aiming to build children's confidence through encouragement and companionship, nurturing their skills and talents. This program fosters interests and abilities for future development, guiding many potentially at-risk children towards positive life paths and empowering them to confront life's challenges bravely. In 2023, the Dreams Come True Project saw participation from 66 employees, raising NT$388,000 to help children pursue their dreams.

▲ Dreams Come True Project



Hsiao Ching (pseudonym)

Hsiao Ching, who is cared for solely by her grandmother on regular days, was born when her parents were very young and are currently absent due to various reasons. Her grandmother supports her through odd jobs to provide for the child. Under her grandmother's devoted upbringing, Hsiao Ching has shown remarkable determination. Besides actively participating in badminton team practices, she is diligent in her studies, excelling in subjects like arts and painting. She also interacts well with classmates, showing empathy, optimism, and a cheerful disposition. Hsiao Ching was nominated for the "Dreams Come True Project" by a teacher. Her grandmother joyfully reminds her, "It's okay for others to support us now.
In the future, I hope you become a person who can give back and help others succeed!" Later, Hsiao Ching excelled in badminton and emerged victorious in the National Elementary School Badminton Championship. The foundation eagerly anticipates her future achievements in the sport!

Hao Hao (pseudonym)

Hao Hao's father passed away due to illness, leaving his mother to support their two children single-handedly through their education. She works as a dishwasher in a restaurant, earning a modest income. Since the pandemic outbreak 2 years ago, her income has sharply declined, nearly reaching zero. Despite these hardships, Hao Hao excels academically, diligently serves as a class officer, and gets along well with peers. Particularly talented and persistent in taekwondo, Hao Hao's potential shines through. By chance, Hao Hao joined the "Dreams Come True Project" of the Hsu Chauing Social Welfare Charity Foundation, where he receives monthly support and care from a sponsor. This assistance allows Hao Hao to focus on his studies and develop his talents without being affected by difficult circumstances. Hao Hao has also achieved remarkable results in taekwondo competitions and aspires to represent Taiwan in international tournaments, shining brightly on the world stage.

Hsiao Chih (pseudonym)

Hsiao Chih has been part of the Dreams Come True Project for over 4 years. Supported by the Hsu Chauing Social Welfare Charity Foundation due to family circumstances, he was able to pursue education without worry. Meanwhile, his participation in after-school clubs has helped cultivate his interests, creating a vibrant learning experience. Previously, Hsiao Chih's father succumbed to illness, and her mother's health issues prevented her from working, resulting in challenging financial circumstances. Despite this hardship, Hsiao Chih maintained a proactive attitude towards learning at school. Early support from the foundation facilitated his involvement in clubs, where interests in taekwondo, basketball, and go began to blossom. Growing confidence was evident in Hsiao Chih's annual letters of appreciation to sponsors, showcasing his journey of growth. Last year, Hsiao Chih competed in the Taipei Tech Cup National Taekwondo Championship for senior males in the yellow belt category. With speed, agility, and an indomitable spirit, he secured third place, marking a significant milestone in his journey. The foundation looks forward to Hsiao Chih steadily progressing towards his goals and dreams, anticipating continued success in both life and sporting endeavors.

Ecological Adventure

On December 9th, KINPO GROUP organized the "Ecological Adventure," inviting employees to explore the National Taiwan University Museums. The guided tour provided an in-depth look into the worlds of insects, animals, and plants.

The NTU Museum of Zoology, NTU Insect Museum, and NTU Herbarium house extensive and diverse collections. The Insect Museum boasts over 330,000 specimens, including those from the Japanese rule period and post-war era. The Museum of Zoology features animals from Taiwan, Southeast Asia, and Hainan Island, with exhibits focusing on "sound" to highlight ecological traits and instincts. The Herbarium frequently exchanges specimens with around 150 international institutions. These collections, with their valuable and historical significance, are important scientific and cultural assets for Taiwan.

30 employees participated, many bringing their children to this educational and interactive nature journey. They learned new knowledge through professional exhibits and deepened their understanding through engaging, hands-on experiences. This event emphasized the importance of biodiversity for sustainable development, encouraging the communication and transmission of the concept of preserving ecological environments and wildlife, and taking sustainable actions for the betterment of our planet.

Community School Renovation and Safety Day – Thailand Site

A conducive learning environment is crucial for shaping the future of young people. In alignment with the Group's commitment to SDG4 for Quality Education and our dedication to fostering a culture of empathy and contribution to progress, the Thailand Site supported the refurbishment of local school classrooms to improve the learning environment and create interactive spaces that spark curiosity and creativity.
Additionally, on November 10, the Thailand Site co-hosted the 2023 Safety Day event with the Phetchaburi Department of Labor Protection and Welfare. Besides assisting in repairing the school's electrical system and providing lunch, the Thailand Site conducted first aid and fire safety training for students, and donated items worth 10,500 THB to the school.

Printer Donation Activity – Yueyang Plant

To express gratitude for the support and care provided by surrounding schools for the children of employees, the Yueyang Plant donated printers to Songyanghu Middle School, Yongji Kindergarten, and the local community office, aiming to expand the Company's influence and build a strong corporate reputation.

Moving forward, the Company will continue to communicate with the surrounding community, uphold the spirit of "everyone engages in public welfare", and contribute more to the progress and development of society.

8.3 Caring for the Local Community and Volunteer Services

Signing of Disaster Preparedness MOU with Wanshun Borough

Kinpo believes that the essence of sustainable development lies in building resilient communities, particularly in the context of natural disasters. To further this goal, the Company has entered into a formal "Disaster Preparedness Memorandum of Understanding (MOU)" with the Wanshun Borough Office in Shenkeng District, New Taipei City. This MOU is designed to enhance collaboration during disasters, increase the community's self-reliance and mutual aid capabilities, and provide essential support to bolster the community's resilience and recovery efforts.

This MOU is not only a measure to address current disaster risks but also a part of the Company's ongoing efforts to achieve sustainable influence. By improving the community's disaster preparedness, Kinpo demonstrates its commitment to social responsibility, aiming to contribute to the long-term stability and development of society.

Mangrove Reforestation Activity - Thailand Site

The delicate balance of nature faces constant threats, but Kinpo's Thailand Site remains steadfast in ecological conservation and restoration. Through the mangrove reforestation initiative, the Company demonstrates its commitment: extending corporate social responsibility to sustaining Earth's ecosystems. Employees at the Thailand plant, alongside local communities and volunteers, collaborate in planting saplings to nurture these resilient trees. Beyond environmental benefits, mangroves contribute to the well-being of coastal communities, protecting vulnerable areas and mitigating the impacts of climate change, thereby advancing SDG 13 on climate action.

Engagement in To Be Number One Anti-Drug Campaign - Thailand Site

The challenge of drug abuse continues to escalate, prompting proactive action as a beacon of hope. "To Be Number One" is a foundation launched by the Princess of Thailand to combat drug issues, and the "To Be Number One Club" is its initiative for drug prevention and solutions. Recognizing its role in shaping community well-being, the Thailand Site, as a responsible corporate entity, not only provides financial support of 60,000 THB but also actively engages in advocacy campaigns, events, exhibitions, and more to support project development and foster a better sustainable community.

"Jingmei River Charity Care Project" - Adopting a Riverbank

Kinpo launched the "Jingmei River Public Care Project" in 2022, organizing bi-weekly events for riverbank cleanup and maintenance. This initiative not only enhances the environmental quality behind the Shenkeng headquarters, providing a clean and comfortable resting area for employees to improve their well-being but also promotes inter-departmental communication and cooperation. It boosts overall efficiency and team cohesion among employees while raising awareness of environmental conservation and social responsibility. Through active corporate engagement, Kinpo positively impacts the community, advancing the concept of sustainable development.

We believe that riverbank care activities convey the ethos of caring for the Earth to every employee and neighbor, positively influencing the local community. This effort improves the surrounding environment, enhances the quality of life for community residents, and indirectly polish Kinpo's social image. Neighbors praise Kinpo's efforts and express gratitude on local Facebook groups in Shenkeng, further bolstering the Company's image, cohesion, and team spirit. In 2023, we organized 21 events, involving 506 participants who collectively cleared approximately 57 kilograms of waste.

