

ShunSin 2022 ESG REPORT

ShunSin

ShunSin Technology Holdings Limited

Sustainability Report



Report

CONTENTS

03 - 05

Letter from the
Chairman



06 - 07

About this Report



08 - 09

Sustainability
Highlights and
Performance



10 - 20

Material Topics
Analysis



21 - 33

About ShunSin

About ShunSin	22
▪ Global Business Location	22
Commitment and Strategies to Sustainability	23
▪ Business Scope	23
▪ R&D and Innovation	24
▪ Economic Performance	27
▪ Direct Economic Value Generated and Allocated by the Organization	28
▪ Financial assistance received from government	29
▪ Approach to tax, Governance, and Risk Management	30
External Engagement	33
▪ External Initiatives	33
▪ Membership of associations	33



01



34 - 58

Corporate Governance

Governance Structure	35
▪ Policy Commitment	35
▪ Composition & Selection of the Board of Directors	37
▪ Education of directors	39
▪ Performance Evaluation of Board of Directors	40
▪ Remuneration of Managers and Directors	41
Functional committees	42
▪ Audit Committee	42
▪ Compensation Committee	43
Integrity operations	44
▪ Regulatory Compliance	48
▪ Voicing complaints and suggestions	49
Risk Management	50
▪ Risk Management Unit	50
Information Security and	
▪ Personal Data Risk	56



59 - 69

Supply Chain Management

Sustainable Value Chain	60
▪ Suppliers Management Strategies	61
Sustainable Procurement	61
Risk assessment of Suppliers	62
Evaluation & Audit of Supply Chain	64
▪ Evaluation of Suppliers & Contractors	64
▪ Audit of Suppliers & Contractors	65
Customer Service	66
▪ Customer Satisfaction Survey	67

70 - 89

Environmental Protection

Task Force on Climate-related Financial Disclosures, TCFD	71
▪ TCFD Four Core Elements	73
▪ Financial Impact of Climate-related Risks and Opportunities	75
Energy Management	80
▪ Energy Conservation and Carbon Reduction	81
GHG Emissions	82
Water Resource Management	85
▪ Water usage	86
▪ Water discharge	86
▪ Water Consumption	87
Waste Disposal	88



90 - 123

Social Inclusion

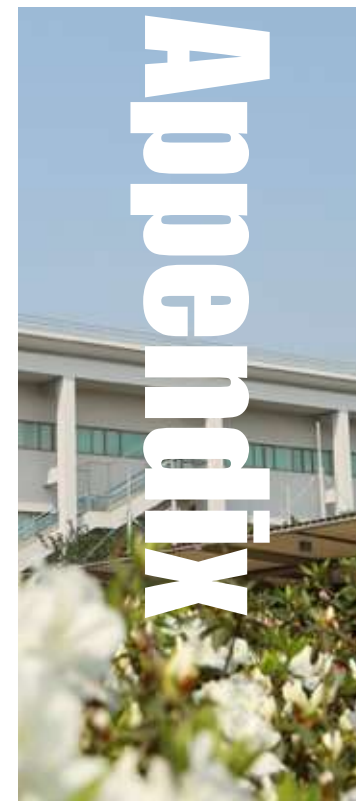
Employee Profile Distribution	91
▪ Talent Structure	93
▪ Personnel Turnover	96
Employee Rights and Benefits	98
▪ Human Rights and Labor Rights Protection	98
▪ Remuneration Level	100
▪ Welfare Measures	102
Human Resource Development	104
▪ Multiple Training Channels	106
▪ Performance and Career Development	108
Care-Free Workplace Environment	109
▪ Occupational Health and Safety Management System	110
▪ Occupational Safety Hazard Risk Control	115
▪ Workplace Health Services	121



124 - 137

Appendix

GRI Content Index	125
▪ General Disclosures	125
▪ Material Topics Disclosure	128
▪ Non Material Topic Disclosure	133
SASB Disclosure Indicators – Semiconductors	134
Independent Assurance Statement	137



