



CHENG UEI PRECISION INDUSTRY (FOXLINK) ESG REPORT

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➤ ABOUT THE REPORT

Cheng Uei Precision Industry Co., Ltd (hereinafter referred to as Cheng Uei Group, Cheng Uei and the Company) has issued its first CSR Reports since 2016. The report follows the core options of the GRI standards issued by the global sustainability report initiative as the reference basis for the disclosure of the report, and takes the six chapters of [Operation Management], [Sustainable Governance], [Friendly Workplace], [Environmentally Friendly], [Suppliers Management] and [Social Participation] as the main axis, records and displays the economic, social environmental management effectiveness and sustainable operation results of Cheng Uei Group in 2021 through the ways of datas, photos. It is expected that the issuance of this report will help stakeholders understand Cheng Uei's efforts in promoting sustainable development and serve as a basis for good communication between them.

Report Scope and Data Source

The information disclosed in this report covers the period from January 1, 2021 to December 31, 2021. Cheng Uei Group, excluding its subsidiaries, has 13 operating and R & D sites. The scope of the report covers the Group's Taiwan Headquarters and major business sites in mainland China, such as Donggua, Kunshan, Xuzhou and Maanshan factories. In this disclosure, a new production base, it is added the Indian factory.

The economic data disclosed in this report comes from the consolidated financial statements published in the 110 annual report of the enterprise, calculated in New Taiwan Dollars. The scope of coverage includes the overall operating performance information of the group's Taiwan headquarters and manufacturing plants around the world. The financial data in the report are presented in New Taiwan Dollars; The environmental and social information content considers the impact of major topics on the company's activities, products and services, responds to major issues of concern to stakeholders, and fully exposes important operating site information in accordance with GRI's disclosure principles of materiality, integrity, stakeholder inclusiveness, and sustainable development background.

The statistical data disclosed in the report comes from the results of Cheng Uei's own statistics and surveys, and is presented using international common indicators. If there is any estimation, it will be noted in the relevant chapters; In case of changes in historical data due to the expansion of the scope of disclosure or external verification, a statement shall also be made in the report.

Report Preparation & External Assurance

After the corporate social responsibility management department has compiled the first draft of this report, sent it to the members of the Company Governance and Sustainable Operation Committee to review their duties and complete the revision of this report. After confirmation by the Company Governance and Sustainable Operation Committee, SGS, a third-party impartial verification institution, is entrusted to adopt the AA1000V3 TYPE1 moderate level to address the Inclusivity, Materiality, Responsiveness and Impact of the information disclosed in the report.

Face	Certification / Verification Items	Certification / Verification Institutions
Governance	Financial Data	PWC Taiwan
Environment	ISO 14001:2015 Environmental Management System ISO 50001:2018 Energy Management System QC080000 Hazardous Substance Process Management System ISO 14064-1:2018 Greenhouse Gas Inventory Standard	Each factory is individually verified by a third party.
Society	ISO 45001:2018 Occupational Safety and Health Management System	Each factory is individually verified by a third party.

ISSUE TIME OF THE REPORT

Cheng Uei prepares and issues the Sustainability Report regularly every year and publishes it on the company's official website at the same time.

Last Issued Version: June 2021

Current Issued Version: June 2022

Next Issued Version: June 2023

Contact Information

If you have any questions or suggestions about this report, you are welcome to contact us. The contact information is as follows:

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> ABOUT THE REPORT

In 2021, the epidemic of COVID-19 continued to affect the global lifestyle. The epidemic factors caused rapid changes in social, environmental and economic aspects, and were severely challenged by the overall economic and industrial environment. All employees actively responded to the normal production and operation of various products in each factory in 2021, significantly reducing the impact on operation and profits. Dongguan Fuqiang Electronics Co., Ltd., the Group's Dongguan production base, ranked 74th among the Top 500 manufacturing enterprises in Guangdong Province in 2021, and Fugang Electronics (Dongguan) Co., Ltd. ranked 108th among the Top 500 manufacturing enterprises in Guangdong Province in 2021. In March, 2021, Cheng Uei entered the Central Taiwan Science Park and started the "Cheng Uei EIC integration, power battery module and nanometer waterproof R & D base". In the future, the base will serve as an important research and development base for the company to develop the EIC integration system and nanometer waterproof technology for electric vehicles. It is mainly engaged in the research and development and production of active high-frequency transmission line products, shared electric bicycles, power battery modules and grid connected intelligent energy storage equipment system (ESS). In the future, in addition to focusing on the production and shipment of the industry, the growth momentum will include E-sports and game console rocker, headphones and Mataverse related products. In addition, it is expected that products such as touch pens, headsets, Bluetooth earphones and personal wearable devices, as well as the assembly of two wheeled electric vehicles (bicycles and scooters), energy storage devices, charging stations and other businesses will contribute to the overall revenue.

In order to implement company governance and sustainable operation, the Company Governance and Sustainable Operation Committee was established in November 2021, under which a corporate governance group and a sustainable operation group were established. The sustainable operation group includes environmental sustainability, social responsibility and employee development. It is responsible for the formulation and implementation of the annual objectives of Cheng Uei Precision Industry ESG, regularly reporting the results and performance to the Board of Directors, and assisting the Board of Directors to strengthen the management mechanism to further achieve

sustainable company governance. In addition, since energy conservation and carbon reduction have become an international consensus, the green energy industry has become one of the industries that countries need to develop, and the industrial prospect is promising. Therefore, in addition to investing in Shinfox energy in Taiwan to engage in professional and all-round green energy services, the company will expand green energy related businesses to the U.S. market this year, and establish a production base in Phoenix, Arizona, to produce green energy related products. Next, the company plans to set up charging stations and energy storage facilities for electric vehicles and campus electric buses in California, the United States, to expand investment in the green energy industry and strengthen future growth momentum.

Echoing the concerns of the 26th United Nations Climate Change Conference (COP26 for short) and relevant stakeholders, energy conservation and carbon reduction are listed as the key projects of the company's medium and long-term sustainable development. Cheng Uei Group made an independent commitment to participate in SBTi in November 2021. It is expected to complete the establishment of the Group's medium and long-term carbon reduction goals based on SBTi methodology in 2022. At the same time, the Group also expects that the corresponding factories will obtain ISO14064 greenhouse gas inventory and ISO50001 energy management system certification within two years. At the same time, in response to the Carbon Disclosure Project (CDP), the greenhouse gas inventory data are automatically disclosed. The Group implements energy conservation and carbon reduction by means of energy-saving technological transformation and scientific carbon reduction. Under the vision of sustainable coexistence and common good between the enterprise and the environment, the Group will uphold the same belief in the future, give full play to the positive influence of Cheng Uei Precision in the industry and society, and work together with all stakeholders for the sustainable development of society and environment.

董事長
寄语

CHAIRMAN MESSAGE



> ORGANIZATIONAL STRUCTURE OF SUSTAINABLE GOVERNANCE

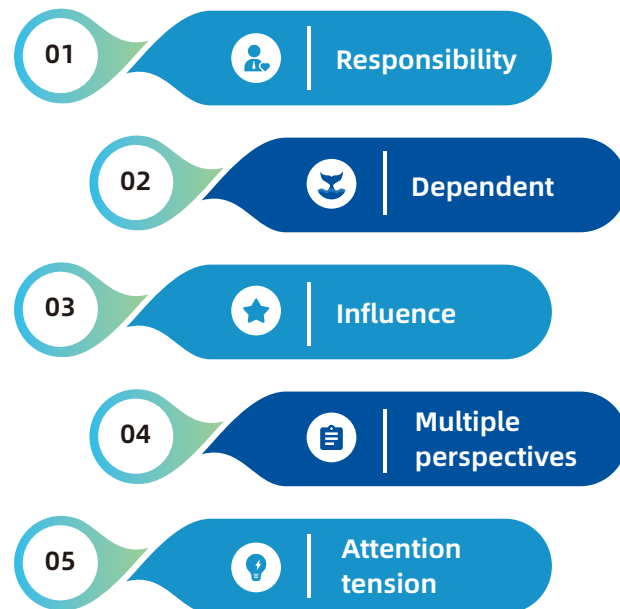
In order to implement the affairs of company governance, information security management and sustainable operation, it was established a Company Governance and Sustainable Operation Committee in 2021. Mr. Li Chuanwei was elected as the convener of the committee, and set up separately the company governance group and the sustainable operation group. Special assistant, Mr. Lin Kunhuang served as the convener of the company governance group, and Director, Mr. Pu Chenphan served as the convener of the sustainable operation group. The environmental sustainability group, social responsibility group and employee development group under the sustainable operation group inspect all internal and external communication issues related to economy, society and environment, organize responsibility groups, formulate annual implementation plans for ESG issues, and regularly report important issues, implementation performance, future plans and communication with stakeholders to the Board of Directors.



> Engagement of Stakeholder

In accordance with the five principles of the AA1000 Stakeholder Engagement Standards (SES), i.e. responsibility, dependence, influence, diverse views and tension of attention, etc. Cheng Uei Precision Industry stakeholder identification is carried out based on the characteristics of above mentioned. After identification and importance evaluation with the group members of the Company Governance and Sustainable Operation Committee and the windows of the sustainable operation groups of various factory units in the form of internal questionnaires, it is confirmed that the main stakeholders of Cheng Uei Precision Industry in 2021 are 8 categories, they are shareholders / investors, employee, clients, suppliers, governments, communities, Non-governmental Organization and media.

The Group has established a variety of communication channels to communicate with stakeholders, listen to various voices and understand the expectations of relevant stakeholders for Cheng Uei, respond to the concerns of stakeholders through various communication channels in a timely manner, and respond and interact regularly every year through public information stations, official website, financial reports, annual ESG Report and other communication channels, so as to meet the concerns of relevant stakeholders communication frequency and group response method are shown in the table below.



Stakeholder	Importance to Foxlink	Communication Channel	Communication Frequency	Communication Record
Shareholders / investors	<ul style="list-style-type: none"> Any global investment legal person who has invested or has the intention to invest in the Group will achieve sustainable operation through honest operation and sound supervision mechanism. 	<ul style="list-style-type: none"> Shareholders meeting Company official website Open information observing station Official website / annual report / announcement 	<ul style="list-style-type: none"> Once a Year Once a month / quarter Unscheduled Unscheduled 	<ul style="list-style-type: none"> Annual report / Proceedings manual / Proceedings The "investment relationship" is disclosed on the company's website, providing financial information, stock price information and activity information. The open information observing station shall disclose statements and information. Set up a spokesman system to provide a dialogue and contact window between legal person investment institutions and companies.
Employee	<ul style="list-style-type: none"> The core of upward development of the Group's business is the competitive and high-quality employees. 	<ul style="list-style-type: none"> Labor-Management meeting Communication meeting of Business Division Opinion survey / satisfaction survey Internal publicity channel Grievance consultation channel 	<ul style="list-style-type: none"> Once a quarter Once a Month Once a Month Unscheduled Unscheduled 	<ul style="list-style-type: none"> Deal with the problems reflected by employees and units, and effectively resolve labor conflicts. Hold a communication meeting with the Business Division at least once a month to understand the needs of the Business Division and optimize the operation in both directions. An employee symposium and line leader exchange meeting shall be held once a month, and front-line employees shall be interviewed four times a month, so as to understand employees' life and work aspirations and help employees effectively solve problems. In addition, the employee education and training platform system and Wechat public account employee satisfaction questionnaire summarize the survey results and conduct follow-up review and improvement. E-bulletin board, Wechat official account, billboard of education and training system and company email. 1.Special units and personnel are set up to receive complaints through face-to-face inquiry, telephone, SMS and Wechat, and anonymous complaint channels are set up to ensure smooth, transparent and immediate communication between employees and the company and protect their legitimate rights and interests. 2.There are employee complaint handling measures and a special e-mail box. Employees (who may appeal anonymous) can choose appropriate communication management to express their opinions according to their requirements.

Clients	<ul style="list-style-type: none"> Provide with rapid and comprehensive product development and manufacturing services to customers, and continuously synchronize energy conservation, carbon reduction and sustainability issues with customers to improve customer satisfaction. 	<ul style="list-style-type: none"> BU of the company visit clients. Carry out customer satisfaction survey regularly. Reply to customer CSR questionnaire and accept customer reviewing. Disclose performance and supplier social responsibility management to customers. Cooperate with customers' environmental, social responsibility and product audits, and coordinate continuous improvement and prevention. 	<ul style="list-style-type: none"> Unscheduled Once a Year Once a Year Once a Year Once a Year 	<ul style="list-style-type: none"> Customer visit records / meeting minutes Customer Satisfaction Survey Table Various survey questionnaires Social Responsibility Report Minutes of meeting
Suppliers	<ul style="list-style-type: none"> In addition to providing raw materials, suppliers pay attention to important issues and operational risks together with Cheng Uei, and jointly build sustainable development with Cheng Uei. 	<ul style="list-style-type: none"> Supplier social responsibility audit to confirm the implementation status of suppliers. Sign the supplier's social responsibility report and environmental protection and occupational safety declaration. Conflict minerals data are collected regularly. Hazardous substances and quality inspection. 	<ul style="list-style-type: none"> Once a Year Once for each manufacturer Once for each manufacturer Once a Year 	<ul style="list-style-type: none"> Manufacturer evaluation record Supplier's Social Responsibility Report Environmental protection, occupational health and safety declaration of suppliers Manufacturer's commitment not to use conflict minerals Environmental protection statement / hazardous substance
Governments	<ul style="list-style-type: none"> Actively follow the regulations and requirements of the local government of the operation site, and maintain a good interactive relationship with the local government. 	<ul style="list-style-type: none"> Maintain good interaction with competent authorities. Actively participate in public hearings and seminars on laws and regulations held by the competent authority. 	<ul style="list-style-type: none"> Unscheduled Unscheduled 	<ul style="list-style-type: none"> E-mail / documents records Application documents for participation in the seminar

Communities	<ul style="list-style-type: none"> Through the establishment of a communication mechanism with the community, enhance the positive impact on the surrounding communities. Take the promotion of corporate social responsibility as the reference for the improvement of sustainable work. 	<ul style="list-style-type: none"> Interact with the residents through the irregular activities organized by mercy society. Gather volunteers to serve the community. The special department responsible for handling appeals in the factory campus 	<ul style="list-style-type: none"> Unscheduled At least once every half a year Once a quarter Unscheduled 	<ul style="list-style-type: none"> Societies activity records Volunteer activity records Company internal and external communication records
Media	<ul style="list-style-type: none"> Maintain good interaction with the media and real-time interaction with relevant information, so as to help stakeholders publicly obtain correct company information and continue to consolidate the company's image. 	<ul style="list-style-type: none"> Establish a spokesman system to provide media communication channels 	<ul style="list-style-type: none"> Unscheduled 	<ul style="list-style-type: none"> Issue operation related press releases Media PR hotline and mailbox acceptance Media interview and inquiry (instant)
NGO	<ul style="list-style-type: none"> Respond to the issues concerned by non-profit organizations, communicate and cooperate with the issues concerned by non-profit organizations, and enhance the positive value of Cheng Uei. 	<ul style="list-style-type: none"> Accepted by social responsibility department 	<ul style="list-style-type: none"> Unscheduled 	<ul style="list-style-type: none"> Company internal and external communication records

Cheng Uei set up a special area for stakeholders on the official website, which provides an opinion mailbox and a contact window for stakeholders to communicate. If there are suggestions or questions on issues of concern, they can communicate and appeal directly. In 2021, there were no environmental, social, customer and other complaints on external pipelines, and only a few comments and reactions on economic and social public welfare were received, which have been reported to the relevant responsible units and evaluated the improvement plan. Internal employees can consult and communicate through complaint lines, enterprise Wechat, suggestion boxes and other channels. In addition to the above channels, they can also directly respond to department heads, human resources , audit departments, etc.

> Identification of material Topics

Cheng Uei Precision Industry sustainability report carries out significant analysis in accordance with the reporting principles of GRI standards. Based on the sustainability context, significance, integrity and stakeholder inclusiveness, it identifies major topics and delimits the data collection boundary of the sustainability report through three steps of identification, analysis and confirmation, so as to inspect the performance of the sustainable operation and achieve continuous improvement in the sustainable operation.

> Step3 Confirmation

According to the number of copies recovered from the questionnaire, the issues on governance, environment and society are divided into important, secondary and general issues according to the degree of concern and impact of internal and external stakeholders on governance, environment and society.