We remain committed to the Jingmei River, adhering to SDG principles for sustainable development. We believe that through proactive corporate engagement, we can further enhance our positive impact on the community. Looking ahead, we intend to involve nearby rural primary schools in volunteer activities focused on environmental protection, aiming to raise public awareness about environmental issues.

Baiyang Lake Cleaning Activity - Yueyang Plant

At the Yueyang Plant, employees extend environmental conservation efforts beyond the plant by organizing lake cleaning activities at nearby Baiyang Lake.

This initiative encourages employees to actively participate, fostering environmental awareness and jointly creating a green environment with the community, fulfilling social responsibility.

"Bag Recycling" - Paper Bag Reuse Project

To combat the excessive use of disposable plastic bags, Shenkeng headquarters initiated the "Pass the Bag" program, promoting the reuse of paper bags. Employees are encouraged to gather unused paper bags from home, contributing to the Company's "Paper Bag Bank." Instead of using plastic bags, employees access paper bags from the bank as needed and return them afterward. Excess paper bags are donated to businesses that support reusable options, such as Blessings Bakery, Charles Bakery, and Decathlon, expanding our influence beyond the Company and catalyzing positive change.

Small Appliance Repair Clinic

KINPO GROUP is actively involved in the repair movement, beginning with the "Small Appliance Repair Clinic" initiative to combat electronic waste by promoting resource reuse over disposal. In 2023, Kinpo collaborated with NanjiFix and Shenkeng District's Wanshun Borough warden Yang, Wen-te. They offered morning educational training sessions for volunteer staff, imparting basic repair skills and insights on forming local repair communities. In the afternoon, they provided free diagnostics and repairs to residents at the Wanshun Civic Center in Shenkeng District. Through knowledge sharing and practical actions, Kinpo is dedicated to mainstreaming the concepts of "repair" and "repair instead of buying", advocating them as sustainable living choices. This initiative seeks to minimize carbon emissions associated with new products, promote a circular economy, and support environmental restoration efforts.

15 employees and their families volunteered in this event. They received a total of 34 items, successfully mended 22 items, with a repair completion rate of 65%, totaling approximately 101.6 kilograms of waste reduction and 946.1 kilograms of carbon emissions saved. Appliances that couldn't be fixed often lacked necessary parts, which could be sourced for subsequent repairs. Despite running from day into night, the enthusiasm of the employees remained undiminished. Witnessing the smiles and gratitude of borough residents upon receiving their repaired appliances turned fatigue into a sense of accomplishment. This initiative not only cultivated repair skills but also underscored the importance of designing products for easy repair. As environmental issues grow more severe, Kinpo hopes everyone will start with repair, turning waste into value, bridging the gap to net-zero, and taking action to create multiple sustainable circular living possibilities.

Child Health Advocacy - Philippines Site

The Philippine Department of Education urges corporate groups to prioritize children's health issues. The Philippines Site assisted Sta. Anastacia Elementary School in establishing an infirmary to provide medical services for students and donated 35 weighing scales. Additionally, they organized a donation drive at PAYAPA Elementary School, providing items such as electric fans and cafeteria cutlery, and distributed student ID holders to 808 students. These efforts were aimed at supporting local elementary schools and motivating students to strive towards their goals.

Community Service - Environmental Cleanup Day

The Thailand Site mobilized employees to clean up the plant surroundings, removing litter to prevent mosquito breeding grounds and aiming to create a clean environment for employees and neighboring residents. Meanwhile, the Chang'an plant organized a hiking event at Lotus Mountain near the plant, during which employees hiked and collected litter. This initiative not only promoted fitness but also upheld the cleanliness of Lotus Mountain, showcasing their dedication to environmental stewardship. In total, 42 employees and their families participated in these efforts.

Appendix

P.108 Independent Limited Assurance Report

P.110 GRI Standards Indicator Comparison Table

P.112 Sustainability Disclosure Indicators
- Other Electronics Industry

P.113 SASB Standards Comparison Table

P.113 UN Global Compact Comparison Table

P.114 ISO 26000 Comparison Table

P.115 Management System Certificate

P.116 Environmental Sustainability Indicators

P.121 Social Inclusion Indicators

P.127 Sustainable Governance Indicators

Independent Limited Assurance Report

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Auditors' Limited Assurance Report

Kinpo Electronics, Inc.

Scope

We have been engaged by Kinpo Electronics, Inc. (the "Company") to perform a 'limited assurance engagement,' as defined by Accounting Research and Development Foundation of the Republic of China on Assurance Engagements, to report on sustainability performance information (the "Subject Matter") contained in the Company's Sustainability Report ("the Report") for the year ended December 31, 2023.

Subject Matter and Criteria Applied

The Subject Matter of the Company and its applicable criteria arc detailed in Appendix I.

Responsibilities of Management

Management is responsible for the preparation of the Report in accordance with Rules Governing the Preparation and Filing of Sustainability Reports by TWSE, or local equivalent standard. Standards and Sector Guidance published by the Global Reporting Initiatives (GRI) on 2021, Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD) and other applicable rules according to its sector features, in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matters based on evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)'). Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with personnel to understand the business and reporting process;
- Understanding the main stakeholders of the Company and their expectations and needs through interviews and examination of relevant documents, the specific communication channels between both parties, and how responds to such expectations and needs;
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period.
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria.
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified.
- Performed analytical procedures to support the reasonableness of the data.
- Tested, on a sample basis, underlying source information to check the accuracy of the data.
- Reading the Report to ensure the implementation of overall sustainable responsibility and reporting process is consistent with our understanding.

Inherent limitations

Due to the measurement uncertainties affecting the non-financial information included in the sustainability report, choosing different measurement methods may lead to significant variances in performance measurement. Furthermore, since the assurance work is conducted on a sampling basis, any internal controls are subject to inherent limitations, and therefore may not necessarily detect all material misstatements that already exist, whether they arise from fraud or error.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter, in order for it to be in accordance with the Criteria.

Chen, Chih Chung

Ernst & Young, Taiwan
July 22, 2024

Notice to Readers

For the convenience of readers. the independent auditors' limited assurance report and the accompanying summary of identified subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions. the Chinses-language independent auditors ' limited assurance report and summary' of identified subject matter information shall prevail.

Independent Limited Assurance Report

Appendix Ⅰ:

No.	Page	Content Title	Indicator Information	Criteria
1	117、118	Major Energy Consumption	The energy usage of Taiwan plant in 2023 are as follows: Liquefied natural gas (1,000 cubic meters): - Liquefied petroleum gas (kg): - Motor Gasoline (liters): 9,806.15 Diesel (liters): 4,013.46 Total electricity consumption (1,000 degrees): 3,514.66 The 2023 annual outsourced electricity for the Taiwan plant is 100%. The 2023 annual renewable energy usage rate for the Taiwan plant is 0%.	According to Article 4, Paragraph 3 of the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", Appendix 1-14 Sustainability Disclosure Indicators 2- Other Electronic Industries: Total energy consumption, percentage of outsourced electricity, and renewable energy use rate
2	119	Annual water consumption	In 2023, the water consumption of the Taiwan plant will be 36.95 million liters.	According to Article 4, Paragraph 3 of the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", Appendix 1-14 Sustainability Disclosure Indicators 2- Other Electronic Industries: Total water withdrawal and total water consumption
3	120	Waste management	In 2023, the weight of hazardous waste at the Taiwan plant is 0 metric tons.	According to Article 4, Paragraph 3 of the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", Appendix 1-14 Sustainability Disclosure Indicators 2- Other Electronic Industries: Total hazardous waste generated and percentage recycled
4	127	Occupational Injury Information by Plant	The number of occupational accidents in Taiwan plant in 2023 are as follows: Hours Worked in a Year (Hours): 2,992,187 Lost Time of Occupational Injury (Cases): 6 Recordable Occupational Injury (Cases): 6 Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR) (%): 0.40 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. The statistics of occupational accidents in Taiwan plant in 2023 are as follows: Improper Actions: 1 other: 5	According to Article 4, Paragraph 3 of the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", Appendix 1-14 Sustainability Disclosure Indicators 2- Other Electronic Industries: Types of, number of employees in and rate of occupational accidents