Letter from the Chairman

Preface

In recent years, our global supply chain has navigated several formidable challenges, including extreme weather events, pandemics, and trade conflicts. These challenges have compelled governments and institutions, both at home and abroad, to demonstrate an unwavering commitment to formulating and enforcing policies, regulations, and standards related to sustainability. Concurrently, capital markets have become more discerning, placing greater emphasis on a company's conduct and performance in the realm of environmental, social, and governance (ESG) considerations. These market dynamics have unequivocally elevated sustainability to the status of a universal value in the contemporary business landscape. ShunSin Technology Holdings Limited ("ShunSin") takes pride in its role as a global corporate citizen and wholeheartedly embraces its duty to promote sustainability.

Being far from just a specialized semiconductor packaging and testing company, ShunSin is also a key player in the global supply chain. While we actively pursue operational efficiencies, growth, and core technology innovation, we remain acutely aware of the importance of environmental preservation, social responsibility, and corporate governance. To this end, we have pledged to be both responsive and contributive, ensuring that as we pursue profitability, we also actively contribute to the creation of a brighter future. Hence, in recent years, we have embarked on a journey that aligns with the United Nations' 17 Sustainable Development Goals (SDGs). Our central guiding principle is the Responsible Business Alliance (RBA) and we are resolutely focused on the principles of ESG. Our objectives encompass three fundamental aspects: "Fostering Robust Corporate Development", "Creating Employee-Friendly Workspaces and Ensuring Occupational Safety" and "Adapting to Climate Change". On the governance front, we are poised to establish a corporate governance department and a sustainability committee to reinforce the very core of our company's operational vitality. Concerning environmental stewardship, we are committed to reducing

ShunSin's environmental footprint through ongoing compliance with greenhouse gas inventory standards and the adoption of sustainable energy sources, afforestation initiatives, and water conservation strategies. On the social front, we are wholeheartedly dedicated to the well-being of our employees, complying with the ISO 45001 Occupational Health and Safety standard and instituting a range of corporate welfare measures to guarantee a secure working environment. Through the establishment and resolute pursuit of the aforementioned objectives, we are dedicated to embedding ESG principles into the very fabric of all facets of ShunSin's operations.



Fostering Robust Corporate Development

Through a meticulous process of risk analysis and identification, ShunSin is committed to ensuring the smooth operation and profitability of the company. In recent years, we have faced an ever-evolving global landscape marked by volatile events, such as the US-China trade war, the COVID-19 pandemic, and geopolitical tensions, including the Ukraine-Russia conflict. Coupled with the evolving demands of domestic policies and regulations, this has posed challenges to our resilience in the face of operational risks. In response to these challenges, ShunSin is actively aligning itself with the "Corporate Governance 3.0 Sustainable Development Road Map" outlined by the domestic Financial Supervisory Commission (FSC). As part of this strategic alignment, we have embarked on the planning process for the appointment of a dedicated corporate governance executive, and we anticipate its completion in 2023. We are also set to establish a dedicated Sustainability Development Unit in the same year. Furthermore, ShunSin maintains a rigorous commitment to strictly adhere to the Code of Conduct for Responsible Business Alliance (RBA), which underpins the promotion and practical execution of sustainability-related norms and regulations. Our efforts extend beyond our operations, as we diligently verify supplier compliance through rigorous audits and ensure that our employees meet RBA requirements through comprehensive training and social responsibility programs. We also maintain our agility and adaptability to current regulations and evolving sustainability trends. This is evident in our consistent efforts to formulate and amend various internal regulations related to corporate governance, ensuring alignment with the changing regulatory landscape and evolving expectations regarding sustainability. As we progress, ShunSin will continue to remain vigilant about relevant issues and steer the company towards an even more robust and resilient corporate governance framework.