After identification and analysis, the important topics in the matrix are: corporate governance, risk management, Corporate Integrity, supplier management, employee rights and interests equality, employee education and training, occupational health and safety, climate change and greenhouse gas management.

> Step1 Identification

Based on the 34 topics of GRI Standards, the United Nations Sustainable Development Goals (SDGs), important topics of the industry and the Group's annual goals, 51 sustainable topics were summarized. After internal comprehensive discussion on the relevance and focus, 18 topics of governance, society and environment were summarized.

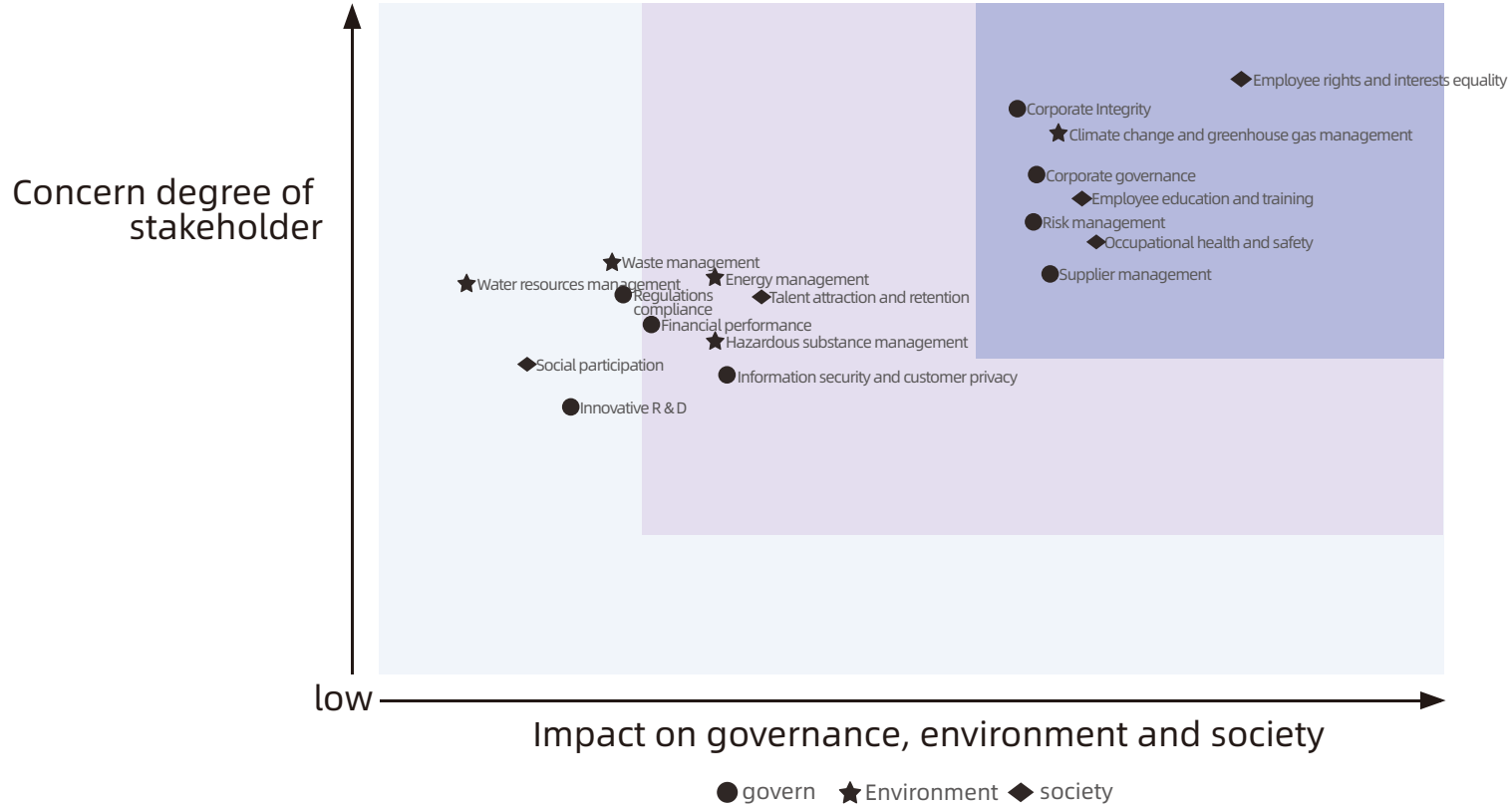
> Step2 Analysis

- Internally, the impact of governance, environmental and social sustainability issues is assessed by issuing questionnaires to the directors and personnel who often contact with stakeholders, which are divided into important, secondary and general issues of concern. Total of 125 questionnaires were collected in 2021.
- Externally, the questionnaire on issues concerned by stakeholders was put forward to eight categories of stakeholders, and the degree of concern on governance, environment and social issues was investigated respectively. Total of 35 questionnaires were collected in 2021.

Face	Topics	Face	Topics	Face	Topics
Governance	Corporate governance	Society	Talent attraction and retention	Environment	Energy management
	Risk management		Employee rights and interests and pluralistic equality		Climate change and greenhouse gas management
	Financial performance		Staff training		Water resources management
	Corporate Integrity		Occupational health and safety		Waste management
	Regulations compliance		Society participation		Hazardous substance management
	Innovative R & D				
	Information security and customer privacy				
	Supplier management				








Face	Important Topics in 2020	Important Topics in 2021	Changes	Reason description	Upper reaches	Operation process		Lower reaches	Other stakeholders			
					Supplier	Company employee	Shareholders/Investor	Customer	Government	Community	Non profit organization	Media
Governance	Corporate governance	Corporate governance	Maintain	No change in attention degree		●	▲	▲	○	○		○
	Risk management	Risk management	Maintain	No change in attention degree		●	▲	▲	○	○		○
	Regulations compliance	-	Delete	Incorporation into company governance								
	Operation performance	-	Delete	Incorporation into company governance								
	Corporate Integrity	Corporate Integrity	Maintain	No change in attention degree		●	▲	▲	○			
	Innovative development and application	-	Delete	Incorporation into company governance								
	Information security and personal data protection	-	Maintain	Adjust topic name								
	Raw material management	-	Delete	Incorporation into suppliers management								
	Enterprise image	-	Delete	Delete after reviewed								
	Client relationship management	-	Delete	Delete after reviewed								
Society	Product quality	-	Delete	Delete after reviewed								
	Client's health and safety	-	Delete	Delete after reviewed								
	-	Supplier management	Newly added	Newly added important issues of concern	○	●						
	Talent cultivation and education training	Employee education and training	Maintain	Adjust topic name		●						
	Labor employment relationship and friendly workplace	Employee rights and interests equality	Maintain	Adjust topic name		●					▲	
	Occupational safety and health	Occupational health and safety	Maintain	Adjust topic name		●					▲	
	Social participation	-	Delete	Delete after reviewed								
	Human rights	-	Delete	Delete after reviewed								
	Talent attraction and retention	-	Delete	Delete after reviewed								
	Anti discrimination and anti harassment	-	Delete	Delete after reviewed								
Environment	Forced labor	-	Delete	Delete after reviewed								
	Child labor	-	Delete	Delete after reviewed								
	Energy management	-	Delete	Delete after reviewed								
	Waste management	-	Delete	Delete after reviewed								
	Water resources management	-	Delete	Delete after reviewed								
	Supply chain green management	-	Delete	Delete after reviewed								
	-	Climate change and greenhouse gas management	Newly added	Topics that been highly concerned by international and customers	●		▲	▲			▲	

●: Direct impact ○: Contributing to impact ▲: Directly related to this impact through business relations



> In 2021, Cheng Uei responded to the United Nations Sustainable Development Goals (SDGs) as the following:

As a global operating enterprise, Cheng Uei Group, in accordance with the 17 Sustainable Development Goals (SDGs for short) jointly initiated by the United Nations, integrates the three aspects of governance, human rights and environment from the perspective of sustainable operation, and echoes the 8 United Nations Sustainable Development Goals (SDGs).

SDGs	Corresponding Topics	Performance in 2021
 <p>To ensure health and promote the well-being of all age groups, eradicate AIDS, tuberculosis, malaria and neglected tropical diseases, and combat hepatitis, water-borne diseases and other infectious diseases.</p>	Risk management	In 2021, the cumulative number of vaccinations in each factory campus will reach 25,247, and the vaccine coverage rate will reach more than 96%
 <p>Ensure inclusive and equitable quality education and provide lifelong learning opportunities for all.</p>	Employee and education training	The Group has set up multiple learning platforms and configured general courses, professional skills training, operation and management training, etc. for different groups and learning needs. The total number of education training hours is 468,464 hours, and the total number of trainees is 28,294, which is 157% higher than the total training hours of 299,044 in 2020.
 <p>Achieve gender equality and empower all women and girls</p>	Employee rights	1、The proportion of female supervisors in Cheng Uei is 46%, higher than the target of 25%, and actively create employee diversity and equal opportunities. 2、Set up the internal anti discrimination and anti harassment mechanisms to fully guarantee the working rights of female employees. 3、Group prohibits child labor in accordance with RBA standards.
 <p>Ensure affordable, reliable and sustainable modern energy for all.</p>	Climate change and greenhouse gas management	1、December 2021, we made a commitment to voluntarily participate in the SBTi scientific carbon target project. We plan to take 2021 as the base year and reach the target of no temperature rise of 1.5 ° C by 2030. 2、In 2021, there were 170 of T-REC in T'aiwan factory.
 <p>Protect the rights and interests of workers and promote the safety of the working environment, including migrant workers, especially women, and workers who perform dangerous work. Or other status.</p> <p>Employment and economic growth</p> <p>Increase the capacity of the economy through diversification, technological upgrading and innovation, including focusing on high value-added and labor-intensive industries.</p>	Occupational health and safety	2、Taiwan headquarters completed ISO45001 certification in 2021 to provide comfortable, safe and healthy working environment for employees. 2、In 2021, the Group held 96 drills and 28,296 people participated evacuation drills related to fire evacuation, chemical leakage, food poisoning, elevator entrapment, etc.
	Corporate governance	1、With the growth of manufacturing business and the investment in capacity automation, the group's annual revenue in 2021 reached NTD \$86.8 billion. 2、Dongguan Fuqiang Electronics Co., Ltd., the Group's Dongguan production base, was ranked 74th among the Top 500 manufacturing enterprises in Guangdong Province in 2021, and Fugang Electronics (Dongguan) Co., Ltd. was ranked 108th among the Top 500 manufacturing enterprises in Guangdong Province in 2021.
 <p>Peace and justice system</p> <p>Substantially reduce all forms of corruption and bribery.</p>	Corporate Integrity	In 2021, 67,354 new employees and 183 new manufacturers have completed the publicity and implementation rate of anti-corruption policies, reaching 100%.
 <p>Global partners</p> <p>Improve policy coherence to achieve sustainable development.</p>	Supplier management	1、In 2021, 93% of new evaluation material suppliers have completed signing the "Supplier's Social Responsibility Commitment" and the "Commitment not to Use Conflict Minerals" of Cheng Uei Group. 2、In 2021, 107 suppliers will be selected for on-site social responsibility audit. 188 suppliers carried out on-site audit of quality and hazardous substance management system, and no supplier was listed as unqualified due to violation of requirements.

> Important Topics



Foxlink's Perspective

Based on core competencies of tooling, forming, secondary processing and automation, and by integrating technologies of materials, mechanics, electronics, optics, acoustics, energy, manufacturing, and product development, we leverage global resources in sale service and supply-chain management to timely provide top-quality products to our customers.

We exploit market demands in consumer electronics, information, communications and automotive sectors and incorporate digital contents, environmental preservation and energy conservation to create customer value.

Upon the principles of sincerity, foresight and responsibility, we set the goal to surpass ourselves continuously and collaborate in team to deliver the best results.

> Foxlink's Strategy

Time to Market

Providing prompt service for market requirements.
Enhancing tooling and key components strength.



sincere

Customer Orientation

Building long-term partnership with leading international companies.
Creating alliance for key technologies.



Macros

Time to Volume

Developing products with customers concurrently.
Offering the competitive cost.



Responsible

> Goals and Actions

Short-term Goal

- Continuously improve the ranking of corporate governance evaluation.
- The performance evaluation scores of the board of directors continued to improve.
- Strengthen communication with stakeholders and create a good channel for interaction.



Middle & Long-term Goal

- Strengthen the functions of the Board of Directors and enhance the sustainable value of the enterprise.
- Deepen the culture of sustainable corporate governance.
- Improve information transparency and promote sustainable operation.

> Company Profile

Company Name	Cheng Uei Precision Industry Co., Ltd. (For short " Group")
Company Code	Stock Code 2392
Incorporated Date	July 14, 1986
Paid in Capital	NTD 5.1 Billion
Main Products	Connectors, modules, FPC and other components, bluetooth/headset, mouse, gaming controller and other accessories, smart watches/ bracelet, air quality detectors, bicycle power auxiliary control units and other system products.
Number of Employees Worldwide	28,294 (by Dec 31,2021)
Headquarter	Zhongshan Road No.18, Tucheng District, Xinbei City, Taiwan(R.O.C).
Revenue in 2021 (NTD)	NTD 86.8 Billion

Product Service

Cheng Uei Group constantly seeks to improve the process technology, develop the wireless technologies of mold 4.0, 5G and WiFi6, integrate and establish the 360 degree dynamic panoramic suture technology, develop the bone recognition/eye tracking technology, and provide customers with high-quality consumer electronics, information, communication, automotive and other products. Among them, the Top 3 in terms of business proportion are systems and peripheral products (42.88%), 3C parts and components (35.68%) and retail channels (16.45%). The main products are sold in the mainland (34.10%), the United States (27.30%) and Taiwan (13.51%).

Combining the management capability, Internet of things, cloud, data analysis and automation technology of Cheng Uei Group, we will form industry 4.0, strengthen remote monitoring management, establish TPS real-time production mode, full build an intelligent production system, and provide customers with fast and comprehensive product development and manufacturing services. In order to meet all customer requirements, Cheng Uei's OEM/ODM team, from parts and components to complex assembly and integration, carries out projects, puts forward application solutions or technical support, and uses 24-hour R & D and manufacturing services to provide customers with creativity and services, so as to ensure that products can be accurately completed in the shortest time from sample to formal production. Through the effective introduction of the product cycle management platform, the cost, quality and time in the design process can be controlled with the best benefits, so as to achieve the goal of shortening the product development time and reducing the development cost. Under the constant pursuit of self challenge, Cheng Uei can still maintain the cost advantage in mass production while providing customized production of customer products.