No.	Page	Content Title	Indicator Information	Criteria
5	30、112	Corporate Governance	In 2023, the amount of monetary loss caused by legal proceedings related to the anti-competitive conduct ordinance at the Taiwan plant is NT$0	According to Article 4, Paragraph 3 of the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", Appendix 1-14 Sustainability Disclosure Indicators 2- Other Electronic Industries: Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations
6	122	Composition of the employees	2023 Taiwan Plant Employees Composition (by Gender): Full-time employees: Male 773, Female 622, Total 1,395 Part-time employees: Male 5, Female -, Total 5 Total: Male 778, Female 622, Total 1,400	GRI Standards 2-7 employee Full-time and part-time employees by gender
7	124	Total number of the new employee and departing employee (by gender /age)	Total number of new employees in Taiwan in 2023 (by gender): Male: New employees 56, % 0.01% Female: 33, 0.01% Total: 89, 0.02% Total number of new employees in Taiwan 2023 (by age): Under 30 years old: 22, 0.01% 30~50 years old: 59, 0.02% Over 50 years old: 8, 0.05% Total: 89, 0.08% Total number of departing employees in Taiwan plant 2023 (by gender): Male: Departing Employees 304, % 0.06% Female: 169, 0.03% Total: 473, 0.09% Total number of departing employees the in Taiwan plant 2023 (by age): Under 30 years old: 52, 0.02% 30~50 years old: 313, 0.12% Over 50 years old: 108, 0.74% Total: 473, 0.88%	GRI Standards 401-1 New and former employees In FY2023, the number of new employees in Taiwan plant will be divided by gender and calculated ratio based on the average of the entire accounting period. In FY2023, the number of new employees in Taiwan plant will be divided by age and calculated ratio based on the average of the entire accounting period. In FY2023, the number of departing employees in Taiwan plant will be divided by gender and calculated ratio based on the average of the entire accounting period. In FY2023, the number of departing employees in Taiwan plant will be divided by age and calculated ratio based on the average of the entire accounting period.

No.	Page	Content Title	Indicator Information	Criteria
8	127	Education and training statistics for employees (by gender /age)	The statistics of training hours in Taiwan in 2023 are as follows: Position \ Gender: Male – Training Hours (Hrs) / Hours per Employee; Female – Training Hours (Hrs) / Hours per Employee Senior (Level 1) Manager: 210.5, 5.26, 79.0, 7.90 Mid-level Manager: 2,684.0, 18.14, 1,055.9, 21.55 Junior Manager: 6,848.0, 22.23, 4,018.0, 25.92 Specialists: 6,741.0, 23.90, 10,392.5, 25.47 Total: 16,483.5, 21.19, 15,545.4, 24.99	GRI Standards 404-1 The average hours of training per year per employee The average hours of training per position is the total hours of training hours divided by the total hours on the end date of the reporting period

GRI Standards Indicator Comparison Table

Statement of Use	Kinpo published its Sustainability Report 2023 against the GRI Standards for the period from January 1, 2023 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
GRI 2: General Disclosures 2021			
The Organization and its Reporting Practices			
2-1 Organizational details	1.1 Company Profile		P.12
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.108
Activities and Workers			
2-6 Activities, value chain and other business relationships	1.3 Operational Overview 6.5 Sustainable Supply Chain Management		P.12 P.72
2-7 Employees	7.1 Human Resource Management Policy		P.75
2-8 Workers who are not employees	7.1 Human Resource Management Policy		P.75
Governance			
2-9 Governance structure and composition	2.1 ESG Governance Organization 3.1 Corporate Governance		P.15 P.23
2-10 Nomination and selection of the highest governance body	3.1 Corporate Governance		P.23
2-11 Chair of the highest governance body	3.1 Corporate Governance		P.23
2-12 Role of the highest governance body in overseeing the management of impacts	2.1 ESG Governance Organization 3.1 Corporate Governance		P.15 P.23
2-13 Delegation of responsibility for managing impacts	2.1 ESG Governance Organization 3.1 Corporate Governance		P.15 P.23
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.15 P.23
2-15 Conflicts of interest	3.1 Corporate Governance 3.2 Ethical Management and Regulatory Compliance		P.23 P.28
2-16 Communication of critical concerns	3.1 Corporate Governance 3.2 Ethical Management and Regulatory Compliance		P.23 P.28
2-17 Collective knowledge of the highest governance body	2.2 Sustainability Blueprint and UN SDGs 3.1 Corporate Governance		P.16 P.23
2-18 Evaluation of the performance of the highest governance body	3.1Corporate Governance		P.23
2-19 Remuneration policies	3.1Corporate Governance 7.2 Compensation & Benefits		P.23 P.83
2-20 Process to determine remuneration	3.1Corporate Governance 7.2 Compensation & Benefits		P.23 P.83
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.	
Strategy, Policies and Practices			
2-22 Statement on sustainable development strategy	Message from the Chairman Message from the President 2.2 Sustainability Blueprint and UN SDGs		P.07 P.08 P.16
2-23 Policy commitments	3.1 Corporate Governance 3.3 Risk Management 6.5 Sustainable Supply Chain Management 7.1 Human Resource Management Policy		P.23 P.32 P.72 P.75
2-24 Embedding policy commitments	2.1 ESG Governance Organization 2.2 Sustainability Blueprint and UN SDGs 6.5 Sustainable Supply Chain Management 7.1 Human Resource Management Policy		P.15 P.16 P.72 P.75
2-25 Processes to remediate negative impacts	3.2 Ethical Management and Regulatory Compliance 4.1 R&D and Green Design 5.1 Climate Change Risk & Management 6.5 Sustainable Supply Chain Management 7.3 Staff Development Chapter 8 Social Engagement		P.28 P.40 P.51 P.72 P.86 P.101
2-26 Mechanisms for seeking advice and raising concerns	3.2 Ethical Management and Regulatory Compliance		P.28
2-27 Compliance with laws and regulations	3.2 Ethical Management and Regulatory Compliance		P.28
2-28 Membership associations	2.5 Major Initiatives and Involvement		P.20
Stakeholder Engagement			
2-29 Approach to stakeholder engagement	2.4 Stakeholder Communication		P.19
2-30 Collective bargaining agreements	Kinpo did not enter into any collective bargaining agreement in 2023.		
GRI 3: Material Topics 2021			
3-1 Process to determine material topics	2.3 Analysis of Material Topics		P.17
3-2 List of material topics	2.3 Analysis of Material Topics		P.17
3-3 Management of material topics	2.3 Analysis of Material Topics		P.17

Material Topics

GRI Standards	Disclosure	Corresponding Report Sections	Page
Climate Strategy			
3-3 Management of material topics		Chapter 5 Environmental Sustainability	P.50
201 Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	5.1 Climate Change Risk & Management	P.51
305 Emissions	305-1 Direct (Scope 1) GHG emissions	5.2 GHG Management	P.60
	305-2 Energy indirect (Scope 2) GHG emissions	5.2 GHG Management	P.60
	305-3 Other indirect (Scope 3) GHG emissions	5.2 GHG Management	P.60
	305-4 GHG emissions intensity	5.2 GHG Management	P.60
	305-5 Reduction of GHG emissions	5.2 GHG Management	P.60
Energy Management			
3-3 Management of material topics		5.3 Energy Management	P.62
302 Energy	302-1 Energy consumption within the organization	5.3 Energy Management Appendix - Environmental Sustainability Indicators	P.62 P.116
	302-3 Energy intensity	5.3 Energy Management Appendix - Environmental Sustainability Indicators	P.62 P.116
	302-4 Reduction of energy consumption	5.3 Energy Management	P.62
Talent Attraction & Retention			
3-3 Management of material topics		Chapter 7 Employee Wellbeing	P.75
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.75 P.121
401 Employment	401-1 New employee hires and employee turnover	7.1 Human Resource Management Policy Appendix - Social Inclusion Indicators	P.75 P.121
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2 Compensation & Benefits	P.83
	401-3 Parental leave	7.5 Employee Health	P.89
Sustainable Supply Chain			
3-3 Management of material topics		4.3 Quality Management 6.5 Sustainable Supply Chain Management	P.44 P.72
308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	6.5 Sustainable Supply Chain Management	P.72
	308-2 Negative environmental impacts in the supply chain and actions taken	6.5 Sustainable Supply Chain Management	P.72
414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	4.3 Quality Management	P.44
	414-2 Negative social impacts in the supply chain and actions taken	4.3 Quality Management	P.44
Quality Management			
3-3 Management of material topics		4.3 Quality Management	P.44
417 Marketing and Labeling	417-1 Requirements for product and service information and labeling	4.3 Quality Management 6.3 Restricted Substance Management	P.44 P.70
	417-2 Incidents of non-compliance concerning product and service information and labeling	4.3 Quality Management No violations in 2023.	P.44
Information Security			
3-3 Management of material topics		3.4 Information security management	P.34
418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.4 Information security management No violations in 2023.	P.34