Creating Employee-Friendly Workspaces and Ensuring Occupational Safety

At ShunSin, we recognize that talent is integral to our success as a semiconductor packaging company. As we continue to expand our business operations and establish two new production facilities in Vietnam, our employees remain at the heart of our business growth; we are steadfastly committed to the principles of occupational safety and the wellbeing of our workforce. This commitment is reinforced through the execution of the ISO 45001 Occupational Health and Safety Management Systems and adherence to the Code of Conduct for Responsible Business Alliance. Within our company, we have dedicated spaces for a golf room, basketball facilities, a fully-equipped fitness center, and a nursing room. Our support extends to hosting monthly afternoon tea gatherings and organizing a diverse array of activities, including badminton tournaments and fishing competitions. These initiatives are emblematic of our commitment to fostering a work environment that safeguards the holistic wellbeing of our employees, both physically and mentally.

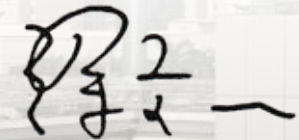
Adapting to Climate Change

In our role as a global corporate citizen, we are acutely aware of the mounting risks associated with climate change in today's world. We recognize the pressing need to address the impact of extreme weather and feel a heightened sense of responsibility to actively prioritize green business practices. It's imperative that we comprehensively analyze the situation and take purposeful actions to prevent detrimental scenarios. Specifically, in our response to greenhouse effect, our primary focus revolves around "energy conservation and emissions reduction." To bolster our climate resilience for the future, we have strategically installed a 0.797 MW solar photovoltaic power station within our facilities, committed to utilizing clean energy sources, and consistently sought to enhance equipment efficiency. Furthermore, we are steadfastly engaged in the ongoing development of our green park on-site initiative, with plans for expanding our photovoltaic power station by an additional 0.778 MW in its second phase. Our commitment extends beyond energy-related initiatives and includes afforestation and landscaping projects. We are simultaneously promoting water conservation and have set ambitious targets to increase our water recycling ratio to over 10% and to reduce our consumption of tap water resources to over 20% within the next five years. We are resolutely focused on our goal of achieving zero emissions and significantly reducing carbon emissions. With a vision for carbon neutrality by 2060, we have formulated a comprehensive environmental sustainability strategy that underscores our commitment to sustainable business development.

Our Vision

In the contemporary international landscape, sustainability has unquestionably evolved into a universal value within both global society and markets. With a resolute commitment to advancing our sustainability-related endeavors, ShunSin is gearing up to establish a dedicated sustainability development organization in 2023. This initiative will be led by senior management representatives duly authorized by our General Manager. Our efforts encompass a deepened dedication to rigorously upholding the Code of Conduct for Responsible Business Alliance and an unwavering commitment to enhancing our resilience against a spectrum of risks, particularly those stemming from the effects of climate change. Looking ahead, as our expansion plans progress, we will be well-equipped to provide our valued customers with a broader range of products that embody not only unwavering quality but also a steadfast commitment to sustainability. This will help us achieve our aspirations for growth while honoring our responsibilities as conscientious corporate citizens.

Best Regards,
The 4th Chairman of
ShunSin Technology



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About this Report

Report Overview and Issuance Frequency

This report marks the inaugural release of ShunSin Technology Holdings Limited's Sustainability Report. Our commitment to transparency and accountability drives us to issue the report on an annual basis, thereby providing regular insights into our operational accomplishments that extend beyond our financial performance. It is our steadfast commitment to convert our corporate vision of sustainability into concrete action. This report was issued in September 2023, and we anticipate the next report to be released in June 2024. As this year marks our inaugural report, no information previously presented in prior reports has been recompiled or rephrased.

Reporting Boundaries and Coverage

The reporting period spans from January 1, 2022, to December 31, 2022. In defining the scope of data disclosure, disclosed environmental and social data encompass the operations of ShunSin Cayman, ShunSin Taiwan, ShunYun Cayman, ShunSin Hong Kong, ShunYun Hong Kong, ShunSin Samoa, ShunSin Zhongshan, and ShunYun Zhongshan. Data from ShunSin Bac Giang and ShunYun Hanoi are not included within this scope. Regarding financial data, the primary source draws from ShunSin's 2022 consolidated financial statements. In particular, the entities included in this disclosure scope collectively represent 100% of the consolidated financial revenue. For a comprehensive understanding of our related entities, please refer to ShunSin's [2022 Annual Report](#). Over the course of the reporting period, there have been no significant alterations to our organizational size, structure, ownership, or supply chain.