Components and parts

Connector / FPC / Rigid-Flex / FPCBA/ Antenna module / Bluetooth module / Wifi module / Image module / 3D image module / 360 degree image module / Thermal image module / Electronic control unit (ECU) / Electric vehicle battery module



Accessories

High speed connect wire / Bluetooth ear-phon/ Headset / Wireless speaker / Bluetooth receiver / Bluetooth music receiver / SD card reader / game console wireless joystick / Bluetooth mouse / Stylus / Motion sensor / Power converter / Vehicle charger / Wireless charging stand / Mobile power supply

System Product

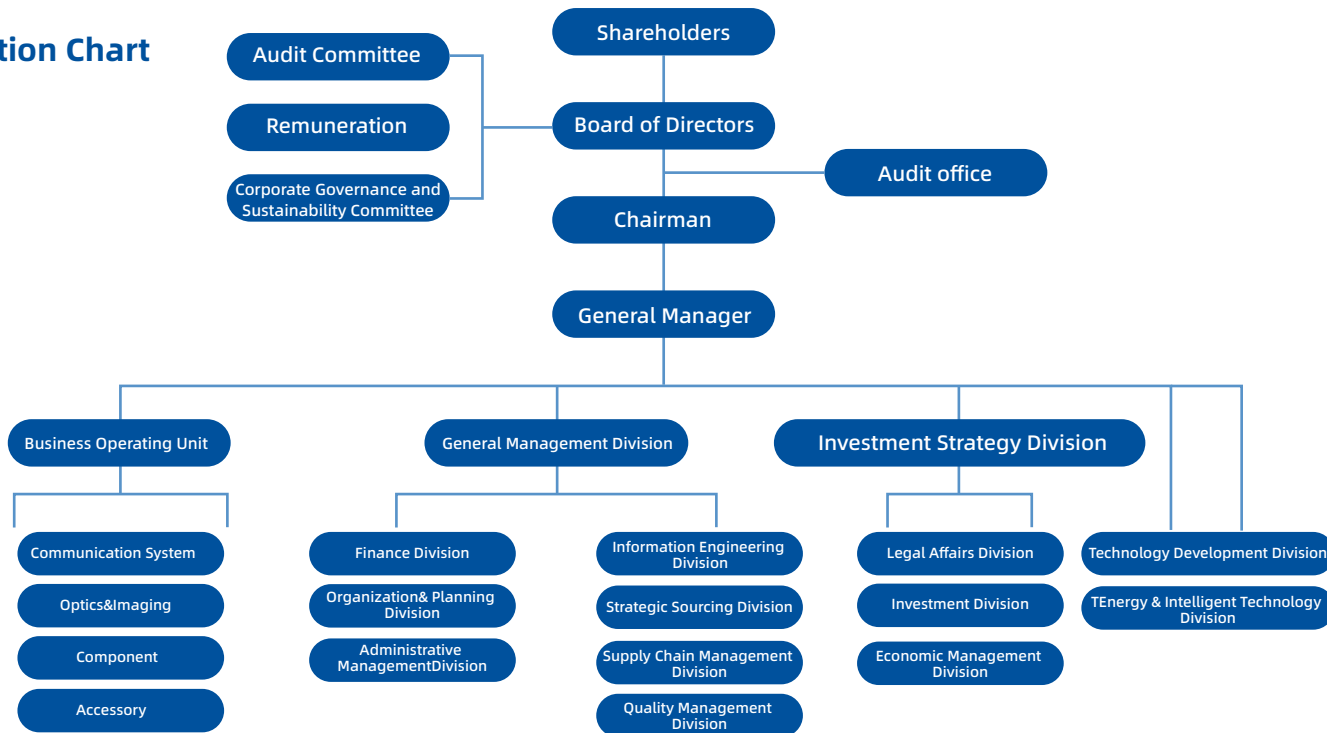
Smart watch / Smart bracelet / Air quality detector / Bicycle power auxiliary control unit

➤ Corporate Governance Structure

The Board of Directors of Cheng Uei Precision Industry has long followed the high standard Corporate Governance principle as the basis for a sound system to ensure the effective operation of the board of directors and protect shareholders' rights and interests. In accordance with the Code of Practice on Corporate Governance of Listed and OTC Companies, the Code of Practice on Integrity Management of Listed and OTC Companies, and the Code of Practice on Sustainable Development of Listed and OTC Companies which internal norms are formulated, and international and industrial best practices are referred to to implement corporate governance and integrity leadership, so as to achieve the goals of strengthening the structure and operation of the board of directors, safeguarding shareholders' rights and interests and treating shareholders equally, improving information transparency, and implementing integrity management and anti-corruption advocacy.

A Remuneration Committee is set up under the Board of Directors to formulate and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of Directors and senior managers, and to consider the reasonableness of the relationship between personal performance, the company's operating performance and future risks; It is prohibited to pursue salary and remuneration beyond the risk appetite of the company; An Audit Committee shall be established to enact or amend the internal control system in accordance with Article 14-1 of the securities and exchange law, and to prescribe or implement procedures for major financial and business activities involving the acquisition or disposal of assets, the trading of derivatives, the lending of funds to others, and the endorsement or provision of guarantees for others; Set up an audit division to assist the board of directors and the corporate governance director to perform their supervisory duties; At the same time, the corporate governance and sustainable operation Committee has set up several working groups, including environment, social responsibility and employee development, to take charge of the sustainable development of the company and promote the healthy, sustainable and stable governance of the group; A corporate governance director is authorized by the board of directors and the chairman to coordinate the corporate governance business. In 2021, the annual evaluation results of corporate governance were 36% to 50%, total 137 listed companies.

> Organization Chart



The Code of Corporate Governance Practice of the company stipulates that the composition of the board of directors should consider diversification and formulate appropriate diversification policies according to its own operation, operation type and development needs. The overall capabilities of the board of directors should include operational judgment, accounting and financial analysis, business management, crisis management, industrial knowledge, international market view, leadership and decision-making. The current Board of Directors consists of nine directors, including three independent directors (ratio 33.33%) and one female director (ratio 11.11%). The specific management objectives of the diversification policy of the composition of the Board of Directors include at least one female member of the board of directors, and independent directors cannot bear over three consecutive terms; owns professional knowledge and skills. It has been achieved the above goals in 2021.

Board Members	Gender	Age 51-60	Age 61-70	Age 71-75
Directors	Male	1	4	0
	Female	0	0	1
Independent Directors	Male	1	2	0



In order to improve the sustainable operation and management functions of the members of the board of directors, supervisors and senior managers, the company continues to provide members with various sustainable operation training and knowledge lectures on finance and taxation, risk management, laws and regulations, corporate governance, integrity and ethics, new policies for sustainable development, climate governance and low-carbon management, so that they can fully understand the development of Sustainable Governance and social responsibility management norms at home and abroad, and encourage directors, supervisors The manager and other senior managers put forward suggestions on the sustainable management of the group, so as to review and improve the sustainable management policies and measures formulated by the company, so as to enhance the practical results of the sustainable management of the company. In 2021, a total of 12 directors of the company participated for a total of 59 hours. Education and training courses related to corporate sustainability, corporate governance and anti-corruption were held for the members of the board of directors. The courses included "trends and challenges of information security governance", "ESG and Sustainable Governance of the general trend", "relevant laws and cases of insider trading" and "carbon market practice and development trends", etc.



> Evaluation and Implementation Situation of Board of Directors

The performance evaluation indicators of the Board of Directors include five aspects and a total of 41 indicators. The overall average score of the evaluation results is 4.95 points (5 points in total), which shows that the Board of Directors has the responsibility to guide and supervise the company's strategy, major businesses and risk management, and can establish an appropriate internal control system. The overall operation is perfect and meets the requirements of corporate governance.

01

The performance evaluation indicators of the members of the Board of Directors included six aspects and a total of 23 indicators. The overall average evaluation result is 4.94 points (5 points in total), indicating that the board of directors has a positive evaluation on the efficiency and effect of the operation of various indicators.

02

The Functional Committee includes the Audit Committee and the Remuneration Committee. The indicators include five aspects and a total of 24 indicators. The overall average evaluation result is 5 points (5 points in total), which shows that the overall operation of the functional committee is perfect, meets the requirements of corporate governance and effectively enhances the functions of the Board of Directors.

03



Audit Committee

The Group set up an "Audit Committee" in 2017 in accordance with the Securities Exchange Law. All independent directors serve as the Audit Committee for a term of three years. All members elect the convener and chairman of the meeting. The convener of the meeting is Mr.Chuan-Wei Li an independent director. The Audit Committee of the company held 5 meetings in 2021, and the Audit Committee attended all meetings in entire staffs.



Remuneration Committee

In order to implement corporate governance and improve the salary and remuneration system for Directors and managers, the company has set up a "Remuneration Committee" with 3 members, and all Independent Directors serve as the Remuneration Committee. The main responsibilities of the Remuneration Committee are to assist the Board of Directors in formulating and regularly reviewing and evaluating the policies, systems, standards and structures for the achievement of performance objectives and remuneration of directors and managers for the sustainable development of the Group. The convener of this session is Mr.Chuan-Wei Li, an Independent Director. The term of office of this committee is from June 19, 2020 to June 18, 2023. In 2021, the Remuneration Committee held 2 meets in 2021 , and the actual attendance rate was 100%.



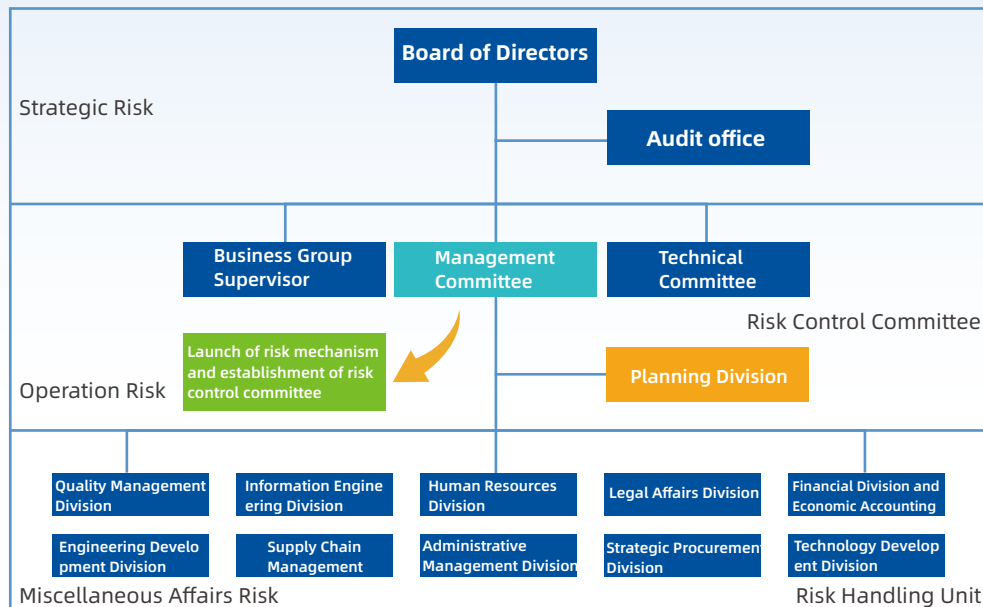
Implement the Principle of Interest Avoidance

This company has established a Code of Practice for Corporate Governance and A Good Faith Operation Procedure to regulate Directors, managers, and other interested parties who attend or attend the board of directors as nonvoting delegates. If they have an interest in a proposal proposed by the Board of Directors with themselves or the legal person they represent, they shall explain the important content of their interest at the current board of directors. If it is harmful to the interests of the company, they shall not participate in the discussion and voting, and shall withdraw from the discussion and voting, And shall not exercise their voting rights on behalf of other directors. The Directors of the company all adhere to a high degree of self-discipline. If the proposal involves their own interests, they all adhere to the principle of interest avoidance. For more information on the process and information disclosure of effective management of conflicts of interest by the highest governance institution, please refer to the chapter on corporate governance operation of the 2021 Annual Report of the Shareholders' Meeting.

> Risk Management

The Group focuses on its own industry, cooperates with relevant laws and regulations to implement various policies, and establishes various standard operation implementation specifications to reduce and avoid possible risks. In order to strengthen the risk management mechanism and improve the company's internal response ability to various risk matters, the group has formulated "risk management measures" to clearly define risk matters, risk levels, notification and management procedures, risk control management organization structure, supervision and tracking rights and responsibilities. To enhance the company's internal risk management awareness, reduce the possibility of risk occurrence, and further hope to reduce the impact of risk matters, so as to achieve the company's business objectives and vision. In order to maintain the sustainable development of the company, Cheng Uei Group continues to pay attention to domestic and foreign laws and regulations, social responsibility requirements of customers and new situations and changes in the industry, timely carries out risk assessment, updates the company's implementation strategy, and improves the company's ability to deal with various risks. In 2021, the COVID-19 global epidemic continued to affect the operation and production of enterprises, posing a heavy challenge.

> Risk Management Organization Chart



Risk Management of Epidemic Prevention in COVID-19

In 2021, the COVID-19 continued to be sporadically distributed throughout the country, and the novel coronavirus continued to evolve. Each factory campus of the Group entered a state of normalized epidemic prevention and control. The Dongguan factory campus produced masks 11,614,900 in total, ensuring the daily needs of employees in each factory campus

At the same time, all factories cooperate with local governments in epidemic control measures, strictly manage personnel and travel, and actively cooperate in nucleic acid detection to ensure that no one is missed. In 2021, at the request of the local government, Dongguan factory organized 4 times of nucleic acid detection for all employees, with a total of person times 57,000 of detection;

A total of person times 2,826 of nucleic acid detection was organized in Xuzhou factory .





Vaccination against the COVID-19 is an important measure for the prevention and control of the COVID-19. It is also the most convenient and effective means to prevent infection and block the spread of the disease.



In order to effectively prevent and control the spread of COVID-19, all factory campuses of the Group responded positively, cooperated with the requirements of the local government, mobilized extensively, and attached great importance to the vaccination of COVID-19



Each factory campus actively connects with the local vaccination units, sets up a special vaccination site in the factory to ensure that each employee should be fully connected, builds a prevention and control barrier against the epidemic, and reduces the risk of the epidemic. In 2021, the cumulative number of vaccinations in each factory campus will reach 25,247, and the vaccine coverage rate will reach more than 96%.

The risk of epidemic spread continues to exist. Each factory campus of the Group will pay close attention to the epidemic situation, actively cooperate with relevant departments to implement epidemic prevention and control measures, and orderly carry out nucleic acid detection and vaccination as required, so as to ensure the life safety and health of the company's employees and maintain the stable operation of the enterprise.



> Information Security Policy

The information security policy formulated by the group is "To maintain the integrity, availability and confidentiality of the information of the group owned companies, actively avoid damage caused by man-made, natural and other external forces, and reduce losses affecting the company's operations and interests." Through regular internal information security reviewing, various information security measures are reinforced and weaknesses of information equipment are corrected to maintain the normal operation of information systems. Internal information security and information security meetings are held to strengthen the emergency response capability of information security, and deepen and adjust the annual information security management objectives.

> Information Security Organization

In order to meet customers' information security needs and ensure customers' production and relevant operating data, an Information Security and Business Secrets Committee is established according to the instructions of the Chairman of the Board, under which a information security organization is established, and the top executives of all business groups are convened as members. The law affair supervisor and the information chief jointly hold regular business secret reviewing committee meetings to implement, formulate and review the group's information security control measures, so as to effectively promote the group's information security management policies.



> Information Security Group Performance

In the past, the information security group undertook the review and implementation rules of the information security policy of Cheng Uei. For the information security projects required by customers, information security inventory and review shall be conducted every month. To strengthen the management and control of sensitive and confidential data, it must be reviewed by the organization before it can be transmitted to customers. Under the secure control mechanism, it completed customers' requirements for information security and obtained customers' recognition. In the future, in addition to paying attention to the security of the OT-operation technical environment, Cheng Uei has also invested in the relevant control mechanism in the terminal control of the office environment, so that employees can obtain the protection of information security when working. On weekdays, it has been a major performance since the operation of the information security group to let employees know the information security news of the industry and cultivate the awareness of information security in the working environment through information announcements.

> Internal Reviewing of Information Security

According to the resolutions of the Business Secret Committee and the internal reviewing items, the information security group shall carry out the reviewing to each unit and provide improvement measures, report the reviewing and improvement results to the Business Secret Committee and the Board of Directors.

Information Security and Customer Information Security Management Effectiveness

Cheng Uei Group is a multinational enterprise. We establish internal regulations and carry out relevant risk control in accordance with the regulations and policies on information security in various countries and China. At the same time, we carry out information security management reviewing according to the requirements of customers on our information security policies and privacy. Over the years, the customer has put forward suggestions for improving our information security management & control. After many amendments, it meets the customer's requirements for us, and has reached zero defect in the reviewing purpose.

01

In 2021, the management and control of engineering drawings and files will be strengthened. All employees who draw engineering drawings and files will need to install the data security encryption software to prevent the leakage of engineering drawings and files. The installation rate will reach 100%.

02

Key information systems are Vulnerability scanned and repaired once a week to reduce the risk of hacker intrusion.

03

Install terminal computer access information security software to prevent malicious virus intrusion.

04

Establish a pre check system for e-mail to prevent the leakage of sensitive and confidential data.

> Anti corruption risk assessment, policies and procedures and adopted actions

In order to implement the corporate governance and self-monitoring mechanism, in accordance with the provisions of the internal control system and handling standards required for public offerings, and taking into account the overall operating activities of the company and its subsidiaries, the detailed rules for the implementation of internal inspection consisting of five elements, "control environment", "risk assessment", "control activities", "information and communication" and "supervision" are designed. In order to strengthen corporate governance and strengthen the internal control and audit system, the company has set up an audit unit, including one audit supervisor and five dedicated personnel. In order to ensure that the internal control system can enable the company to achieve its operating objectives, and effectively promote each unit to inspect the effectiveness of internal control operations by itself, truly inspect and evaluate the deficiencies of the internal control system and measure the efficiency of operations, so as to respond to the changes in the internal and external environment of the company, To ensure that the design and implementation of the system are continuously effective, and to assist the board of directors and the management in fulfilling their responsibilities, so as to implement the corporate governance system. The audit Div. of the company has completed the audit of all internal units in accordance with the 2021 internal audit plan. In addition to requiring the missing units to improve in accordance with relevant regulations, the internal audit director and the independent directors hold regular meetings to report on the audit implementation status and internal control operation, and communicate face-to-face and reply to the consultation of each independent director at least once a quarter. Each independent director shall timely master the internal audit status of the company. In case of any major abnormal event, he may convene a meeting at any time, or directly contact the audit director by telephone for discussion.