Topics of Ongoing Interest

Water Management			
303 Water and Effluents	303-3 Water withdrawal	Appendix - Environmental Sustainability Indicators	P.116
	303-4 Water discharge	Appendix - Environmental Sustainability Indicators	P.116
	303-5 Water consumption	Appendix - Environmental Sustainability Indicators	P.116
Waste Management			
306 Waste	306-3 Waste generated	Appendix - Environmental Sustainability Indicators	P.116
	306-4 Waste diverted from disposal	Appendix - Environmental Sustainability Indicators	P.116
	306-5 Waste directed to disposal	Appendix - Environmental Sustainability Indicators	P.116
Biodiversity			
304 Biodiversity	304-2 Significant impacts of activities, products, and services on biodiversity	5.4 Biodiversity	P.63
Product Responsibility			
416 Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	4.3 Quality Management 6.3 Restricted Substance Management	P.44 P.70
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4.3 Quality Management No violations in 2023.	P.44
Diversity & Inclusion			
405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	7.1 Human Resource Management Policy Appendix - Social Inclusion Indicators	P.75 P.121

Human Capital Development			
201 Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	7.2 Compensation & Benefits	P.83
404 Training and Education	404-1 Average hours of training per year per employee	7.3 Staff Development	P.86
406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	7.1 Human Resource Management Policy 7.5 Employee Health	P.75 P.89
408 Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	7.1 Human Resource Management Policy Kinpo bans the use of child labor and does not engage with suppliers or subcontractors who employ child labor.	P.75
Occupational Safety & Health			
403 Occupational Health and Safety	403-1 Occupational health and safety management system	7.5 Employee Health	P.89
	403-2 Hazard identification, risk assessment, and incident investigation	7.5 Employee Health	P.89
	403-3 Occupational health services	7.5 Employee Health	P.89
	403-4 Worker participation, consultation, and communication on occupational health and safety	7.5 Employee Health	P.89
	403-5 Worker training on occupational health and safety	7.5 Employee Health	P.89
	403-6 Promotion of worker health	7.5 Employee Health	P.89
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.5 Employee Health	P.89
	403-9 Work-related injuries	7.5 Employee Health	P.89
Ethical Management			
205 Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	3.2 Ethical Management & Regulatory Compliance	P.28
206 Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.2 Ethical Management & Regulatory Compliance	P.28
Tax Administration			
207 Tax	207-1 Approach to tax	3.5 Tax Policy	P.37

Sustainability Disclosure Indicators - Other Electronics Industry

No.	Indicators	Indicator Type	2023 Disclosure	Unit	Corresponding Report Sections
1	Total Energy Consumption	Quantitative	1,184,954.22	Gigajoules (GJ)	5.3 Energy Management Appendix - Environmental Sustainability Indicators
	Percentage of Purchased Electricity	Quantitative	92.2	Percentage (%)	
	Renewable Energy Utilization Rate	Quantitative	7.8	Percentage (%)	
2	Total Water Withdrawal	Quantitative	1,387.68	Thousand cubic meters (1,000m³)	Appendix - Environmental Sustainability Indicators
	Total Water Consumption	Quantitative	105.21	Thousand cubic meters (1,000m³)	
3	Weight of Hazardous Waste Generated	Quantitative	2,247.88	Metric tons (t)	Appendix - Environmental Sustainability Indicators
	Percentage of Hazardous Waste Recycled	Quantitative	0.27	Percentage (%)	
4	Number of Persons in Occupational Accidents*	Quantitative	66	Number of persons (persons)	7.5 Employee Health
	Rate of Occupational accident Cases	Quantitative	0.33	Percentage (%)	
5	Product Lifecycle Management Disclosure: Including weights of scraps and electronic waste and percentage recycled	Quantitative	-	Metric tons (t) Percentage (%)	-
6	Description of the Management of Risks Associated with the Use of Critical Materials	Qualitative	Kinpo fully observes regulations on the restricted/prohibited use of hazardous substances and responsible minerals, incorporating these issues into supplier management, and requiring suppliers to sign sourcing contracts.	-	6.3 Restricted Substance Management 6.4 Responsible Minerals Management 6.5 Sustainable Supply Chain Management
7	Total Amount of Monetary Losses as a Result of Legal Proceedings Associated with Anti-competitive Behavior Regulations	Quantitative	0	NTD (NT$)	3.2 Ethical Management and Regulatory Compliance
8	Production by Product Category	Quantitative	-	Varies by product category	-

*The Company filled in this indicator by the number of Lost Time of Occupational Injuries by Cases, reported to the Occupational Safety and Health Administration, Ministry of Labor, and statistics of the global sites.
*We statistics the case of GRI 403-9 Work-related injuries by the type of occupational injuries of Occupational Safety and Health Administration. Please refer to the Appendix - Social Inclusion Indicators for the statistics of the global sites.

SASB Standards Comparison Table

Topic	Metric	Code	Corresponding Report Sections
Water Management	(1) Total water withdrawn (10^3m^3) (2) Total water consumed (10^3m^3) (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	7.5 Employee Health
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	6.5 Sustainable Supply Chain
	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	TC-ES-320a.3	6.5 Sustainable Supply Chain
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered, percentage recycle	TC-ES-410a.1	6.3 Restricted Substance Management
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-ES-440a.1	6.4 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.	6.4 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.	3.2 Ethical Management & Regulatory 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 Climate Change Risk & Management
	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 Climate Change Risk & Management
	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.	3.2 Ethical Management & Regulatory Compliance

ISO 26000 Comparison Table

Categories	Main Issues		Relevant Sections
Organizational Governance	• Systems for decision-making and implementation in the execution of goals		2.1 ESG Governance Organization 3.1 Corporate Governance
Human Rights	• Auditing of legal compliance and human rights risks • Situations posing risks to human rights	• Avoiding complicity – direct, benefit, and silent complicity	7.1 Human Resources Management Policy
	• Addressing grievances		7.4 Employee Communication
	• Discrimination and vulnerable groups • Civil and political rights	• Economic, social, and cultural rights • Fundamental rights at work	7.1 Human Resources Management Policy
Labor Practices	• Contractual and employment relationships	• Working conditions and social protection	7.1 Human Resources Management Policy
	• Social dialogue		7.4 Employee Communication
	• Occupational health and safety		7.5 Employee Health
	• Human development and training		7.3 Employee Development
Environment	• Pollution prevention	• Sustainable resource use	Chapter 5 Environmental Sustainability
	• Climate change mitigation and adaptation		5.1 Climate Change Risk & Management
	• Environmental protection, biodiversity, and habitat restoration		5.4 Biodiversity
Fair Operating Practices	• Anti-corruption • Responsible political engagement	• Fair competition • Promoting social responsibility in the value chain	3.2 Ethical Management & Regulatory Compliance
	• Respect for intellectual property rights		4.2 R&D Patents
Consumer Issues	• Fair marketing, information, and contract practices • Consumer health and safety protection • Sustainable consumption • Consumer service, support, complaints, and dispute resolution	• Consumer data protection and privacy • Providing essential services • Education and awareness	-
Community Involvement and Development	• Community involvement		8.3 Caring for the Local Community and Volunteer Services
	• Education and culture		8.2 Education Programs
	• Increasing employment and technical development • Technological development • Creating wealth and income	• Health • Social investment	Chapter 8 Social Engagement

*Kinpo is a B2B assembly plant and does not directly face consumers, so the section on "Consumer Issues" is irrelevant.