Compilation Guideline

This report is prepared and compiled according to the GRI 2021 Sustainability Reporting Standards. This report also follows the core option of the GRI Standards and contains the GRI Content Index. Among them, GRI 303 and GRI 403 of the specific topic standard are compared with the 2018 edition, GRI 207 is compared with the 2019 edition, and GRI 306 is compared with the 2020 edition. The GRI content index is provided in the appendix.

ESG Responsible departments and methods of quality management

To strengthen the integrity and credibility of the sustainability reports of ShunSin Technology, the sustainability compilation team follows the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" to establish a process for compiling sustainability reports and implementing internal or external audits. The procedure of verification shall be included in the company's "Internal Management Process", and this procedure shall be reported, reviewed, and approved for the suitability of the system.

Process	Description	Responsible Department/ Position
Compilation	The Sustainable Development Promotion Center is responsible for the collective overall planning. The data disclosed in the report Data, Strategic Objectives, and Performance Indicators are provided by different responsible units, and the Sustainable Development Promotion Center compiles, corrects and revises such data.	Sustainable Development Promotion Center
Internal Review	Each unit shall confirm the wholeness and accuracy of the complete report, and the highest unit officers will conduct the final approvals.	The highest executive of the Finance and Accounting Department
External Assurance	<p>To further support the accuracy and credibility of this Report:</p> <ul style="list-style-type: none"> ■ We have entrusted a reputable third-party verification entity, AFNOR (Association Française de Normalization), to conduct a validation process following the AA1000AS v3 Assurance Standard. Our choice of verification level is Type 1, characterized as "Moderate Assurance" to ensure the alignment of the report's content with both the GRI Guidelines and AA1000AP (2018) Accountability Principles. ■ Furthermore, our financial data has undergone a rigorous examination and validation by esteemed accounting firm KPMG Taiwan in compliance with the International Financial Reporting Standards (IFRS). This verification process is consistently presented in New Taiwan Dollars (NTD) as the standard reporting currency. 	(AFNOR)
Finalization	Finally, the report is submitted to the Sustainable Development Committee for review and finalization.	The report has been reviewed by the fourth Chairman and General Manager.

Contact Information

To fulfil the responsibility of corporate information disclosure, this report was also published on our official website for easy access. If you have any suggestions or queries about the "ShunSin 2022 Sustainability Report", please contact us as follows:

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Website: <https://www.shunsintech.com/tw/Home.html>