FOXLINK has set up an opinion mailbox and a contact window to provide communication between stakeholders. If there are any questions, suggestions or even complaints on relevant issues. Internally, employees can query relevant contents and reporting channels through the internal website (Cheng Uei offence-reporting e-mail is ceo@foxlink.com). In case of any violation of the law or the employee code of conduct, it may directly report to the department head, the audit department, the human resources department and the legal department. In order to protect the rights and interests of the tipster employee, we will not disclose the identity of any tipster or person participating in the relevant investigation, and in order to encourage the courage to speak out, if the fact reported is confirmed to be true after investigation, we will reward and record merit as appropriate.

The scope of accepting the offence-reporting covers all factories around the world. When receiving the letter of offence-reporting, confirm whether the contents of the complaint are true and conduct relevant checks. The appeal case shall be closed within one month, and may be extended for one month if necessary. If the case is verified to be true, the company shall handle it in accordance with laws and regulations or the company's internal disciplinary provisions, or pursue legal liability. However, before the decision of punishment is made, the company shall provide the opposite party of the offence-reporting case with an opportunity to state their opinions or appeal, so as to safeguard the rights of the opposite party of the offence-reporting case.

- 1.Stakeholder consultation and complaint, it is reported zero cases in Taiwan in 2021.
- 2.It was found that a commercial vehicle in the mainland factory campus had not been dispatched for about one year, but the lease had not been stopped immediately, to cause the rent of the manufacturer had been overpaid by about RMB75000. After checking and verifying that the person who dispatched the vehicle had resigned, the supervisor recorded a demerit as a punishment to him.

> Professional Ethics Requirements and Compliance with Laws and Regulations

The company firmly upholds the customer orientation, Time to market and Time to volume business philosophy, has developed the Code of Good Faith Business Practices, Code of Business Ethics and other procedural documents, at the same time, the company through carrying out the survey that employees avoid performing any securities trading linked to their interests or their relatives' interests, issuing incorruption announcements, and all employees to do the business ethics training, etc. ways, to encourages employees to expose violations through any available channels and ensure that they are not subjected to retaliation or other unfair treatment.

The new manufacturer and each new employee shall be publicized on the commitment to probity, and a letter of commitment shall be signed. The manufacturer promises never to ask, promise, ask for any bribe or other illegitimate benefits from the company's employees or their related parties, or directly or indirectly seek the benefit of the employees or their related parties. All employees or directors are required not to ask, expect or ask for any bribe or other illegitimate benefit from the manufacturer related to the company's transaction or its affiliated enterprise or its affiliated person, or have the behavior of directly or indirectly trying to benefit themselves or their affiliated person and designee. The operating factory campus that have conducted corruption related risk assessment include the Dongguan, Kunshan and Xuzhou factories. The major corruption risks identified through the risk assessment include procurement, production and payroll operations.

According to the relevant anti-corruption policy publicity conducted by all personnel in each plant area at the time of employment and the establishment of manufacturer data, 67,354 new employees and 183 new manufacturers have completed the publicity and implementation rate of anti-corruption policy in 2021, reaching 100%.

In 2021, the Group did not have any illegal events related to anti competition, anti trust and monopoly behaviors.

> Financial Information

Unit: NT Million Dollar

Year	Operating Income	Operating Margin	Net profit After tax
2021	86,800	9,575	921
2020	89,552	9,773	1,967
2019	97,820	10,218	1,987
2018	87,911	7,661	608

Note: For more information of the Group's operating performance, please refer to the Group's 2021 Annual Financial Report

> Policies and Commitments

Foxlink has always adhered to the people-oriented belief and engaged to establish a friendly workplace. Employees are an important stone for the development of the company, and also the main driving force for the progress and growth of the company. Therefore, we pay more attention to the working environment, career development and humanistic care of employees, build a healthy and happy workplace culture for employees, shape the spirit of responsibility, deepen human capital, implement talent cultivation, and create a harmonious and shared workplace environment. In accordance with international norms and relevant labor laws and regulations, the company provides a friendly workplace working environment, protects the rights and interests of employees, continuously promotes various community activities and implements employee care, promotes the balanced development of employees' physical and mental health, and jointly practices the vision of Foxlink sustainable operating with employees.



> Goals and Actions

Short-term Goal

- 1、Employee diversity and equal opportunities: female supervisors account for 25%.
- 2、Keep the stability of employees, and the average monthly resigning rate is less than 12%.
- 3、Implement the management of machinery safety and disaster reduction.

Middle & Long-term Goal

- 1、Provide employees with perfect education and training, so that employees can grow together with the company.
- 2、Implement fair job opportunities and promotion channels for employees.

Note: The average monthly resigning rate of 12% is the resigning rate defined by Cheng Uei internally, and the formula is "number of resigning in the period/(the number at the initial period + number of new employee in the period) *100%", and the number of resigning is excluding employees who leave within 7 days of entry, employees whose labor relations have been terminated, and employees with short-term contracts in peak seasons. The resigning rate in 2021 is around 12.15%.

ISO45001 Occupational Health, Safety and Health Management System Certification

- | | |
|-------------------|--------------------|
| ■ Taiwan factory | ■ Dongguan factory |
| ■ Kunshan factory | ■ Xuzhou factory |

> Employee Profile

By the end of 2021, Cheng Uei had 28,294 employees around the worldwide, including 26,971 regular employees (15,361 male and 11,610 female) and 1,323 contract employees (939 male and 384 female). The proportion of male employees is 57.6% and that of female employees is 42.4%. Based on the labor-intensive characteristics of the electronics industry, the company's members are mainly consisted by the direct employees, accounting for 77.1%. In 2021, 25 employees with physical and mental disabilities and 3,156 ethnic minorities were employed. Among them, the proportion of female supervisor is 32%, which is higher than the target of 25%. Cheng Uei actively creates workplace diversity and equal promotion opportunities for employees.

Distribution of Employee Contract Categories of Cheng Uei Group in 2021

Area	Regular employee		Total regular employee	Contract employee		Total contract employee	Total
	Female	Male		Female	Male		
Taiwan	426	762	1,188	0	0	0	1,188
Dongguan	5,451	10,280	15,731	248	703	951	16,682
Kunshan	1,533	2,586	4,119	30	174	204	4,323
Xuzhou	1,605	1,363	2,968	106	62	168	3,136
Maanshan	170	94	264	0	0	0	264
India	2,425	276	2,701	0	0	0	2,701
Total	11,610	15,361	26,971	384	939	1,323	28,294

Number of Person of Gender Distribution in Direct / Indirect Employees

Area	Female		Total female	Male		Total male	Total
	Direct employee	Indirect employee		Direct employee	Indirect employee		
Taiwan	127	299	426	87	675	762	1,188
Dongguan	4,461	1,238	5,699	8,880	2,103	10,983	16,682
Kunshan	1,043	520	1,563	1,909	851	2,760	4,323
Xuzhou	1,565	146	1,711	1,107	318	1,425	3,136
Maanshan	129	41	170	46	48	94	264
India	2,413	12	2,425	50	226	276	2,701
Total	9,738	2,256	11,994	12,079	4,221	16,300	28,294

 Proportion of Management Personnel

Area	Non Management Personnel		Management Personnel		Total
	Number of person	Proportion	Number of person	Proportion	
Taiwan	835	70%	353	30%	1,188
Dongguan	15,126	91%	1,556	9%	16,682
Kunshan	3,735	86%	588	14%	4,323
Xuzhou	3,030	97%	106	3%	3,136
Maanshan	208	79%	56	21%	264
India	2,691	100%	10	0%	2,701
Total	25,625	91%	2,669	9%	28,294

 Gender/Age Distribution of Management Personnel

Year	Statistical items	Management Personnel		Management Personnel		Total
		Female	Male	Female	Male	
2021	Under 30 years old	5,167	7,708	50	143	13,068
	proportion	46%	53%	6%	8%	46%
	30-50 years old	5,922	6,621	774	1,541	14,858
	proportion	53%	46%	92%	84%	53%
	Over 50 years old	64	143	17	144	368
	proportion	1%	1%	2%	8%	1%
Total		11,153	14,472	841	1,828	28,294
Proportion		44%	56%	32%	68%	-

Note: The above data are calculated according to the on-the-job personnel of the HR system until December 31, 2021.

> Talent Recruitment and Remaining

Cheng Uei's employees are recruited in accordance with the local labor laws and regulations and the requirements of the Code of Conduct of Responsible Business Alliance (RBA). Risk assessment is carried out and the management specification of the measures for the management of child and juvenile workers is formulated. The minimum age limit for appointment is set in the plant area, the identity recognition system and control measures are developed, and internal and external audits are carried out. Forced labor, underage employees and hazardous work are strictly prohibited; strictly implement the non discrimination policy and provide equal employment opportunities regardless of race, color, age, sex, sexual orientation, disability, pregnancy, religion, nationality and political party orientation.

The company refers to the fluctuation of the data of new employees' entry and resigning, and observes and evaluates the effectiveness of the company's measures and benefits, so as to achieve the goal of an equal and friendly workplace environment. In 2021, Cheng Uei Group had 67,354 new employees (50,700 male and 16,654 female), with a new entry rate of 238%. The number of employees resigning the company was 72,534 (55,159 male and 17,366 female), with a resigning rate of 256%. The impact of the new entry rate and resigning rate was mainly due to the fact that most of the workers in the mainland were short-term employees who with a high resigning rate.

Note: Cheng Uei's statistical resigning rate is defined as "number of resigning in the period/(the number at the initial period + number of new employee in the period) *100%", and the number of resigning is excluding employees who leave within 7 days of entry, employees whose labor relations have been terminated, and employees with short-term contracts in peak seasons. The resigning rate in 2021 is around 12.15%, which is expected to continuously deepen the fair promotion opportunities in the workplace The goal of an average resigning rate of less than 12% in 2022 was achieved through new employee education and employee coordination meeting communication.



Statistics of New Employee Entry Rate of Cheng Uei Group in 2021

Age	Less than 30 age				30-50 Age				Over 51 age				Gender subtotal				Total	
Gender	Female		Male		Female		Male		Female		Male		Female		Male			
Area	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee
Taiwan	82	53.6%	71	46.4%	144	51.2%	137	48.8%	6	30.0%	14	70.0%	232	51.1%	222	48.9%	454	38%
Dongguan	5,308	17.9%	24,294	82.1%	2,487	20.0%	9,964	80.0%	0	0.0%	4	100.0%	7,795	18.5%	34,262	81.5%	42,057	252%
Kunshan	1,832	22.3%	6,380	77.7%	1,118	26.5%	3,103	73.5%	0	0.0%	2	100.0%	2,950	23.7%	9,485	76.3%	12,435	288%
Xuzhou	1,472	27.0%	3,987	73.0%	2,255	51.5%	2,123	48.5%	0	0.0%	0	100.0%	3,727	37.9%	6,110	62.1%	9,837	314%
Maanshan	130	21.2%	483	78.8%	228	87.0%	34	13.0%	5	100.0%	0	0.0%	363	41.3%	517	58.8%	880	333%
India	1,399	93.9%	91	6.1%	188	93.5%	13	6.5%	0	0.0%	0	100.0%	1,587	93.8%	104	6.2%	1,691	63%

Statistics of Employee Resigning Rate of Cheng Uei Group in 2021

Age	Less than 30 age				30-50 Age				Over 51 age				Gender subtotal				Total	
Gender	Female		Male		Female		Male		Female		Male		Female		Male			
Area	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee	Number of Person	Proportion of New Employee
Taiwan	56	58.9%	39	41.1%	119	45.9%	140	54.1%	7	21.2%	26	78.8%	182	47.0%	205	53.0%	387	32.6%
Dongguan	9,302	19.6%	38,057	80.4%	0	0.0%	0	100.0%	0	0.0%	0	100.0%	9,302	19.6%	38,057	80.4%	47,359	283.9%
Kunshan	2,056	23.3%	6,753	76.7%	1,379	28.0%	3,542	72.0%	0	0.0%	6	100.0%	3,435	25.0%	10,301	75.0%	13,736	317.7%
Xuzhou	1,357	26.3%	3,800	73.7%	2,325	51.8%	2,167	48.2%	0	0.0%	0	100.0%	3,682	38.2%	5,967	61.8%	9,649	307.7%
Maanshan	188	24.5%	580	75.5%	166	82.6%	35	17.4%	2	66.7%	1	33.3%	356	36.6%	616	63.4%	972	368.2%
India	368	97.6%	9	2.4%	41	91.1%	4	8.9%	0	0.0%	0	100.0%	409	96.9%	13	3.1%	422	15.6%

1.Proportion of new employees in the age range: number of male (female) new employees in the age range of the year / total number of new employees in the age range of the region.

2.Total number of new employees in the age range: total number of new employees in the age range of the year / total person number of companies in the region at the end of the year.

1.Resigning proportion of age range: The number of male (female) employees age range of resigning in this year/ the total number employees of resigning age range in this region.

2.Total resigning proportion of age range: total number of employees' age range of resigning in the year / total person number of companies in the region at the end of the year.

> Employee Benefits

Cheng Uei has set reasonable salary levels in various branch factories, synchronized the salary adjustment of employees with the development of the group, and encouraged the continuous growth of employees. Cheng Uei has specifically improved and affirmed the performance of employees through the twice-a-year performance appraisal and promotion system, and determined the reward based on the performance according to the operation of the company. Each year, incentive bonus, patent bonus, employee bonus and performance bonus shall be issued according to the position, contribution and performance of each employee. Since the date of entry into the factory in China mainland, all employees who have signed formal contracts shall pay social insurances such as pension, medical care, work-related injury, maternity and unemployment in accordance with the provisions of the local government; All employees in Taiwan factory shall participate in labor insurance, health insurance and group insurance from the date of entry.

According to the local statutory retirement system, Cheng Uei will allocate the pension to each employee according to the relevant regulations, and the factory will pay the pension on a monthly basis. Taiwan employees are entitled to a monthly pension in accordance with laws and regulations. Employees who have reached the legal retirement age can apply for retirement if they meet the relevant national conditions.

Note: Taiwan's pension allocation is divided into the new system of 6% and the old system of 2%, and 27 employees of old system are still in service.

> Get-together Activity

Each factory campus regularly holds various get-together activities, including birthday party and happy carnival, good voice singing contest, employee family open day, various festival series activities and irregular group health activities, so as to enhance the communication between employees.



In 2021, due to the impact of the COVID-19, the Christmas gift box distribution activities "Happy Christmas • Peace is Blessing" in Dongguan factory campus were adjusted to online registration and collection in accordance with the relevant provisions of the epidemic prevention department. A total of 9000 pieces of apple gift boxes were distributed on Christmas Eve. This activity actually gave benefits to employees and added a festive atmosphere. It not only made employees feel the care of the company, but also enhanced their sense of belonging. Employees dried gift boxes in Wechat circle of friends to thank the company. The activity was highly praised by many employees.



> Get-together Activity



In order to vigorously carry forward the traditional virtues of the Chinese nation, take filial piety as pride, advocate the spread of maternal love as glory, and create a good corporate atmosphere for colleagues to thank, respect and love their mothers under the care of the warm and harmonious corporate culture, the mother's Day "Replying Gratitude • Blessing Sending" activity was held in the Dongguan factory campus in May 2021.



Kunshan factory family day is an activity to achieve employees' and family members' recognition of the company's culture and core values through various parent-child fun activities, and to condense enterprise morale.

India factory hold celebrations in conjunction with local festivals to share a



> Society Activities

In order to balance the work, life and leisure of employees, there are 12 different types of societies in the operating factories in Taiwan factory, including handicraft club, flower art club, love club, aerobics club, yoga club, basketball club and triathlon club. The mainland operating factories has a number of categories societies, such as table tennis club, badminton club, taekwondo club, dance club, basketball club, love club, instrumental music club, time photography club, etc., to provide employees with many options to take part in. The overseas employee activity budget is about NTD \$16million (overseas region, excluding Taiwan).