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				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				V	
Environment	IECQ-QC080000 Hazardous Substance Process Management System	V	V	V			V	V				
	ISO14001 Environmental Management Systems		V	V	V	V	V	V	V		V	V
	ISO14064 GHG Accounting & Verification	V	V	V	V	V	V	V	V	V	V	V
	ISO 50001 Energy Management Systems	V	V	V	V	V	V	V	V			
	OEM GP Environmental Management Systems	V				V						
	UL2799 Zero Waste to Landfill						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										

*This verification is limited to specific product lines.

Environmental Sustainability Indicators

1. Environmental Management Cost Statistics

Unit: NT$1,000

	2021				2022				2023				
	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	Investment in Pollution Control Equipment	Pollution Control Cost	Losses from Environmental Violations	Waste Disposal Fees	Costs of Management Activities
Taiwan	-	-	41.90	-	-	-	58.10	-	-	-	-	732	398
China	24,816.20	12,783.64	1,044.95	939.40	2,910.85	1,855.70	12,642.12	1,223.93	787	444	-	1,032	3,558
Thailand	-	399.06	351.82	-	-	561.93	216.51	-	161	82	-	226	1,008
Philippines	-	-	2,819.38	-	-	-	5,480.40	-	175,722	123,074	345,412*	6,844	20,724
Brazil	396.25	83,864.81	3,873.25	368.00	497.82	55,677.58	2,980.86	415.91	-	1,033	-	2,967	7,917
Mexico	-	-	47.78	-	-	-	31.06	-	-	-	-	25	100
Malaysia	47.61	174.97	287.19	74.20	151.07	280.58	286.53	208.52	264	169	-	377	997
USA	-	-	529.01	-	-	-	595.22	-	-	-	-	672	572
Total	25,260.07	97,222.47	8,995.29	1,381.60	3,559.74	58,375.80	22,290.8	1,848.36	176,935	124,801	345,412	12,876	35,274

*According to Article 4 of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities", material information that a company must disclose includes cumulative fines for a single event exceeding NT$1 million. In 2023, the Philippine Site was fined a total of NT$345,412 by the local government for wastewater discharge violations. Since the fine for this single event did not exceed NT$1 million, it is disclosed here.

2-1 Major Energy Consumption (by Energy Type)

	2020			2021				
	LNG (10^3m^3)	Diesel (L)	Total electricity consumption (MWh)	LNG (10^3m^3)	LPG (kg)	Motor Gasoline (L)	Diesel (L)	Total electricity consumption (MWh)
Taiwan	-	-	3,865.00	-	-	15,601.68	3,964.93	4,619.47
China	135.00	31,000.00	90,437.00	71,522.53	-	12,281.45	11,638.40	104,827.89
Thailand	-	8,000.00	119,491.00	-	119,470.00	10,307.00	330,979.77	167,825.25
Philippines	-	163,000.00	87,708.00	-	52,800.00	7,778.04	117,676.35	104,443.93
Brazil	-	13,000.00	17,797.00	-	17,120.00	10,228.45	10,122.47	20,161.00
Mexico	20.00	6,000.00	5,151.00	-	537,316.00	2,000.00	800.00	6,850.40
Malaysia	-	-	-	-	-	-	-	8,781.12
USA	-	-	-	-	33.07	181.70	-	273.33
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
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
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

	2022					2023				
	LNG (10^3m^3)	LPG (kg)	Motor Gasoline (L)	Diesel (L)	Total electricity consumption (MWh)	LNG (10^3m^3)	LPG (kg)	Motor Gasoline (L)	Diesel (L)	Total electricity consumption (MWh)
Taiwan	-	-	10,952.46	3,538.69	4,522.60	-	-	9,806.15	4,013.46	3,514.66
China	113,725.00	-	11,377.62	9,172.80	91,763.62	55,978.00	-	18,239.01	5,411.70	59,427.25
Thailand	-	110,326.84	9,062.73	252,194.69	211,096.74	-	98,833.00	8,712.24	184,521.31	141,893.03
Philippines	-	90,450.00	544.48	29,840.01	114,315.03	-	27,550.00	1,096.01	667,792.96	88,274.41
Brazil	-	15,260.00	8,198.02	12,541.50	19,429.00	-	15,580.00	16,200.31	14,589.97	12,928.00
Mexico	-	12,017.00	2,632.00	600.00	6,424.66	5,256.00	-	2,207.37	200.00	3,906.20
Malaysia	-	-	-	-	6,813.08	-	-	-	12.00	7,189.15
USA	-	21.77	135.52	-	278.70	-	48.00	30.87	-	321.90
Total (Original Unit of Statistics)	113,725.00	228,075.61	42,902.83	307,887.69	454,643.42	61,234.00	142,011.00	56,291.96	876,541.39	317,454.60
Total (GJ)	4,282.43	11,510.80	1,400.14	10,820.90	1,636,716.31	2,305.83	7,167.18	1,837.10	30,806.57	1,142,836.55
Share of each type of energy in total use (%)	0.26	0.69	0.08	0.65	98.32	0.19	0.60	0.16	2.60	96.45

2-2 Major Energy Consumption (by Renewable and Non-Renewable Energy)

Unit: MWh

	2021	2022	2023		
			Taiwan	Overseas	Total
Total Non-Renewable Energy	411,876.11	438,722.10	3642.74	300,649.53	304,292.27
Total Renewable Energy	22,011.00	23,703.06	-	24,861.40	24,861.40
Total Energy Consumption	433,887.11	462,425.16	3,642.74	325,510.93	329,153.67

3-1 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)	Purchased Renewable Energy Certificates (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)	Purchased Renewable Energy Certificates (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	-	89,224.69
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	415,932.40	-	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	430,940.36

	2023						
	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)	Purchased Renewable Energy Certificates (F)	Total Non-Renewable Electricity Consumption (without Renewable Energy Certificate) (G)=(A)-(F)
Taiwan	3,514.66	-	-	-	3,514.66	-	3,514.66
China	55,947.53	3,479.72	-	3,479.72	59,427.25	-	55,947.53
Thailand	141,893.03	-	-	-	141,893.03	-	141,893.03
Philippines	80,722.15	7,552.26	-	7,552.26	88,274.41	-	80,722.15
Brazil	12,928.00	-	-	-	12,928.00	12,928.00	-
Mexico	3,004.77	150.24	751.19	901.43	3,906.20	-	3,004.77
Malaysia	7,189.15	-	-	-	7,189.15	-	7,189.15
USA	321.90	-	-	-	321.90	-	321.90
Total	305,521.19	11,182.21	751.19	11,933.40	317,454.60	12,928.00	292,593.19

*Kinpo started using renewable energy in 2021.
*At the Taiwan headquarters, external electricity purchases totaled 4,522.6 MWh in 2022 and 3,514.66 MWh in 2023, showing a decrease of 22.29% from 2022 to 2023.
*At Kinpo's Thailand Site (Cal-Comp Electronics (Thailand) Public Company Limited (CCET)), external electricity purchases totaled 154,337.44 MWh in 2022, with an energy intensity of 45.48 MWh/Million USD. In 2023, external electricity purchases totaled 118,864.61 MWh, with an energy intensity of 36.69 MWh/Million USD, indicating a decrease of 19.32% from 2022 to 2023.