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Name: Chang, Yufeng


Title: Sustainable Development Promotion Center

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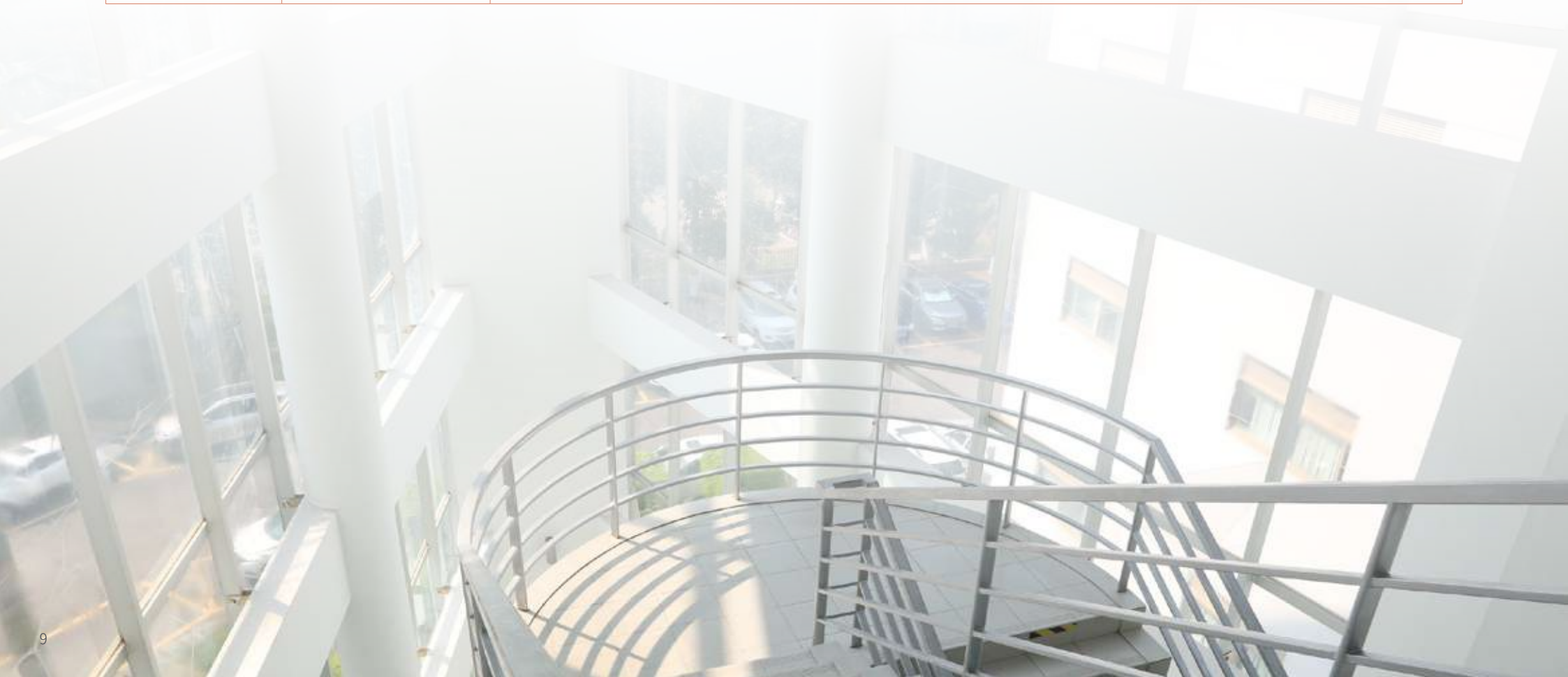
Email: ESG@shunsintech.com

Sustainability Highlights and Performance

■ SDGs x ESG Action Performance

Aspects	The United Nations SDGs Indicators	SDGs Action Initiatives
Environment	  	<ul style="list-style-type: none"> At ShunSin, our commitment is embodied in the "Clean Production, Protecting the Earth" pledge. We diligently strive for the responsible use of resources and compliance with local environmental regulations. In 2022, our commitment to sustainability not only enabled us to exceed all regulatory requirements for wastewater discharge but also earned us recognition as a water-saving enterprise during the same year. In the energy planning space, we have constructed our own solar power station to reduce our reliance on conventional energy sources. We are currently advancing our sustainability goals by developing a third-phase solar power station, which will further reduce our reliance on external electricity sources. In anticipation of the various risks associated with climate change, especially in the face of extreme weather, we have implemented robust risk mitigation strategies, including the installation of Uninterruptible Power Supplies (UPS), active participation in commercial insurance programs, and the establishment of large-capacity water storage facilities totaling 1,200 tons, demonstrating our unwavering commitment to safeguarding our operations from climate-related disruptions.
Social	  	<ul style="list-style-type: none"> At ShunSin, our commitment to promoting sustainable development extends to our workforce and their wellbeing. We have established systematic internal educational and training programs, actively encouraging our employees to seek self-improvement. In the past three years, we have invested a total of NT\$ 298,109 in internal training initiatives and provided NT\$ 189,200 in subsidies over the same period to incentivize and support our employees in their pursuit of further education and personal growth. We support our employees' rights to nurture the next generation while protecting their job security. Our female employees are entitled to 98 days of maternity leave, in addition to an 80-day maternity bonus leave. Likewise, our male employees also enjoy a 15-day paternity leave benefit. In 2022, a total of 53 eligible employees met the criteria for maternity leave applications, and all of them submitted maternity leave applications, resulting in a 100% application rate. Furthermore, we are committed to providing competitive compensation and creating a workplace that prioritizes the well-being of all employees. In 2022, the salaries of our entry-level employees, outside the Taiwan, Penghu, Kinmen, and Matsu regions, were consistently maintained in the range of NT\$ 17,000 to NT\$ 22,000, far exceeding the local minimum wage of NT\$ 8,360.