> Maternity Leave and Lactation Period Leave



Personnel rules and regulations of each factory campus implement and improve the leave system, including marriage leave, lactation leave, maternity leave, paternity leave, funeral leave, annual leave, etc; employees with maternity leave and lactation needs shall be given substantial care and attention. In case of long-term leave due to military service, heavy injuries and other circumstances, they may also apply for salary suspension, and apply for reinstatement after the expiration of the period, taking into account personal and family care needs. This report described the status of maternity leave and lactation period leave in Taiwan and mainland:

In 2021, a total of 11 people in Taiwan applied for maternity leave and lactation period leave, including 5 female and 6 male. Relevant information is as follows:

Item/Gender	Male	Female	Total
Number of persons ("A") who meet the applying qualification of maternity leave and lactation period leave in 2021	59	41	100
Actual number of persons ("B") who applying for maternity leave and lactation period leave in 2021	6	5	11
Number of persons ("C") who should be reinstated after maternity leave and lactation period leave in 2021	3	4	7
Actual number of persons ("D") who reinstated posts after the maternity leave and lactation period leave in 2021	1	3	4
Number of persons ("E") who should be reinstated after maternity leave and lactation period leave in 2020	4	6	10
Number of persons ("F") who should be reinstated to work continuously for one year after maternity leave and lactation period leave in 2020	2	4	6
Reinstatement rate of maternity leave and lactation period leave (D/C) in 2021	33%	75%	57%
Retention rate of maternity leave and lactation period leave (F/E) in 2020	50%	67%	60%

Item/Gender	Male	Female	Total
Number of persons ("A") who meet the applying qualification of maternity leave and lactation period leave in 2021	286	453	739
Actual number of persons ("B") who applying for maternity leave and lactation period leave in 2021	141	223	364
Number of persons ("C") who should be reinstated after maternity leave and lactation period leave in 2021	147	241	388
Actual number of persons ("D") who reinstated posts after the maternity leave and lactation period leave in 2021	143	198	341
Number of persons ("E") who should be reinstated after maternity leave and lactation period leave in 2020	277	190	467
Number of persons ("F") who should be reinstated to work continuously for one year after maternity leave and lactation period leave in 2020	184	85	269
Reinstatement rate of maternity leave and lactation period leave (D/C) in 2021	97%	82%	88%
Retention rate of maternity leave and lactation period leave (F/E) in 2020	66%	45%	58%

1.Reinstatement Rate = Actual total number of employees after parental leave (D) / Total number of employees who should be reinstated after parental leave (C) * 100%

2.Retention Rate = Total number of employees still in service 12 months after taking parental leave (F) / Total number of employees returning to work after taking parental leave in the previous year (E) *100%

> Relations of Labor and Management

The company provided multiple communication channels for employees in various plant areas, and given full play to the function of promoting harmonious labor relations. In order to understand the working conditions of employees and reduce labor and capital frictions, regular employee symposiums and grassroots cadre symposiums are held to understand employees' problems and mediate and solve employees' problems.

Communication channel between labor and management	Taiwan	Mainland	India	Frequency	Relevant records / descriptions
Labor-Management meeting	V	V		Per month at least one time	Deal with the problems reflected by employees and units, and effectively resolve the conflicts of labor and management.
Communication meeting of Business Department			V	Per month at least one time	India shall hold a communication meeting with production units at least once a month to understand the needs of units and departments and conduct two-way optimization operations.
Opinion survey/ satisfaction survey	V	V		Per month at least one time	The staff symposium and the line leader exchange meeting are held once a month, and the front-line staff interview is held four times a month, so as to understand the employees' life and work aspirations and help them solve problems effectively. In addition, the LMS (employee education and training platform) system and Wechat Public Account employee satisfaction questionnaire summarize the survey results and conduct follow-up review and improvement.
Internal publicity channel	V	V	V	Immediately	Electronic bulletin board, Wechat Public Account, billboard of education and training system and company mail.
Appealing consultation channel	V	V	V	Immediately	1.Special units and personnel are set up to receive complaints through face-to-face inquiry, telephone, SMS, Wechat, e-mail, etc., and anonymous complaint channels are set up to ensure smooth, transparent and immediate communication between employees and the company and protect their legitimate rights and interests. 2.There are employee complaint handling measures and a special e-mail box. Employees (who may appeal without name) can choose appropriate communication management to express their opinions according to their needs.

Shown from the internal statistical analysis of the number of employees' complaints, the largest is the external complaints of employees in the mainland. Most of them are employees' voluntary resignation without work handover. The company suspended the payment of wages for the month because the employees did not complete the work handover. Most of the employees returned to the factory to complete the work handover after the complaints. In order to reduce the occurrence of such complaints, the company publicizes the normal resignation procedures to employees through the induction of new employees and the monthly labor mediation meeting.

Factory campus	Number of appeal cases	Number of settled cases	Number of un-adjudicated cases
Taiwan	0	0	0
Dongguan	141	141	0
Kunshan	40	40	0
Xuzhou	4	3	1
India	2	2	0
Total	187	186	1

Note: 1. The number of employee appeals in 2021 is the number of appeals from external government units.

2. The case that did not adjudicate in Xuzhou was settled through mediation with the employees in June 2022.

> Employee Coaching



In order to pay attention to the physical and mental health of employees, improve the quality of life, shape a positive and optimistic attitude, and promote harmonious labor relations, a psychological counseling room is set up with dedicated personnel. Appointments can be made through face-to-face consultation, telephone, SMS, Wechat, e-mail and other means. The consultation content is only known to psychologists and consultants, so as to ensure employees' personal privacy, and let employees' psychological counseling services help employees improve their physical and mental balance in the working environment.



Carry out the caring interview program for front-line employees, take the initiative to communicate with front-line employees one-on-one, understand their work and living conditions, collect employees' suggestions, answer employees' doubts, and help solve relevant difficult problems, so that employees can do works without concerning and supervisors can manage the production in well.

The Dongguan factory campus in order to understand and care for employees, effectively help them solve difficult problems encountered in work and life, fully reflect the company's humanistic care and advanced management philosophy, and cultivate employees' sense of identity and belonging to the enterprise, they launched the activity of Employee Open Day. Organize a total of 14 service windows included human resources (salary, attendance, recruitment, HR APP, social security, provident fund, etc.) and Administration (accommodation, meals, police security), establish a temporary one-stop service center, warmly receive employees and carefully answer questions on site. If it cannot be solved on site, make records, follow up and reply afterwards.



> Employee Satisfaction Survey

The mainland factories of the company conducts Employee Satisfaction Survey every year. Taking Dongguan factory as an example, the employee satisfaction survey information is announced on the Wechat bulletin board in December every year. The human resources department conducts the employee satisfaction survey, and the report results are submitted to the quality management department for reference to provide the customer audit reference report. In the 2021 employee satisfaction survey, 5,531 people participated in the survey, accounting for 31.3% of the respondents. 4580 valid questionnaires and 951 invalid questionnaires, with an effective rate of 83%. In 2021, the satisfaction index of Dongguan was 71.6 points, and the top five satisfaction indicators were employee friendship satisfaction of 4.46 points, workplace colleague communication satisfaction of 4.15 points, the impact of working environment on employee health of 4.09 points, weekend shopping mall employee connection of 3.98 points, and employee self work achievement of 3.96 points.

In 2021, the top five items of dissatisfaction in sequence were 2.44 points for meal satisfaction, 2.84 points for salary satisfaction, 2.88 points for employee welfare satisfaction, 2.93 points for accommodation satisfaction, and 3.18 points for cultural and recreational activities satisfaction. In terms of meals, employees from different provinces in the mainland have different tastes and preferences, which are difficult to meet the needs of all parties. Employees have a variety of pasta menus to choose from. However, employees generally believe that the food subsidy cannot keep up with the price rise in the past two years. The salary evaluation is inferior to that of a few other external enterprises, but the company's salary policy and payment comply with local labor salary regulations. In terms of accommodation, the company has provided out of town allowance and the factory dormitory meets the customer's audit requirements, but the employees still suggest increasing the amount of out of town allowance. In terms of cultural and recreational activities, although the company has set an annual budget of more than NTD \$16million for overseas plants to plan employee cultural and recreational activities, it has been impacted by the COVID-19, which has led to the reduction of staff gathering activities and the postponement of implementation, resulting in the low satisfaction score of employees on this item. Employee satisfaction improvement: in 2022, we will focus on tracking the improvement of employee dissatisfaction items in previous years, and strive to improve the employee satisfaction index in 2022.

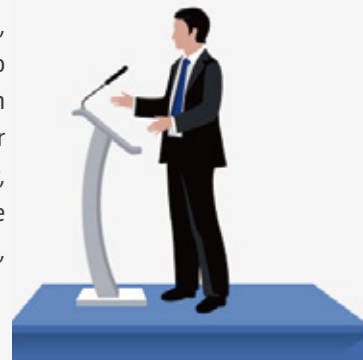
➤ Employee education and training

Cheng Uei pays attention to employees, devotes itself to talent cultivation, and provides an open and diverse learning environment. The company practices the policy of combining education and training with work practice with all employees.

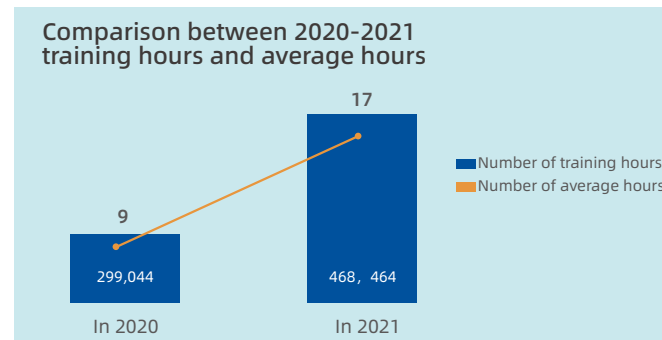


From the initial training for new employees to the professional function courses after entry, in addition to helping new employees quickly learn and integrate into the new workplace environment, it also helps on-the-job employees improve their workplace skills and grow together with the company. The supervisors of each production unit shall, according to the core work and required resources, check the professional knowledge and technology that employees need to improve or continuously cultivate, and put forward their needs in the annual education and training demand survey. At the same time, the education and training personnel understand the self expectation of employees at different levels through questionnaire survey, plus the management skills that the supervisor expects the subordinates to improve, summarize the needs, integrate relevant courses, and assist in handling courses that conform to professional knowledge, industrial trends, quality process, production management, employee development, health promotion and other aspects, so that the employees can be in the process of Cheng Uei career, Enjoy diversified learning resources to improve personal performance and potential, so that employees' career development can be followed, and gradually achieve the purpose of talent retention and education.

Foxlink pays attentions to the learning and growth of employees in the induction education and training of new employees and the professional training of departments, and obtains the growth of employee training hours through the LMS online education platform.



Through education and training, the company continuously increased human capital, through help the employee personal development to achieve the company's goals. The total hours of education and training were 468,464 hours, an increase of 157% over the total training hours of 299,044 hours in 2020. Cheng Uei has actively established online education and training platform courses (LMS) to provide employees with a variety of online courses. They can use computers, mobile phones and other devices to learn online anytime, anywhere.



Total hours for education and training and person average hours in 2021

Project	Gender	Level of Posts		Total
		General Employee	Supervisor of Management	
Number of Person	Male	14,472	1,828	16,300
	Female	11,153	841	11,994
Total hours	Male	129,002	9,088	138,090
	Female	327,605	2,769	330,374
Average hours	Male	9	5	8
	Female	29	3	28

Note: person average hours = total training hours / on-the-job personnel until December 31, 202

> Group training blueprint

Cheng Uei staff development and education training is based on the core of work and business to assist personal development and achieve the company's goals. The training system is divided into the following four categories:



According to product technology and future technology trends, all production units extend customer needs and company strategic objectives, and handle courses in line with industrial knowledge, quality process, production management, marketing and procurement.



Through a variety of online audio-visual teaching materials and convenient learning platforms, let employees can flexibly use their time for online learning, and gradually cultivate an atmosphere of self-learning for Cheng Uei employees.



By investigating the management leadership aspects that different levels of supervisors expect to improve for themselves and their subordinates, we plan courses that meet the core management needs, so as to improve the management skills of leaders' leadership and strategic analysis.



Let new employees can understand the company's systems and enterprise documents as soon as possible. At the same time, the supervisor of the employing unit arranges the Department Education and Training Plan to help them get familiar with the future work contents and responsibilities, and quickly put into their jobs to give full play to their abilities.

Professional skills



The teaching staffs are senior colleagues and supervisors to carry out knowledge and experience inheritance, and simultaneously employ academic and industry experts to share and exchange. At the same time, the company encourages employees to actively carry out on-the-job training and go to professional training institutions for studying, so as to deepen professional knowledge and skills, continue to learn new knowledge and enhance the competitiveness of the company.

New employee training



On the new employee's arrival day, first arrange to know the company's history, organization, business philosophy, corporate culture, ethics, labor and human rights laws and regulations, quality system, RBA Responsible Business Alliance Code of Conduct, environmental safety system and occupational safety and health course stipulated by law, so as to get familiar with the company's environment and quickly put into work

Management training



By investigating the management leadership aspects that different levels of supervisors expect to improve subordinates for themselves and their, we collected several digital textbooks such as Master Cheers, StartM, and shared the practical experience of professional managers. Senior executives regularly share internal experience and give lectures on external industry trends to improve their core management vision and strategy analysis ability.

Self development



Online self-learning is the trend of enterprise digital transformation. It is directly linked to the Cheng Uei Group's internal study platform - Learning Management System. It provides digital courses for the same industrial trends, industrial safety and environmental protection, human rights awareness, self-development and other workplace power improvement. The courses are presented by means of synchronous video, briefing, animation or lecturers. In 2021, online resources will be used by 164,912 people.



CPR+AED First aid training



Lectures on industrial trends

Taiwan & Mainland training course photos



Lectures on industrial trends



Safety regulation training



Emergency response training



CPR+AED First aid training



Fire fighting training



Team building training



Induction training for new employees



India training course photos



India training course photos

> Occupational Health and Safety Policy

1、 To carry out Social Accountability on Occupational,Health and Safety in reference to regulations and laws.

2、 To care for employee's health and safety,and avoid relevant accident.

3、 To build up management syatem on Occupational,Health and Safety and improve it continuously.

4、 To train and encourage employees in participating in all activities on Occupational,Health and Safety.

In order to implement the occupational health and safety policy, implement applicable occupational health and safety laws and regulations, and better protect the health, safety and property rights of employees,Foxlink has always strictly required to manage the occupational health and safety work in a systematic and scientific way, so as to coordinate the benign and sustainable development between the relevant economy and society.

Based on the policy and principle of "Safety First, Prevention as Main, All Staff Participation, Strengthened Supervision, Comprehensive Prevention and Control, Continuous Improvement", the company actively takes various prevention and control measures in the aspect of occupational health and safety, such as occupational health monitoring, occupational hazard notification, occupational disease prevention facilities, detection and evaluation of occupational hazard factors, personal protective equipment, opening of occupational health lectures, and health knowledge promotion, Implement effective control from all aspects to ensure the health rights and interests of every employee.

Foxlink is responsible for the production and non production sites, areas, equipment and routine and non routine operation activities in the operation activity area under its jurisdiction, including the activities of all off-site units entering the plant area of the company, the activities of off-site units providing facilities and equipment for operation in the company, and all the operation activities of contractors (including meal suppliers, security, equipment maintenance providers, etc.) entering the area under the jurisdiction of the company to engage in operation activities. In order to strengthen production safety, prevent and reduce production safety accidents, ensure the safety of workers' lives and property, and continuously improve the level of production safety management, the group company has been promoting the standardized management of production safety system, integrating other excellent management methods, and promoting the integration of production safety management with international standards, so as to realize the modern and scientific management of production safety and fully reflect the concept of "People Foremost".