3-2 Renewable Energy Consumption

	2021		2022		2023	
	Electricity Consumption (MWh)	Percentage of Total Electricity Consumption (%)	Electricity Consumption (MWh)	Percentage of Total Electricity Consumption (%)	Electricity Consumption (MWh)	Percentage of Total Electricity Consumption (%)
Onsite Renewable Energy	-	0	2,538,929	0.6%	11,182,210	3.5%
Power Purchased Agreements	1,850,000	0.4%	1,735,127	0.4%	751,192	0.2%
Renewable Energy Certificates	20,161,000	4.8%	19,429,000	4.3%	12,928,000	4.1%
Total	22,011,000	5.3%	23,703,056	5.2%	24,861,402	7.8%

4-1 Water Management (by Total Volume)

Unit: Million Liters

Water Consumption	2019	2020	2021	2022	2023
Taiwan	38.2	42.5	42.96	42.99	36.95
China	652.02	2,267.56	706.85	417.33	110.69
Thailand	577.76	534.36	643.70	671.69	700.08
Philippines	659.65	606.88	667.50	927.95	518.20
Brazil	0.80	0.91	1.11	0.68	0.03
Mexico	8.20	11.35	9.25	5.86	5.26
Malaysia	26.03	23.05	28.60	26.58	15.42
USA	2.53	0.71	0.50	1.00	1.01
Total	3,855.41	6,897.03	4,119.62	2,094.08	1,387.68

4-2 Water Management (by Type)

Unit: Million Liters

	2023		
	Water Withdrawal	Water Discharge	Water Consumption
Taiwan	36.95	36.95	-
China	110.69	94.19	16.50
Thailand	700.08	698.95	1.13
Philippines	518.20	442.60	75.60
Brazil	0.03	0.03	-
Mexico	5.26	5.26	-
Malaysia	15.42	3.44	11.98
USA	1.01	1.00	0.01
Total	1,387.64	1,282.42	105.21

5-1 Waste Management (by Total Volume)

Unit: Tonnes

	2020	2021	2022	2023
Domestic Waste	6,163.04	10,373.18	2,224.42	973.58
General Industrial Waste	12,493.03	15,674.12	12,978.47	8,579.36
Hazardous Waste	10,282.36	2,223.19	3,872.31	2,247.88
Total	28,938.43	19,790.12	19,075.04	11,800.81

5-2 Waste Management (by Type)

Unit: Tonnes

2023	Domestic Waste					General Industrial Waste							Hazardous Waste						
	Recovery & Recycling	Direct Disposal				Recovery & Recycling			Direct Disposal				Recovery & Recycling			Direct Disposal			
	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	Other Recovery	Prepare for Reuse	Incineration (with energy recovery)	Incineration (without energy recovery)	Burial	Other Disposal
Taiwan	-	84.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	11.18	-	-	-	-	1,761.87	164.82	-	-	-	-	-	1.58	-	-	0.60	23.53	-	33.60
Thailand	-	-	-	-	393.31	3.00	27.33	2,572.80	-	-	-	78.87	3.80	-	-	23.27	-	12.79	176.42
Philippines	-	-	-	280.38	-	1,054.86	1,697.61	-	-	-	237.54	-	-	-	5.44	-	-	-	1,847.83
Brazil	-	-	186.02	-	-	479.65	5.79	-	-	95.35	-	-	-	13.54	-	-	32.21	-	57.84
Mexico	-	-	-	18.70	-	143.06	-	-	-	-	-	10.30	0.50	-	-	-	2.03	-	-
Malaysia	-	-	-	-	-	201.07	-	-	-	-	45.20	-	-	12.56	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	0.24	-	-	-	-	-	-	0.35	-	-	-
Total	11.18	84.00	186.02	299.08	393.31	3,643.51	1,895.55	2,572.80	0.24	95.35	282.74	89.17	5.88	26.10	5.44	24.22	57.77	12.79	2,115.69
Percentage of Total Waste by Waste Type (%)	0.09%	0.71%	1.58%	2.53%	3.33%	30.88%	16.06%	21.80%	0.00%	0.81%	2.40%	0.76%	0.05%	0.22%	0.05%	0.21%	0.49%	0.11%	17.93%

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

6. ESG Indicators in 2022 & 2023

	ESG Indicators		2022	2023	2023 Compared to the Last Year
GHG Emissions (tons CO^2e)	Taiwan	Taiwan headquarters decreased by over 2% than last year.	2,674	2,067	-22.70%
	Thailand	-	78,488	60,551.42	-
GHG Emission Intensity (tons CO^2e/Million USD)	Taiwan	-	-	-	-
	Thailand	Thailand Site (CCET) decreased by over 2% than last year.	23.13	18.69	-19.18%
Energy Usage by External Electricity Purchases (MWh)	Taiwan	Taiwan headquarters decreased by over 2% than last year.	4,522.6	3,514.66	-22.29%
	Thailand	-	154,337.44	118,864.61	-
Energy Usage Intensity by External Electricity Purchases (MWh/Million USD)	Taiwan	-	-	-	-
	Thailand	Thailand Site (CCET) decreased by over 2% than last year.	45.48	36.69	-19.32%
Corporate Governance Evaluation	Taiwan	Kinpo ranked in the top 35% tier of listed companies.	Compliance (21-35%)	Compliance (6-20%)	-
	Thailand	Kinpo ranked in the top 5% or 6%-20% tier.	Non-compliance (21-35%)	Compliance (6-20%)	-

Social Inclusion Indicators

1-1 Number of Staff (by Gender)

		2019	2020	2021	2022	2023		
						Taiwan	Overseas	Total
Headcount (Person)	Female	20,579	20,628	29,332	29,346	622	22,692	23,314
	Male	19,121	24,060	25,969	24,745	778	18,581	19,359
	Total	39,700	44,688	55,301	54,091	1,400	41,273	42,673
Pct (%)	Female	51.84%	46.16%	53.04%	54.25%	1.46%	53.18%	54.63%
	Male	48.16%	53.84%	46.96%	45.75%	1.82%	43.54%	45.37%

1-2 Number of Staff (by Age)

		2019	2020	2021	2022	2023		
						Taiwan	Overseas	Total
Headcount (Person)	Under 30	24,590	24,964	31,386	30,196	93	19,895	19,988
	31-50	14,308	18,847	22,925	22,680	1,001	20,462	21,463
	Over 50	802	877	990	1,215	306	916	1,222
	Total	39,700	44,688	55,301	54,091	1,400	41,273	42,673
Pct (%)	Under 30	61.94%	55.86%	56.75%	55.82%	0.22%	46.62%	46.84%
	31-50	36.04%	42.17%	41.45%	41.93%	2.35%	47.95%	50.30%
	Over 50	2.02%	1.96%	1.79%	2.25%	0.72%	2.15%	2.86%

1-3 Number of Staff (by Business Location)

	2019		2020		2021		2022		2023	
	Headcount (Person)	Pct (%)	Headcount (Person)	Pct (%)	Headcount (Person)	Pct (%)	Headcount (Person)	Pct (%)	Headcount (Person)	Pct (%)
Taiwan	2,219	5.59%	2,061	4.61%	2,015	3.64%	1,825	3.37%	1,400	3.28%
China	6,693	16.86%	12,955	28.99%	11,371	20.56%	7,616	14.08%	5,072	11.89%
Thailand	16,385	41.27%	16,872	37.76%	26,336	47.62%	28,103	51.96%	24,574	57.59%
Philippines	12,118	30.52%	10,619	23.76%	13,192	23.85%	14,025	25.93%	9,805	22.98%
Brazil	1,178	2.97%	1,109	2.48%	1,500	2.71%	1,717	3.17%	1,367	3.20%
Mexico	818	2.06%	840	1.88%	654	1.18%	595	1.10%	241	0.56%
Malaysia	154	0.39%	146	0.33%	149	0.27%	129	0.24%	130	0.30%
USA	135	0.34%	86	0.19%	84	0.15%	81	0.15%	84	0.20%

1-4 Staff by Education

Unit:%

Education	2019	2020	2021	2022	2023
Master or above	1.97%	1.73%	1.69%	1.03%	1.10%
Bachelor	21.45%	19.27%	18.47%	18.44%	21.02%
High School	32.31%	39.40%	34.91%	32.56%	28.83%
Below High School	44.27%	39.60%	44.93%	47.97%	49.05%

1-5 Number of Staff (by Full-time/Part-time)

Unit: Person

		2019	2020	2021	2022	2023		
						Taiwan	Overseas	Total
Permanent Workers (Non-fixed Term)	Female	19,484	15,603	13,567	26,467	622	20,709	21,331
	Male	17,257	16,429	9,934	21,982	773	17,146	17,919
Temporary Workers (Fixed-term Contract)	Female	421	1,155	1,282	286	-	95	95
	Male	465	1,978	1,785	328	5	73	78
Workers without Guaranteed Hours	Female	674	3,870	3,930	2,593	-	1,888	1,888
	Male	1,399	5,653	4,751	2,435	-	1,362	1,362
Workers from Employment Agency		-	-	22	19	-	277	277
Full-time Workers	Female	12,841	14,720	16,322	15,332	622	10,484	11,106
	Male	12,224	14,442	13,510	11,913	773	7,233	8,006
Part-time Workers	Female	30	24	35	55	-	39	39
	Male	29	31	35	40	5	23	28

1-6 Number of Staff (by Diversification Indicators)

	2019	2020	2021	2022	2023		
					Taiwan	Overseas	Total
% of Local Senior Manager	73.68%	48.72%	46.43%	58.97%	34.01%	12.93%	46.94%
% of Female Business Manager	40.79%	53.54%	48.15%	45.19%	43.72%	14.21%	57.92%
Female STEM Senior (Level 1) Manager Ratio (%)					-	0.005%	0.005%
Female STEM Mid-Level Manager Ratio (%)					-	0.08%	0.08%
Female STEM Junior Manager Ratio (%)					0.26%	0.24%	0.50%
Female STEM Professionals Ratio (%)					0.50%	0.91%	1.41%
Female STEM Direct Staff Ratio (%)					-	7.84%	7.84%
Female STEM Ratio (%)	1.00%	0.85%	0.70%	0.73%	0.76%	9.07%	9.83%
Number of LGBTQI+ Members (Person)	-	-	-	-	-	1,002	1,002
Number of Staff with Disabilities (Person)	84	138	241	252	18	74	92
Number of Aboriginal Workers (Person)	-	-	-	-	-	-	-
Number of All Managers (Person)	1,711	1,959	2,075	2,025	710	1,049	1,759
Number of All Female Managers (Person)	456	546	603	625	214	363	577
Number of All Non-managers (Person)	37,989	42,729	53,226	52,066	690	40,224	40,914
Number of Annual Average Staff (Person)	39,035	43,878	54,658	56,649	1,561	41,792	43,353

1-7 Distribution of All Employees (by Nationality)

Unit: Person

	2022	2023
Taiwan	1,857	1,433
China	7,673	5,072
Thailand	7,415	5,546
Philippines	15,282	9,771
Singapore	23	17
Malaysia	87	80
Japan	13	3
HongKong	3	1
India	124	129
Myanmar	20,168	18,680
Paraguay	-	1
Vietnam	4	3
Indonesia	18	2
Pakistan	1	1
Cambodia	176	143
Nepal	11	4
Bangladesh	26	20
Peru	1	1
Sri Lanka	3	3
USA	79	62
Mexico	601	247
Brazil	1,759	1,345
Venezuela	6	2
Netherlands	4	-
Spanish	1	-
Poland	1	-
Iran	1	-
Total	55,337	42,566

2-1 Number of staff (by Position/Gender)

Unit: Person

		2019	2020	2021	2022	2023		
						Taiwan	Overseas	Total
Senior (Level 1) Manager	Female	9	14	13	14	10	17	27
	Male	86	103	99	103	40	80	120
Mid-level Manager	Female	104	133	132	145	49	84	133
	Male	386	459	484	451	148	177	325
Junior Manager	Female	343	399	458	466	155	262	417
	Male	783	851	889	846	308	429	737
Specialists	Female	2,618	2,603	2,979	3,112	408	2,049	2,457
	Male	3,742	3,637	3,896	3,975	282	2,648	2,930
Direct Staff	Female	17,505	17,479	25,750	25,609	-	20,280	20,280
	Male	14,124	19,010	20,601	19,370	-	15,247	15,247

2-2 Number of staff (by Position/Age)

Unit: Person

		2019	2020	2021	2022	2023		
						Taiwan	Overseas	Total
Senior (Level 1) Manager	Under 30	-	-	-	-	-	-	-
	31-50	33	45	39	35	9	52	61
	Over 50	62	71	73	82	41	44	85
Mid-level Manager	Under 30	3	3	7	2	-	2	2
	31-50	325	447	453	398	108	182	290
	Over 50	117	146	158	196	89	55	144
Junior Manager	Under 30	35	67	49	41	-	20	20
	31-50	970	1,138	1,142	1,076	363	582	945
	Over 50	120	128	153	195	100	91	191
Specialists	Under 30	2,559	2,443	2,907	2,865	93	1,613	1,706
	31-50	3,651	3,543	3,794	3,991	521	2,961	3,482
	Over 50	151	157	174	233	76	144	220
Direct Staff	Under 30	21,993	22,451	28,423	27,288	-	18,260	18,260
	31-50	9,329	13,674	17,497	17,180	-	16,685	16,685
	Over 50	352	375	432	509	-	582	582

3-1 Incoming and Outgoing Staff (by Gender)

		2019	2020	2021	2022	2023			5-year Average %
						Taiwan	Overseas	Total	
Newcomer (Number & %)	Female	15,561	18,592	25,432	24,917	33	4,760	4,793	-
		3.27%	3.47%	3.83%	3.84%	0.01%	0.93%	0.94%	3.07%
	Male	21,261	28,858	31,654	25,592	56	4,695	4,751	-
		4.46%	5.38%	4.77%	3.94%	0.01%	0.92%	0.93%	3.90%
	Total	36,822	47,450	57,086	50,509	89	9,455	9,544	-
		7.73%	8.85%	8.60%	7.78%	0.02%	1.85%	1.86%	6.97%
Leaver (Number & %)	Female	12,915	15,672	19,558	26,452	169	10,282	10,451	-
		2.71%	2.92%	2.95%	4.08%	0.03%	2.01%	2.04%	2.94%
	Male	19,012	22,942	26,394	28,735	304	8,961	9,265	-
		3.99%	4.28%	3.98%	4.43%	0.06%	1.75%	1.81%	3.70%
	Total	31,927	38,614	45,952	55,187	473	19,243	19,716	-
		6.70%	7.20%	6.92%	8.50%	0.09%	3.76%	3.85%	6.64%
Voluntary Leaver (Number & %)	Female	11,291	13,804	15,193	22,129	80	7,861	7,941	-
		2.37%	2.57%	2.29%	3.41%	0.02%	1.54%	1.55%	2.44%
	Male	15,991	19,835	21,096	23,096	119	6,183	6,302	-
		3.36%	3.70%	3.18%	3.56%	0.02%	1.21%	1.23%	3.00%
	Total	27,282	33,639	36,289	45,225	199	14,044	14,243	-
		5.73%	6.27%	5.47%	6.97%	0.04%	2.74%	2.78%	5.44%

3-2 Incoming and Outgoing Staff (by Age)

		2019	2020	2021	2022	2023			5-year Average %
						Taiwan	Overseas	Total	
Newcomer (Number & %)	Under 30	26,760	31,530	39,658	35,429	22	6,213	6,235	-
		9.07%	10.53%	10.53%	9.78%	0.01%	2.59%	2.60%	8.50%
	31-50	9,893	15,845	17,322	14,927	59	3,224	3,283	-
		5.76%	7.01%	6.30%	5.48%	0.02%	1.25%	1.27%	5.16%
	Over 50	169	76	123	153	8	18	26	-
		1.76%	0.72%	1.04%	1.05%	0.05%	0.12%	0.18%	0.95%
Leaver (Number & %)	Under 30	22,874	27,372	31,192	37,694	52	11,469	11,521	-
		7.75%	9.14%	8.28%	10.40%	0.02%	4.78%	4.80%	8.08%
	31-50	8,911	11,034	14,584	17,273	313	7,644	7,957	-
		5.19%	4.88%	5.30%	6.35%	0.12%	2.97%	3.09%	4.96%
	Over 50	142	175	176	218	108	130	238	-
		1.48%	1.66%	1.48%	1.50%	0.74%	0.89%	1.62%	1.55%
Voluntary Leaver (Number & %)	Under 30	19,659	24,138	24,652	30,959	39	8,542	8,581	-
		6.66%	8.06%	6.55%	8.54%	0.02%	3.56%	3.58%	6.68%
	31-50	7,511	9,354	11,511	14,107	143	5,457	5,600	-
		4.37%	4.14%	4.18%	5.18%	0.06%	2.12%	2.17%	4.01%
	Over 50	114	115	126	157	17	45	62	-
		1.18%	1.09%	1.06%	1.08%	0.12%	0.31%	0.42%	0.97%