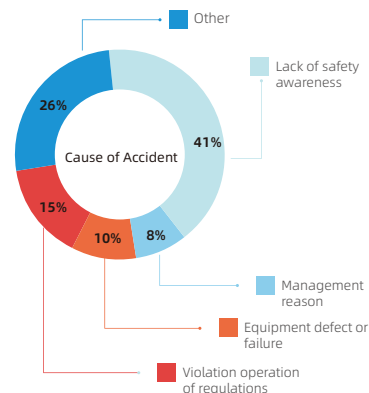
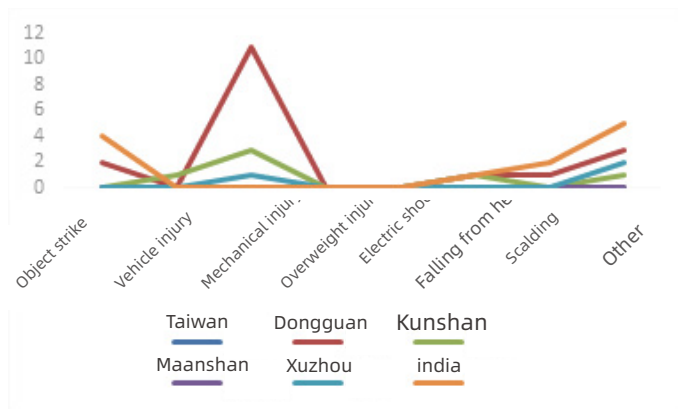
> Occupational Safety and Health Management Unit

Foxlink has obtained ISO45001 certificates in its Taiwan factory and in its mainland factories in Dongguan, Kunshan and Xuzhou. The number of employees and non employees who have completed the ISO45001 management system accounts for 89% of all employees and 94% of non employees respectively. The third-party certification company conducts annual audit of the ISO45001 management system every year. Each plant has established an occupational health and safety committee in accordance with local laws and regulations, with a total of 168 specialized safety management and business unit safety officers, Hold ESG meetings every month to discuss issues related to safety, environment, health, energy saving, waste reduction, etc., and put forward discussions and resolutions for the corresponding departments where outsiders (customers, contractors, etc.) raise problems, so as to ensure that employees and relevant workers work in a healthy and safe environment. If major issues are involved, they will be submitted to the corporate governance and Sustainability Operations Committee for discussion and decision-making. Reduce the risks in the working environment through regular assessment, publicity and training on the risks of hazardous factors, emergency prevention drills, and health and safety management methods, and improve the safety awareness of staff, so as to achieve the goal of no accident.



> Health and Safety Performance Management

The group company makes proportional analysis of different injury causes, categories and properties for the accident, so that the company can put forward more specific and specific improvement methods for the injury conditions. As contractors are required to sign the contractor statement and carry out risk level assessment before becoming qualified manufacturers, all contractors entering the plant for construction must be informed of [operating environment and hazard factors in the plant] and [penalty rules for contractors engaged in construction in the plant] regulations on illegal deduction, comply with [code of Practice for safety and health of contractors] and sign [letter of commitment for construction safety]. The company has formulated "construction operation management measures", and all operations shall be applied for approval and management in accordance with the measures. In case of various incidents at the company's workplaces, their subordinates shall be notified, investigated, analyzed and handled in accordance with the company's accident investigation and handling procedures; The Contractor's total man hours will be disclosed and included in the statistical description. In 2021, a total of 39 industrial safety accidents occurred in 6 plant areas of the group company, without death or serious injury.



Factory Campus	Taiwan		India		Dongguang		Kunshan		Xuzhou		Maanshan	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Calculate standard number of employees	762	426	276	2425	10,280	5,451	2,586	1,533	1,363	1605	94	170
Total working days	248	248	303	303	261	261	261	261	261	261	261	261
Calculate standard employee total working hours	1,511,808	845,184	669,024	5,878,200	21,464,640	11,381,688	5,399,568	3,200,904	2,845,944	3,351,240	196,272	354,960
Number of recordable occupational injuries	0	0	8	4	15	3	5	1	3	0	0	0
Recordable occupational injury proportion	0	0	2.39	0.14	0.14	0.05	0.19	0.06	0.21	0	0	0
Calculation standard number of non employee workers	13	17	9	25	597	218	127	50	70	102	19	28
Calculate the total working hours of standard non employee workers	25,792	33,728	21,816	60,600	1,246,536	455,184	265,176	104,400	146,160	212,976	39,672	58,464
Calculate the number of recordable occupational injuries of standard non employee workers	0	0	0	0	0	0	0	0	0	0	0	0

Remarks:

- 1.Proportion of recordable occupational injuries = number of recordable occupational injuries / working hours * 200,000
- 2.Serious occupational injury = at least 6 months from injury to recovery
- 3.Total working hours are calculated by the estimation method (number of people * 8 hours * working days).

- 4.Proportion of deaths caused by occupational injury = number of deaths caused by occupational injury / working hours *1,000,000: That did not occur deaths caused by occupational injury in 2021 among the employees and workers.
- 5.Proportion of serious occupational injuries = number of serious occupational injuries (excluding deaths) / working hours *1,000,000: That did not occur serious occupational injuries in 2021 among the employees and workers.
6. The number of recordable occupational injuries shall be subject to the internal statistical table of industrial injury events.

> Education Training and Emergency Drills

2021 health and safety related education training



In order to effectively improve the workplace environment safety in the plant area, the group has created a low work rate working environment through active prevention in advance, maintained the occupational safety of employees, and regularly handled occupational health and safety education and training related to first aid, mechanical safety, environmental safety and health risk identification, occupational health, emergency response, etc. the group has been equipped with safety management personnel and obtained certificates according to law. In 2021, the company opened 73 batches of occupational health and safety related education and training for 3,605 people.



The fire brigade entered the scene to give a speech

At the same time, in order to improve the emergency response ability of employees, each branch will conduct fire evacuation drills by region, day and night shift in batches every half a year. And focus on the use of fire-fighting equipment, emergency escape, property rescue, personnel first aid and other precautions. In 2021, the group company held 96 drills and 28,296 people participated in evacuation drills related to fire evacuation, chemical leakage, food poisoning, elevator entrapment, etc.



Emergency personnel training

To improve the emergency response ability of employees

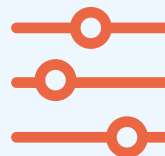


Courses Category	Taiwan	India	Mainland				Total
			Dongguan	Kunshan	Maanshan	Xuzhou	
Number of safety classes	4	5	20	6	3	8	46
Number of safety participants	198	125	715	401	157	305	1,901
Number of health classes	4	2	10	5	2	4	27
Number of health participants	230	90	657	320	139	268	1,704
Number of fire evacuation drills	2	6	30	16	2	10	66
Number of fire evacuation drills person	850	500	18560	4300	270	2750	27,230
Number of chemical leakage drills person	2	1	4	2	1	2	12
Number of chemical leakage drills person	60	20	165	86	20	75	426
Number of other drills	3	2	6	3	1	3	18
Number of other drills person	96	61	215	135	27	106	640

> Occupational Health Services



The company always pays close attention to the health and safety of employees, and actively adopts various measures to prevent, control and eliminate occupational hazards in order to protect the health rights and interests of each employee



Control occupational hazards from the source, and give priority to harmless and low hazard equipment and raw materials in the selection of equipment and raw materials;



Strictly implement the requirements of laws and regulations on employees' occupational health and safety, such as employee induction inspection, occupational hazard notification, on-the-job training, hazard factor monitoring, labor protection, regular physical examination, and physical examination upon resignation;



Ventilation and purification system, isolation and mask facilities, labor protection equipment and other measures shall be taken to prevent the impact of occupational disease inductive factors on the health of employees.

> Occupational Health Services

In order to prevent the employees from work injury or occupational disease due to repetitive work or bad posture, the Taiwan factory has formulated the operation measures of human performance hazard prevention plan to reduce or avoid the occurrence of such hazards. The company has set up an implementation team of the human performance hazard prevention plan. In addition to investigating the employees' existing health, work attendance and labor complaint records on weekdays, the factory nurse will also provide a questionnaire on musculoskeletal injuries, occupational diseases and hazards to colleagues during the annual physical examination to assess whether there are human performance hazards in the working environment. At the same time, in order to comply with the regulations of the occupational safety and health law, it is necessary to "take preventive measures against diseases caused by abnormal workload, such as shift work, night work and long-time work", and formulate a prevention plan for diseases caused by abnormal workload, so as to ensure the physical and mental health of employees and improve overwork protection and stress management. In addition, for the health protection of female colleagues, there are also relevant maternal health protection implementation measures and protection plans. Since the employee's pregnancy, the factory nurse will conduct an employee's work environment risk assessment. If it is a high-risk case, it will arrange an interview with the factory doctor to jointly assist the employees in taking relevant protection measures for the work items that may endanger their maternal health.



Each year, the specific inspection items shall be implemented in three stages: pre job, on-the-job and off-the-job for hazardous posts with occupational disease risk, such as electroplating, printing, stamping, injection molding, soldering, electrician, crushing, X-ray, etc. If any abnormality is found, outpatient reexamination will be arranged, and whether it is suitable to continue working at the original post will be evaluated, and follow-up health status will be tracked. The group invests in occupational health monitoring, personal protection data procurement, annual regular work environment measurement, environmental and occupational health and safety related improvement projects to ensure the occupational health and safety of employees. In 2021, a total of 8,650 employees of the group participated in occupational health examination; the total investment in occupational health and safety is RMB 6,850,000 yuan



In 2021, the entire Group will participate in occupational health examinations

8650
people participated

The total input cost is RMB
6,850,000

> Employee Care

Continue to care for the health of employees. Take Taiwan factory as an example. Every two years to do the indirect employee health examination, monthly employment of doctors in the factory, health consultation, medical consultation introduction and other health care will be conducted. Health promotion related courses will be held every quarter to promote the knowledge required for workplace health promotion. Take Dongguan factory and Kunshan factory as examples:

The Dongguan factory and Nanhua Gynecological Hospital jointly carried out the public welfare free physical examination activity of "Screening for Cervical Cancer and Breast Cancer" for women. This activity improved the awareness of early diagnosis and treatment of "Cervical Cancer and Breast Cancer" among female colleagues, fully mobilized the enthusiasm and initiative of female colleagues to participate in two cancers screening, further enhanced their awareness of self-care, and provided a good foundation for cultivating a healthy, civilized and scientific lifestyle, There are 200 female colleagues were provided with health examination and health knowledge publicity free of charge.

The Kunshan factory invites Jinxi People's Hospital to provide relevant training on the handling methods and response measures for some emergencies (such as fainting, vomiting, convulsions, etc.) and physical injuries that occur to employees in their dormitories and at work, so as to deal with similar situations in a timely and effective manner, greatly shorten the rescue time and avoid aggravating the injury.



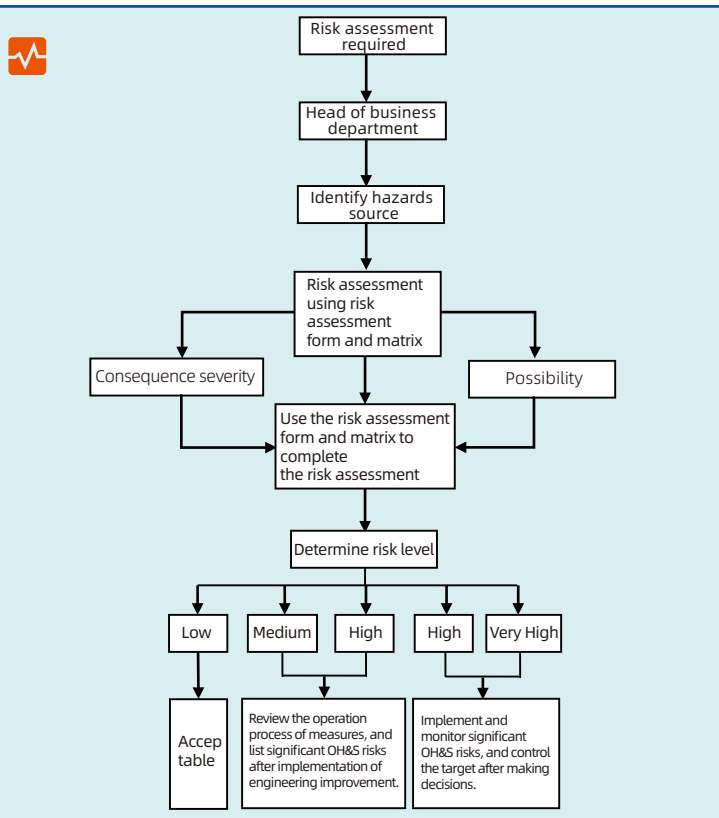
Caring for pregnant or lactating employees, so that employees have enough time to rest or take care of their families before and after production. Foxlink implements the relevant provisions of local labor laws and regulations, and provides employees with a perfect system of maternity leave and accompanying spouses, as well as maternal and infant care. In addition, Taiwan and mainland factories have set up nursing and collection spaces with comfort and privacy, so that employees with lactation needs can use them at ease in the company.

To improve group insurance, take Taiwan factory as an example. There are many types of insurance, including life insurance, medical insurance, accident insurance, accidental injury medical insurance, hospitalization medical insurance, cancer medical insurance and overseas assistance services. The mainland provides social insurance in accordance with laws and regulations, including the occurrence of unemployed employees, work-related injuries, pension and medical care, and pays social insurance and accident insurance in accordance with local government policies. In case of accidents such as industrial injury and major disease, the company will provide relevant assistance, such as employee care, insurance application and hospitalization subsidy, so that employees can fully feel the care and love of the company.

➤ Occupational Hazard Identification and Risk Assessment

The occupational health and safety hazard identification and risk assessment shall comply with the provisions of ISO45001:2018, and an occupational health and safety management system implementation team shall be established. The team members include representatives of all departments. The representatives of each department shall be trained in hazard identification and risk assessment to make them qualified for identification and assessment.

The risks which level is listed as high risk or above through the annual hazard risk identification and assessment form will be listed as priority projects for improvement, which will be an important basis for the formulation of health, safety and health objectives and plans, and will be included in the routine management scope of daily operations for other low-risk projects. In order to effectively reduce risks, when determining control measures or considering changing existing control measures, the following sequence shall be considered: elimination, substitution, engineering control, signs / warnings and administrative control, and personal protective equipment. During internal audit, the implementation of hazard identification, risk assessment and control decisions shall be listed as key items to ensure the effective implementation of processes and improvement measures.



Green House Gas Policy

Cheng Uei company implements the green-house gas management system and formulates the greenhouse gas policy in accordance with ISO14064 greenhouse management system.

Energy Management

Employees Participation

Continual Improvement

Sustainable Development

Short-term Goal

- The SBTi scientific carbon target will be set and approved in 2022.
- Factory campuses in Taiwan , Dongguan Fuqiang and Kunshan were added to complete ISO14064 green-house gas verification.
- Factory campuses in Dongguan Fudong, Kunshan and Xuzhou have completed ZWP certification.

Middle & Long-term Goal

- In 2030, the Group reached the requirement of no temperature rise of 1.5 °C
- Disclose data on energy conservation and carbon reduction to promote sustainable operation.
- Continue energy-saving technological transformation projects to improve energy conservation and carbon reduction performance.

System Certifications of ISO14001、ISO14064、ISO50001、ZWP

System	Taiwan	Dongguan	Kunshan	Xuzhou	Remarks
ISO14001	V	V	V	V	
ISO14064		V		V	Dongguan Fudong
ISO50001		V		V	Dongguan Fudong, Xuzhou
ZWP		V			Fuqiang Phase II of Dongguan

> Energy Management

Green, low-carbon and environmental protection are the goals that the Group has been pursuing. The promotion of new energy, energy conservation and emission reduction are the main body of environmental protection performance. Through energy conservation performance assessment management, strengthen energy conservation inspection, continuously improve the process and reduce energy consumption. Dongguan Fudong power plant applied for the ISO50001:2018 Energy Management System Certification in November 2021 and passed the certification. It is expected to complete the ISO50001:2018 energy management system certification in the main power plant areas of Dongguan Fuqiang, Kunshan and Xuzhou in 2022.



Green, low-carbon and environmental protection

In order to fully implement the energy consumption inventory management of the group company, we continue to conduct energy statistics in a group manner and present the relevant statistical data of energy consumption. The group's energy consumption category in 2021 includes purchased power, natural gas and diesel oil. Due to the regulation of power consumption in Guangdong Province in 2021, the overall diesel power consumption increased compared with that in 2020. The Taiwan factory is expected to implement an energy-saving technical transformation project in 2022 to transform the air conditioning and lighting systems and put the energy management system into effective energy supervision, which is expected to save 1.77 million kwh / year of power consumption.

Energy Items	Year 2019	Year 2020	Year 2021	Remarks
Purchased power (KJ)	1,051,134,994,800	1,066,466,570,400	1,093,404,661,200	KJ=KWH*3,600 KJ/KWH
Natural gas (KJ)	5,205,402,934,380	5,563,073,224,800	5,882,148,174,240	KJ= 35608.5 kJ/kg*ton*1,000kg/ton
Diesel (KJ)	20,748,622,687,650	17,997,490,790,546	51,380,531,135,002	KJ=42,705 kJ/kg*ton*1,000kg/ton
Total energy consumption (KJ)	27,005,160,616,830	24,627,030,585,746	65,096,767,021,436	

➤ Climate Change and Greenhouse Gas Management

Foxlink has factories in Taiwan, mainland and India, and its operations comply with local environmental laws and regulations. Taiwan's law on greenhouse gas reduction and management has been implemented. Cheng Uei Group has ordered the management to declare and control greenhouse gases in Taiwan factory according to law. Mainland has started to promote carbon trading policies in an all-round way, and provincial capitals have successively implemented emission control. We strictly control and strive to reduce greenhouse gas emissions, so as to avoid the impact and impact of relevant policies and laws on the group's operations. In 2021, the group began to join SBTi independently, and will further set the goal of achieving no temperature rise of 1.5 °C by 2030. The Group will carry out the following measures: 1. To carry out various energy-saving schemes for lighting, air conditioning and machinery and equipment; 2. Factory campus is equipped with renewable energy facilities; 3. The information host is virtualized to save power; 4. The office fully implements the carbon reduction plan and increases the recycling and reuse of raw materials and packaging materials; 5. Implement the green power purchase schedule and objectives; 6. Promote green supply chain and green procurement, and give priority to energy-saving and environmental protection products and services as the implementation policy. In addition, we will continue to use renewable energy. It is estimated that the use of renewable energy will account for 50% of the total energy use in 2030. In addition, we will take achieving zero net emissions by 2050 as our long-term goal.

Among them, the Dongguan Fugang site and Xuzhou factory obtained the ISO 14064-1:2018 verification statement in 2021. The emission intensity was 177,607 metric tons of CO₂e (location base). At the same time, the transaction record of Taiwan purchasing T-RECs in 2021 was 170.

➤ Relevant descriptions are as follows

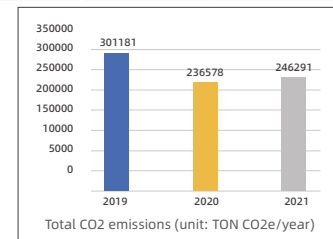
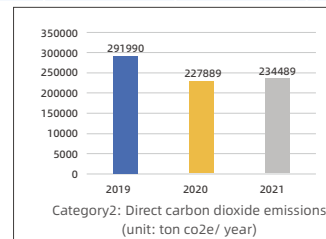
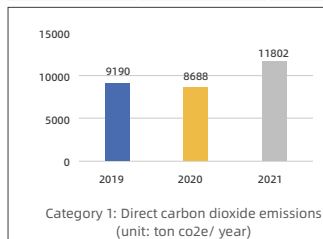
1.Direct greenhouse gas emissions and removals (Category 1): the direct greenhouse gas emissions of Cheng Uei Group in 2021 were 11,802 tons of CO₂e / year.

2.Greenhouse gas emissions between input energy sources (Category 2): indirect greenhouse gas emissions of Cheng Uei Group in 2021 were 234,489 tons of CO₂e / year.

3.Other indirect greenhouse gas emissions (Categories 3~5): for the inventory of other indirect greenhouse gas emissions, in 2021, according to ISO 14064-1:2018, raw material transportation, distribution transportation, business travel (Category 3), raw material production, waste transportation and treatment, upstream of electric fuel use (Category 4), product use stage, lease / investment (Category 5) and other inventory shall be conducted for specific products in accordance with ISO 14064-1:2018, The greenhouse gas emissions (Category 3) of Dongguan factory campus in 2021 is 299 tons of CO₂e / year.

4.Total greenhouse gas emissions (Category 1+ Category 2): the greenhouse gas emissions of Cheng Uei Group in 2021 are 246,291 tons of CO₂e / year.

Carbon Emission Data	Taiwan	India	Mainland Factory Campuses				Total
			Dongguan	Kunshan	Maanshan	Xuzhou	
Category 1	128	610	7947	2581	158	378	11802
Category 2	2391	2657	138312	54322	5838	3096	234489
Category 3	/	/	299	/	/	307	607



> Air Pollution Management

Air pollution will have adverse effects on climate, ecosystem, air quality, habitat, agriculture and human and animal health. The deterioration of air quality, acidification, forest degradation and public health problems have prompted local and international regulations to regulate gas emissions. Therefore, we regularly measure emission data related to air pollution and strive to reduce air pollution gas emissions.

About for air pollution data information disclosure, we summarized it into three key points:

1. There is no ozone layer destroying substance (ODS) emission in the company's manufacturing process. However, a small amount of R22 and other refrigerant regulated by Montreal Protocol are used in the air conditioning equipment and public equipment in computer rooms around the world, and it is expected that it will be replaced with environmental friendly refrigerant by the end of its service life.
2. The company is mainly an assembly process with low air pollution load, so there is no emission of nitrogen oxides and sulfur oxides.
3. Other air pollutants comply with local regulations. According to the local regulations of each factory, the spraying process and surface mount technology (SMT) shall be subject to environmental testing twice a year. Benzene, toluene, xylene and volatile organic compounds (VOC) produced in the spraying process; The injection molding process produces non methane total hydrocarbon; Tin and its compounds produced in SMT process; Acid mist and alkali mist are produced in electroplating process;

Dust generated during machining and crushing process. In terms of air pollution control, the main air pollutants in the plant include different properties. Therefore, in the waste gas treatment process, various types of waste gas will be classified and collected in a closed manner, and then corresponding air pollution prevention equipment will be set according to their nature to meet the emission standards. In terms of waste gas treatment improvement, the original water spray activated carbon adsorption waste gas process in the painting process of Fudong plant in Dongguan was added with UV photolysis treatment, and then discharged after three processes. In the forming process of Fudong Fuqiang plant in Dongguan, the original activated carbon waste gas treatment is added with UV photolysis treatment to effectively improve the waste gas treatment capacity in the plant.



> Water Resources Management

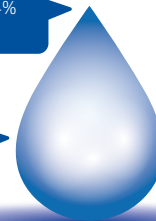
With the shortage of water resources and the growing demand, the use and management of water is one of the key issues that enterprises should pay attention to when operating. Therefore, the factory monitors the water consumption and strives to reduce the water consumption. In order to strengthen the water resources management strategy, Cheng Uei Group invited a third-party technical consulting company in Dongguan Fugang plant in 2021 to prepare the water balance test report, evaluate the company's water use and water intake, prepare a more standard water balance diagram, guide the company to reasonably manage water use, and assist the enterprise in formulating the water saving leading working group, the water use reward and punishment management system, the regular maintenance system of water equipment, appliances and pipelines, etc.

Through the introduction of secondary water meters, we have collected more abundant and accurate water resource use data than in previous years, and prepared water balance diagrams of each plant. According to the water balance diagrams of each plant, we provide water meter setting suggestions and provide relevant water resource management suggestions of each plant, so as to strengthen the water-saving resource management strategy of Cheng Uei Group. In 2021, we will continue to verify the group's data, show Zhengwei's determination to cherish water resource conservation and practice its responsibility for environmental protection. The main water source of the group is tap water, which meets the local specifications, and the water intake has no significant impact on the water source. The water consumption in 2021 will be 3365.82 million liters, 25.4% less than that in 2020. While implementing the energy-saving activities of each plant, we also pay attention to the use of water and reduce unnecessary waste,

and formulate specific measures to reduce water consumption. In Kunshan, the Dongguan plant implements the reclaimed water recovery system, which can recover, treat and reuse the process sewage, and recover the filtered wastewater for the wet process in the plant and flushing the toilet. In 2021, the total recycling volume of tap water will be 114.69 million liters, accounting for 4.56% of the group's water consumption. It can reduce the use of raw water and the generation of sewage and reduce environmental impact.

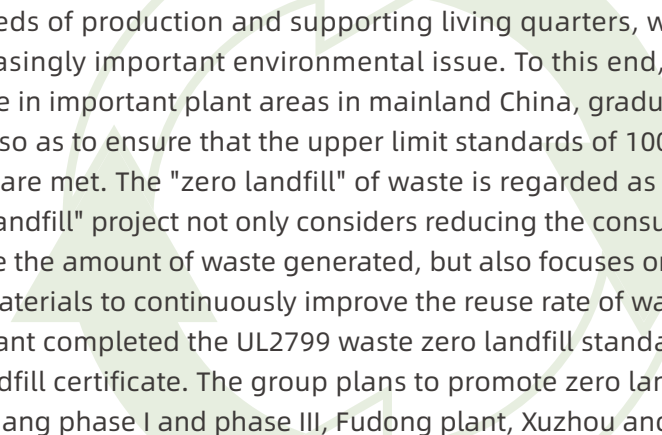
Water consumption of 3,365.82 million litres in 2021 is 25.4% less than in 2020

Total recycled water recycled in 2021 accounted for 4.56% of the Group's water consumption



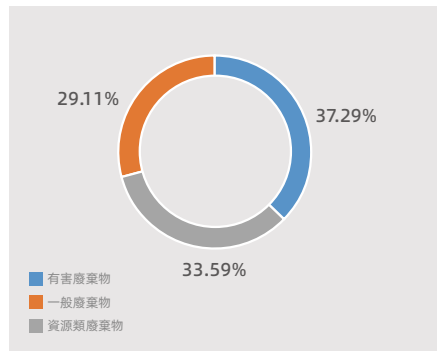
Mainland

Water Date		Taiwan	India	Dongguan	Kunshan	Maanshan	Xuzhou	Total
Total water using volume		44.98	22.31	2,151.86	902.37	93.27	151.03	3,365.82
Water discharge	Domestic sewage volume	33.92	8.92	1,464	662.41	36.01	102.34	1,693.62
	Industrial waste water volume	—	—	23	30.26	—	—	50.57
Water consumption		11.06	13.39	687	209.7	57.26	48.69	769.63
Recovery volume		—	—	99	49.26	—	—	114.69
Recovery rate %		—	0	4.59%	5.46%	0	0	4.56%
Domestic sewage discharge standard	Sewage discharge quality standard of Tucheng Industrial Zone	—	—	Water Pollution Discharge Limits Value (DB44/26-2001)	Water Pollution Discharge Limits Value (DB44/26-2001)	Yintang Town, Ma'anshan City	Treatment Standard of Sewage Treatment Plant	—
Industrial wastewater discharge standard	No	—	—	Discharge Standard for Pollutants in Electroplating Water (DB44/1597-2015)	Integrated Wastewater Discharge Standard (GB8978-1996)	—	—	—

 **Waste Management**

In response to the needs of production and supporting living quarters, waste reduction and recycling has become an increasingly important environmental issue. To this end, the group has implemented "zero landfill" of waste in important plant areas in mainland China, gradually reducing the incineration and landfill of waste, so as to ensure that the upper limit standards of 100% waste conversion rate and 10% incineration rate are met. The "zero landfill" of waste is regarded as one of the group's important strategies. The "zero landfill" project not only considers reducing the consumption of raw materials from the source to minimize the amount of waste generated, but also focuses on the recycling of internal and external packaging materials to continuously improve the reuse rate of waste. In 2021, Fuqiang phase II plant in Dongguan plant completed the UL2799 waste zero landfill standard certification and obtained the platinum zero landfill certificate. The group plans to promote zero landfill and obtain the certification in Dongguan Fuqiang phase I and phase III, Fudong plant, Xuzhou and Kunshan in 2022.

At the same time, in order to ensure that all wastes are legally and effectively disposed of, each plant area coordinates the waste bidding process in accordance with the provisions of the internal waste management procedures, and strictly reviews the legal qualifications of waste disposal manufacturers in accordance with the principles of openness, fairness and impartiality. Through the above procedures, the waste disposal manufacturers with the lowest risk are selected for proper treatment, operation and recording. The group regularly inspects waste treatment manufacturers to ensure that it is responsible for coordinating the daily management and quantity statistics of all kinds of waste, and assists all units in promoting relevant waste reduction and recycling, and all outsourcing is conducted in a legal manner.



Statistics of Waste Consumption of Cheng Uei Group (unit: ton)

Solid Waste Generation	Taiwan	India	Mainland				Total
			Dongguan	Kunshan	Maanshan	Xuzhou	
Hazardous waste	0	10	349	1,261	0.5	223	1,843.5
General waste (non recyclable)	118	79	803	133	180	150	1,463
Resource waste (recycling)	6	0	865	319	32	467	1,689

Supplier Management

Supplier members are important partners for the sustainable growth of Cheng Uei. In addition to the active performance of corporate social responsibilities by the enterprise itself, Cheng Uei Group also extends this requirement to its supplier members, expecting to establish a sustainable and stable partnership with suppliers. In addition to quality, delivery, price and process technology capabilities, Cheng Uei Group will jointly implement corporate social responsibilities oriented to economic and governance, environmental protection and social common prosperity, and enhance the sustainable competitiveness of the enterprise.

Goals and Actions

In the topic of supplier management that hopes to achieve the goal of sustainable supply chain management through the continuous improvement of its own procurement process and the joint improvement of sustainability with suppliers. It starts from increasing the proportion of recycled raw materials and increasing the procurement volume of high-quality green suppliers, so as to encourage suppliers to jointly practice sustainable development, and expects to develop with suppliers through resource sharing.

Supplier Sustainability Management Policy

Cheng Uei Group pays more attention to all suppliers as important strategic partners and hopes to establish a long-term and stable supply chain through mutual cooperation. In addition to paying attention to the technical capability, quality, delivery time and price competitiveness of suppliers who are also required to devote themselves to environmental protection, safety and health, pay attention to human rights and jointly fulfill their social responsibilities. Cheng Uei Group believes that to promote sustainability, we must enhance our awareness and meet the expectations of stakeholders, so as to create maximum interests with sincere, macro and conscientious core values.

QC080000 Hazardous Substances Process Management System Certification

■ Dongguan Factory
■ Kunshan Factory
■ Xuzhou Factory

Short-term Goal

- 1.Introduce the new suppliers into sustainable qualification management and control.
- 2.Develop a green sustainability investigation platform for suppliers to investigate the green qualification of suppliers and the use of recycled materials

Middle and Long-term Goal

- 1.Continue to work with suppliers to optimize the process and increase the utilization ratio of recycled materials.
- 2.Greenhouse gas inventory of key suppliers of upper and lower reaches.

Customer Orientation

Treat all partners with a sincere attitude, and expect Cheng Uei Group and all stakeholders to establish a sustainable green supply chain with a sincere attitude of mutual trust and mutual assistance.

Time to Market

Cooperate with partners to strive for perfection in relevant fields from a macro perspective, and maintain the overall competitive advantage of Cheng Uei and its partners.

Time to Volume

We will spare no effort to promote the sustainability strategy of all partners and the United Nations, comply with relevant laws and regulations at home and abroad and implement them with the expectation of improving the effectiveness of sustainable supply chain management and reducing supply chain operational risks.

Respect for labor human rights

Promise to protect the human rights of any types of workers; Do not discriminate against workers and protect their rights and health.

Health and safety work

Provide a healthy and safe working environment, ensure labor occupational safety, and maintain public health.

Bear environmental responsibility

During the manufacturing process, the adverse impact on society, environment and natural resources shall be minimized.

Follow the highest ethical requirements

Comply with anti-corruption laws (such as FCPA), respect intellectual property rights, and implement fair transactions.

Establish management system

Manage and regularly inspect, formulate risk assessment, improve management, and formulate training plan.

> Sustainable Supplier Management Policy

Cheng Uei Group conducts supplier audit and evaluation on key suppliers every year. Especially in the evaluation of new suppliers, the scoring mechanism is used to evaluate new suppliers, and cooperate with suppliers to improve the missing situation, improve the process system and enhance the overall competitiveness; New supplier evaluation includes information on finance, process equipment and quality to ensure that suppliers meet relevant standards.