3-3 Incoming and Outgoing Staff (by Operating Location)

Unit: Person/%

	Newcomers					Leavers				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Taiwan	608	373	251	228	89	390	566	383	417	473
	2.28%	1.51%	1.04%	1.04%	0.53%	1.46%	2.29%	1.58%	1.90%	2.82%
China	18,317	31,680	23,722	20,030	5,685	16,443	20,355	24,937	22,882	7,650
	22.81%	20.38%	17.38%	21.92%	9.34%	20.47%	13.09%	18.28%	25.04%	12.57%
Thailand	6,018	6,980	23,010	12,946	607	5,746	6,750	12,629	11,619	5,754
	3.06%	3.45%	7.28%	3.84%	0.21%	2.92%	3.33%	4.00%	3.45%	1.95%
Philippines	10,401	7,258	8,722	16,161	2,572	7,940	9,462	6,712	19,151	5,203
	7.15%	5.70%	5.51%	9.60%	2.19%	5.46%	7.43%	4.24%	11.38%	4.42%
Brazil	185	207	642	540	477	462	433	393	519	179
	1.31%	1.56%	3.57%	2.62%	2.91%	3.27%	3.25%	2.18%	2.52%	1.09%
Mexico	1,181	892	679	570	43	820	935	825	537	387
	12.03%	8.85%	8.65%	7.98%	1.49%	8.35%	9.28%	10.51%	7.52%	13.38%
Malaysia	51	46	43	23	55	49	53	52	48	58
	2.76%	2.63%	2.40%	1.49%	3.53%	2.65%	3.03%	2.91%	3.10%	3.72%
USA	61	14	17	11	16	77	60	21	14	12
	3.77%	1.36%	1.69%	1.13%	1.59%	4.75%	5.81%	2.08%	1.44%	1.19%

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

	2019	2020	2021	2022	2023
Training Fee (NT$)	2,361,858	2,359,321	4,096,077	5,971,925	5,202,728
Total Number of Sessions (Stage)	452	1,228	2,050	2,594	2,161
Total Hours of Training Given (Hrs)	21,992	185,161	259,684	267,557	93,478
Total Hours of Training Received (Hrs)	21,992	196,646	282,446	339,487	108,059
Total Number of Attendances (Person)	7,140	19,257	36,364	59,680	34,628
Average Training Cost Per Person (NT$)	331	123	113	100	150
Average Training Hours Received (Hrs)	3	10	8	6	3

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

Unit: Hours

		2019	2020	2021	2022	2023
Training Hours	Taiwan	21,992.0	12,748.5	35,571.0	43,157.0	32,028.9
	China	46,807.0	151,416.0	194,195.0	162,932.0	2,059.0
	Thailand	11,848.0	10,382.0	9,978.0	11,542.0	3,028.5
	Philippines	1,707.0	1,158.6	1,845.1	2,419.0	407.1
	Brazil	8,972.5	2,520.0	11,440.3	40,526.2	31,513.3
	Mexico	9,063.0	6,831.0	6,262.0	4,603.0	24,290.0
	Malaysia	245.0	102.0	92.0	864.0	139.0
	USA	246.0	2.5	301.0	1,514.2	12.0
Average Training Hours	Taiwan	10.34	6.06	17.69	23.65	22.88
	China	6.99	11.69	17.08	21.39	0.41
	Thailand	0.72	0.62	0.38	0.41	0.12
	Philippines	0.14	0.11	0.14	0.17	0.04
	Brazil	7.62	2.27	7.63	23.60	23.05
	Mexico	11.08	8.13	9.57	7.74	100.79
	Malaysia	1.59	0.70	0.62	6.70	1.07
	USA	1.82	0.03	3.58	18.69	0.14

4-3 Education and Training Statistics for All Employees (by Position/Gender)

Unit: Hours

			2019	2020	2021	2022	2023
Training Hours	Senior (Level 1) Manager	Female	38.5	88.5	129.5	68.0	274.0
		Male	177.5	294.5	544.5	322.5	521.0
	Mid-level Manager	Female	482.0	431.0	1,063.0	1,629.0	1,260.9
		Male	901.5	987.0	2,688.0	4,255.3	3,245.0
	Junior Manager	Female	2,167.5	1,597.0	5,854.4	6,320.4	6,736.7
		Male	5,045.5	3,466.0	8,975.6	10,817.5	10,128.9
	Specialists	Female	314,947.5	9,578.0	21,520.7	58,942.1	30,384.2
		Male	17,979.5	9,531.5	19,071.1	24,769.1	24,698.6
	Direct Staff	Female	24,570.0	65,435.0	88,483.3	103,228.1	14,346.3
		Male	45,671.0	105,237.5	134,116.4	129,135.4	16,464.0
Average Training Hours	Senior (Level 1) Manager	Female	4.28	6.32	9.96	4.86	10.15
		Male	2.06	2.86	5.50	3.13	4.34
	Mid-level Manager	Female	4.63	3.24	8.05	11.23	9.48
		Male	2.34	2.15	5.55	9.44	9.98
	Junior Manager	Female	6.32	4.00	12.78	13.56	16.16
		Male	6.44	4.07	10.10	12.79	13.74
	Specialists	Female	5.71	3.68	7.22	18.94	12.37
		Male	4.80	2.62	4.90	6.23	8.43
	Direct Staff	Female	1.40	3.74	3.44	4.03	0.71
		Male	3.23	5.54	6.51	6.67	1.08

4-4 2023 Education and Training Statistics for Taiwan Employees

	Male		Female	
	Training Hours (Hrs)	Hours per Employee	Training Hours (Hrs)	Hours per Employee
Senior (Level 1) Manager	210.5	5.26	79.0	7.90
Mid-level Manager	2,684.0	18.14	1,055.9	21.55
Junior Manager	6,848.0	22.23	4,018.0	25.92
Specialists	6,741.0	23.90	10,392.5	25.47
Total	16,483.5	21.19	15,545.4	24.99

5-1 2023 Disabling Injuries Statistics for All Employees (by Operating Location)

	Taiwan	Overseas	Total
Hours Worked in a Year (Hours)	2,992,187	92,582,093	95,574,280.4
Lost Time of Occupational Injury (Cases)	6	60	66
Recordable Occupational Injury (Cases)	6	150	156
Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR) (%)	0.40	0.32	0.33

5-2 2023 Disabling Injuries Statistics for All Employees (by Type)

Unit: Cases

	Taiwan	Overseas	Total
Fell off	-	2	2
Trips	-	4	4
Collisions	-	9	9
Falling Objects	-	6	6
Structural Collapse	-	4	4
Struck By Moving Machinery	-	39	39
Caught in or between Hazard	-	26	26
Cuts and Lacerations	-	25	25
Trample	-	1	1
Exposure to High/Low Temperature	-	4	4
Exposure to harmful substances	-	4	4
Electric Shock	-	4	4
Explosion	-	-	-
Object Broken	-	6	6
Fire	-	-	-
Improper Actions	1	5	6
Others	5	11	16
Total Recordable Occupational Injury	6	150	156

Sustainable Governance Indicators

Number of Patent Applications, Approvals and Renewals

Unit: Cases

	2019	2020	2021	2022	2023
Number of Applications in the Year	34	9	50	59	27
Number of Applications Approved in the Year	178	281	38	18	23
Number of Lapsed/Abandoned Applications in the Year	37	487	181	37	93
Number of Valid Renewals in the Year	554	348	205	186	116

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