According to the characteristics of suppliers, they are divided into expense suppliers and material suppliers. When new expense suppliers are imported, they are divided into grade S, Grade A and grade B according to the supplier's paid in capital. Supplier qualification audit specifications are formulated according to different supply categories to improve the supplier classification management. When introducing new material suppliers, the group requires suppliers to provide environmental protection commitment, quality assurance, commitment not to use conflict minerals, etc. and sign multiple statements. The raw materials, solvents, consumables, packaging and manufacturing processes required to be provided by suppliers do not contain and do not use hazardous substances prohibited by the laws of the place where the products are located; In accordance with the conflict minerals law, the company will not use or purchase conflict metals (such as Ta, Tin, Au and Tu) from conflict areas. The above statements are listed in the necessary documents provided by the supplier.

The qualified suppliers of Cheng Uei Group shall promise to fully comply with local laws and regulations when carrying out the company's business, and will strive to comply with the supplier's code of conduct, provide a safe working environment, respect employees, abide by business ethics, and further sign the supplier's social responsibility commitment. In 2021, 93% of the new material suppliers have signed the "Supplier's Social Responsibility Commitment" and the "Commitment not to Use Conflict minerals" with Cheng Uei Group.

In the future, we will increase the management and control of sustainable qualification when introducing new suppliers, and compare the environmental governance with the original ISO9001 certificate. In order to improve the level of environmental governance, ISO 14001 certificate is included in the mandatory documents of new material suppliers, and suppliers with UL2799/ISO14064/ISO50001 certificates are preferred; In the aspect of social governance, the supplier social responsibility scoring table is also gradually used as a reference document. Suppliers with major nonconformities such as child labor, forced labor and moral violation are not included in the list of qualified suppliers. In the future, the social responsibility scoring table will be further introduced as a scoring document for the selection of new suppliers to achieve environmentally friendly and sustainable development with suppliers.

In addition, based on the Group's sincere core values, all suppliers are required to sign a letter of integrity commitment, and suppliers are prohibited from engaging in any indirect or direct improper behavior for profit with Cheng Uei personnel or their related parties.

Signing Commitment by New Material Suppliers in 2021

Factory Campus	2021 New Material Suppliers	Supplier's Social Responsibility Commitment		Commitment Not To Use Conflict Minerals	
Taiwan	37	31	84%	31	84%
Kunshan	52	50	96%	50	96%
Dongguan	65	61	94%	61	94%
Xuzhou	26	25	96%	25	96%
Maanshan	2	2	100%	2	100%
India	1	1	100%	1	100%
Total	183	170	93%	170	93%

Cheng Uei Group conducts a risk questionnaire survey on major suppliers to protect labor rights, work environment and safety, environmental protection, moral integrity and management system. For those with a total score of less than 60 or high-risk specific suppliers, as identified annual high-risk suppliers that should be specially managed, Cheng Uei Group needs to conduct an on-site audit at least once a year, and through the development of improvement measures and continuous tracking, To ensure that deficiencies are improved and their risk levels are reduced. In 2021, a total of 399 CSR risk assessment questionnaires were collected, and a total of 5 suppliers were listed as high-risk suppliers for specific reasons. After on-site audit, they all met the requirements and maintained the supplier qualification.

The Group focuses on the management of suppliers in terms of major material suppliers, transaction amount and quality status. In 2021, 76 major suppliers were selected in each plant area for on-site audit. The audit results showed that no major nonconformities related to child labor, forced labor, free association and moral violation were found in the suppliers. The main missing items were distributed in the management of working hours and the management and maintenance of emergency facilities, No supplier is listed as unqualified due to violation of social responsibility specifications. Suppliers are required to provide 100% improvement plans for the deficiencies found in the audit. By the end of 2021, all suppliers regularly update the improvement progress according to the actual improvement status, with an average improvement rate of 96%.

In addition, we also required 31 service suppliers to comply with the relevant requirements of social responsibility, and conducted a social responsibility audit on them to check their salary payment, social insurance payment, on-site working environment, etc., so as to protect the labor rights and welfare benefits of their employees. At the same time, we required suppliers not to violate the provisions of relevant laws and regulations when providing services to our company, so as to ensure appropriate qualification and behavior.

Factory Campus	Dongguan	Kunshan	Maansha	Xuzhou	India	Total
Main Suppliers	39	37	0	0	0	76
Service Suppliers	7	9	0	8	7	31
Total						107

Supplier CSR Management Process



Supplier Responsible for Procurement

We promise that the materials provided by the Group and suppliers will not use conflict minerals from conflict affected and high-risk areas confirmed by RBA, OECD and customers, and the metals contained comply with DRC conflict free. In accordance with the guidelines of the organization for economic cooperation and development (OECD), the company conducts due diligence on the supply chain for the procurement of all tantalum (Ta), tin (Tin), tungsten (Tu), gold (Au) and other minerals contained in the products, and encourages suppliers to follow the OECD guidelines and transparently open the conflict minerals contained in the products and components, Suppliers are required to disclose the smelter information report of gold, tungsten, tin and tantalum used in the supply chain by quoting the management tool recommended by RMI - Responsible Minerals Report Template (CMRT).

We will continue to be updated annually in the future; at the same time, total of 2 times of due diligence investigations were conducted to assess in detail all the materials and material supply chain sources of suppliers, so as to ensure that they will not be mined or obtained from conflict affected and high-risk areas, nor will they directly or indirectly provide funds or benefit to other armed organizations or entities in the Democratic Republic of the Congo or surrounding countries / regions and other serious violations of human rights, but the use of qualified refineries from conflict areas is not prohibited; Cheng Uei will continue to fulfill our commitments, respect international human rights, continue to pay attention to this issue and fulfill its corporate social responsibility.

> Green Product Management

Following the global trend of green products, Cheng Uei Group takes "Reduction of Use, Environmental Protection and Health" as the core of its environmental management policy. Through the management of a professional green product management team, and in accordance with the latest standards of ISO 9001:2015 and IECQ QC 080000:2017, it has established a set of systematic management methods to reduce the use of hazardous substances in products, so as to reduce the harm to human body and the environment.



Laws and regulations

Continue to pay attention to the EU RoHS 2.0, reach regulations, WEEE directives, China RoHS and other laws and regulations, and timely make internal transformation, identify and import the latest requirements.



Customer requirements

When the customer specifications are updated, it shall be timely evaluated, converted and announced. If necessary, the group's "Green Procurement Procedures" shall be revised and communicated to suppliers to import the latest customer requirements from the source.



Government requirements

Continue to pay attention to VOCs regulations and ensure that 208 materials related to paints, glues, inks and cleaning agents used comply with the latest national standards.

> Supplier Management Mechanism

For all suppliers, it is required to sign the environmental protection statement and quality commitment. At the same time, it is required to conduct on-site or written audits of suppliers every year to ensure that the whole process of suppliers meets the requirements of Cheng Uei hazardous substance management through the audit channel. It is also required to train and rectify the unqualified suppliers or stop trading. In 2021, each factory planned to audit 1,454 quality and hazardous substance management systems. Due to the change of epidemic situation and transaction status, the actual number of audited suppliers was 1,316, with a completion rate of 90.51%. The pass rate of audited suppliers is 100%, and no supplier is listed as unqualified due to violation of requirements.

Factory Campus	Dongguan	Kunshan	Maanshan	Xuzhou	India	India
Actual audit supplier	700	616	0	0	0	1,316
Planned audit supplier	823	631	0	0	0	1,454
Completion rate (%)	85.05%	97.62%	0	0	0	90.51%

Hazardous Substance Restriction Management

Green product management is mainly implemented from three aspects: raw materials, manufacturing process and finished products to ensure that all products produced by the company can meet the requirements of green products and customers, reduce the impact on the environment and achieve the sustainable development of the enterprise.

Raw Material Management & Control

All raw materials will be subject to regular sampling inspection according to the risk level, and can only be put into production after passing the sampling inspection. Raw materials that fail to pass the inspection will be directly returned to the supplier and will not be used.



Production Process Management & Control

During the manufacturing process, the auxiliary materials and equipment to be controlled shall be tested regularly through risk assessment to ensure that they meet the requirements.



Finished Products Management & Control

In addition to carrying out strict reliability test for products to ensure normal use under various extreme conditions, it will also regularly sample the compliance of hazardous substances in products.

> Public Welfare Donation

Cheng Uei Group is well aware that the development of the enterprise can not be separated from the support and understanding of the community. In order to convey social love and build positive energy while operating the enterprise, the company is committed to developing various charities, actively participating in the construction of local communities, paying attention to the social vulnerable groups, supporting the education and agricultural development of the community, and pursuing good neighborly relations with the local government, social organizations and surrounding residents.

In 2021, COVID-19 continued to spread all over the world and had a huge impact on people's lives and enterprise production. Mr. Guo Taiqiang, the Chairman of Cheng Uei Group, donated 10,000 doses of COVID-19 rapid screening reagent to Xinbei city government of Taiwan factory, hoping that asymptomatic infected people could be screened out as soon as possible through throwing bricks to attract jade, so as to eliminate the opportunity of expanding infection and assist the government to improve the epidemic prevention energy. Xinbei city government of Taiwan issued a Certificate of Appreciation to commend it.

The Group adheres to the belief of "thinking about the source of getting rich" and cares about all social groups with practical actions. In 2021, the headquarters will provide catering concessions for the fifth brigade of the Fire Department of Xinbei municipal government and Tucheng service center, fully achieving interaction with neighbors and providing an additional dining option for the fire brigade and service center in Tucheng industrial zone. Carry forward the culture of filial piety and care about the life of the elderly. In January 2021, the Headquarters responded to the dinner with the elderly held by Tucheng Industrial Zone and Peipo Association Silver Hair Club, and made contributions to encourage the community elders to go out of their homes and interact with everyone, so as to feel the love and warmth of the society.

In addition, the headquarters has public welfare change boxes and invoice boxes, which gather great love with small love, and donate the change and invoice donated by colleagues to welfare institutions in need, such as the foundation for the creation of a consortium, the Christian Mustard Association, and the Hualien Dawn Correctional Institution, so as to create a warm corporate culture.



In April 2014, it was the beginning of Cheng Uei Charity Society's participation in blood donation activities. The habit of blood donation accumulated in recent years has already become a daily habit of Cheng Uei people. In 2021, total 889 enthusiastic colleagues and relatives and friends responded, donating total 222,250cc of blood, adding a lot of warmth to this grim moment of the epidemic.

In 2021, the Dongguan factory donated a total of RMB 200,000 yuan to the Yulan care project in Dongkeng Town, the Sunshine Project for Children of new Dongguan people, the calligraphy improvement project for primary school students and the new crown epidemic prevention work plan, fully reflecting the care for women and children and the concerted fight against the epidemic with the government. During the Mid-Autumn Festival, a gift box was presented to the fire brigade of Dongkeng Town to pay tribute to and thank the fire officers and soldiers for protecting the people's property and life.

Cheng Uei Group regards giving back to the society as a part of realizing its own value. While operating the enterprise, it will also actively practice its due social responsibility. It is also expected to drive and influence all colleagues in the group, care for all social strata and help vulnerable groups, so as to give play to the spirit of people starving and drowning.



GRI Standards		Description Content	Chapter	Supplementary Notes	Page No
GRI 102 : 2016 General Description					
Basic Information	GRI 102	102-1	Name of the organization	Operation Management	13
		102-2	Activities, brands, products, and services	Operation Management	No products or services are prohibited in specific markets. 14
		102-3	Location of headquarters	Operation Management	13
		102-4	Location of operations	Operation Management	01
		102-5	Ownership and legal form	Operation Management	14
		102-6	Markets served	Operation Management	14
		102-7	Scale of the organization	About the Report	01
		102-8	Information on employees and other workers	Friendly Workplace	29~32
		102-9	Supply chain	Operation Management Supplier Management	14-68~75
		102-10	Significant changes to the organization and its supply chain	About the Report	New added India factory 01
		102-11	Precautionary Principle or approach	Risk Management	18~19
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		102-13	Membership of associations	-	Taiwan Electrical and Electronic Manufacturers' Association, Taipei Computer Association -

GRI Standards		Description Content		Chapter	Supplementary Notes	Page No
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		102-41	Collective bargaining agreements	-	Confirm that each site has not signed a collective agreement	-
		102-42	Identifying and selecting stakeholders	Sustainable Governance		4
		102-43	Approach to stakeholder engagement	Sustainable Governance		5~7
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Reporting Practice		GRI 102	102-45	Entities included in the consolidated financial statements	Operation Management	
	102-46		Defining report content and topic Boundaries	About the Report		1
	102-47		List of material topics	Sustainable Governance		8~10
	102-48		Restatements of information	-	No restatements of information	-
	102-49		Changes in reporting	About the Report		1
	102-50		Reporting period	About the Report		1
Reporting Practice	GRI 102	102-51	Date of most recent report	About the Report		1
		102-52	Reporting cycle	About the Report		1
		102-53	Contact point for questions regarding the report	About the Report		1
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Material Issues

Material Issues	GRI Standards	Disclosure	Chapte	Supplementary Notes	Page No
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		103-2	The management approach and its components	Operation Management	15
		103-3	Evaluation of the management approach	Sustainable Governance	8~10
	GRI 205 Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Operation Management	26~27
	GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Governance	8~10
		103-2	The management approach and its components	Operation Management	12
		103-3	Evaluation of the management approach	Sustainable Governance	8~10
	GRI 206 : 2016 Anti competi tive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust,and monopoly practices	Operation Management	27
	Corporate Integrity	GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Governance
103-2			The management approach and its components	Supplier Management	53~58
103-3			Evaluation of the management approach	Sustainable Governance	12
Supplier Environmental Assessment2016		308-1	New suppliers that were screened using environmental criteria	Supplier Management	54
GRI 414Supplier SocialAssessment 2016		414-1	suppliers that were screened using social criteria	Supplier Management	54

Important Topics		GRI Standards	Description Content	Chapter	Supplementary Notes	Page No
Disclosure of Important Topics - Environment						
Risk Management	Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Governance		8
		103-2	The management approach and its components	Risk Management		21
		103-3	Evaluation of the management approach	Sustainable Governance		8
	Cheng Uei specific topics	-	Risk Management	Risk Management		22~25
Climate Change and Greenhouse Gas Management	GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Governance		9
		103-2	management approach and its components	Environmentally Friendly		60~67
		103-3	Evaluation of the management approach	Sustainable Governance		8
	GRI 302 : Energy 2016	302-1	Energy consumption within the organization	Environmentally Friendly		61
	GRI 307 : Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Environmentally Friendly	In 2021, Kunshan plant was fined RMB 50,000 yuan for environmental protection because some workshops did not comply with the relevant provisions of the air prevention and control law and the regulations on the administration of pollutant discharge permits. The corresponding defects have been rectified according to the requirements of the local environmental protection authority, and have passed the review. The plant will continue to implement environmental protection business to meet the regulatory requirements.	

Important Topics		GRI Standards	Description Content	Chapter	Supplementary Notes	Page No
Disclosure of Important Topics-Society						
Occupational Health and Safety	GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Governance		9
		103-2	management approach and its components	Friendly Workplace		48~53
		103-3	Evaluation of the management approach	Sustainable Governance		10
		403-1	Occupational health and safety management system	Friendly Workplace		49
	GRI 403 : Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	Friendly Workplace		49~53,58
		403-3	Occupational health service	Friendly Workplace		49~55
		403-4	Worker participation, consultation, and communication on occupational health and safety	Friendly Workplace		50~58
		403-5	Worker training on occupational health and safety	Friendly Workplace		52
		403-6	Promotion of worker health	Friendly Workplace		52~55
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Friendly Workplace		52~56
	GRI 403 : Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	Friendly Workplace		49

Important Topics	GRI Standards	Description Content	Chapter	Supplementary Notes	Page No
		403-9	Work-related injuries	Friendly Workplace	50~51
Employee Rights and Interests Equality	GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Governance	9~10
		103-2	The management approach and its components	Friendly WorkplaceFriendly Workplace	28~40
		103-3	Evaluation of the management approach	Sustainable Governance	9~10
	GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversification of corporate governance organization and various types of employees	Friendly Workplace	15~16 28~29
	GRI 401 : 2016 Employment 2016	401-1	New employee hires and employee turnover	Friendly Workplace	31~32
		401-2	Benefits provided to full-time employees (excluding temporary and part-time employees)	Friendly Workplace	31~39
		401-3	Parental leave	Friendly Workplace	37
Employee education and training	GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Governance	9
		103-2	The management approach and its components	Friendly Workplace	43~47
		103-3	Evaluation of the management approach	Sustainable Governance	9
	GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	Friendly Workplace Employee eduction and training	43~47