Aspects	The United Nations SDGs Indicators	SDGs Action Initiatives
Governance	 	<ul style="list-style-type: none"> ■ We align our practices with the Responsible Business Alliance (RBA) standards and employ a multi-faceted approach to evaluate and prevent corruption. This approach encompasses the establishment of internal codes of ethics, guidelines for ethical conduct, and stringent internal control processes. In 2022, we successfully conducted anti-corruption assessments for 100% of our operational sites, resulting in zero employee terminations or contract terminations due to corruption-related issues. ■ To further reinforce our commitment to corporate social responsibility, we maintain close collaboration with our supplier partners. When establishing agreements with new suppliers, we ensure that they provide the requisite statements and documentation about environmental, social, and governance aspects. In 2022, our new suppliers boasted a 100% completion rate in signing these statements.



Material Topics Analysis

Stakeholder Engagement

Considering business nature and industry, we took the five principles of the AA1000 SES 2015 (Stakeholder Engagement Standard) to assess the dependency, responsibility, tension, influence, and diverse perspectives between stakeholders and the Company, and determined six stakeholders: (1) Employees, (2) Investors, (3) Government, (4) Customers, (5) Suppliers / Contractor, (6) Community / Non-profit Organizations.

We learn about stakeholders' concerns, topics that have a potential and actual impact on their concerns, and the level of impact so that we can determine preventative and mitigation measures for such potential impact. In everyday operations, we have initiated various, ongoing forms of two-way communication with stakeholders to gather and respond to their concerns.

By inviting heads of departments and representatives from various departments, we collect the concerns we learn from stakeholders through meetings, interviews, phone interviews, comment boxes, and other business interactions and exchanges. We also refer to national policy trends and various international standards (SASB industry standards, TCFD), evaluation (CDP), and initiatives (SDGs, UNGC, RBA), focusing on 15 sustainability issues that are highly relevant to the company covering economic, environmental, social, and other aspects.

The procedure determines the level of impact of concerned topics on the economy, environment, people and their rights, and identifies and prioritizes material topics of the year to use as the focus of disclosure in the report, which enable stakeholders to conduct effective evaluations and decisions.



■ Status of Stakeholder Engagement of ShunSin

Stakeholders	Significance to ShunSin	Engagement Method	Communication Frequency	Topics of Concern	Outcome of Communication
Employees	<ul style="list-style-type: none"> Employees are the cornerstone of our company's growth and our partners in sustainable operations. We provide a safe and healthy work environment, nurture talent, and continuously address and support employee needs. 	<ul style="list-style-type: none"> New hire/onboarding processes and performance reviews Union members' general assembly Employee roundtable discussions Employee satisfaction surveys Education and training programs 	<ul style="list-style-type: none"> Ongoing Annually Semi-annually Semi-annually Ongoing 	<ul style="list-style-type: none"> Employee welfare Diversity and equality Employee training and education Occupational health and safety 	<ul style="list-style-type: none"> One union representative's general assembly One roundtable discussion The employee care hotline is available around the clock Employee satisfaction rating of 86.52 Education and training initiatives
Investors	<ul style="list-style-type: none"> Investors may become owners of the company and members of the highest decision-making body. 	<ul style="list-style-type: none"> Annual Shareholders' Meeting Annual Reports Quarterly Financial Statements Investor Conference Telephone Corporate Website 	<ul style="list-style-type: none"> Annually Quarterly Irregularly 	<ul style="list-style-type: none"> Economic performance Integrity operations Response to climate change 	<ul style="list-style-type: none"> Annual shareholders' meeting held each year Annual Investors' Conference held annually Prompt response to shareholder inquiries via phone and email In 2022, a total of 39 significant messages were published on the Market Observation Post System Annual release of the annual report Quarterly publication of financial reports, totaling four reports each year

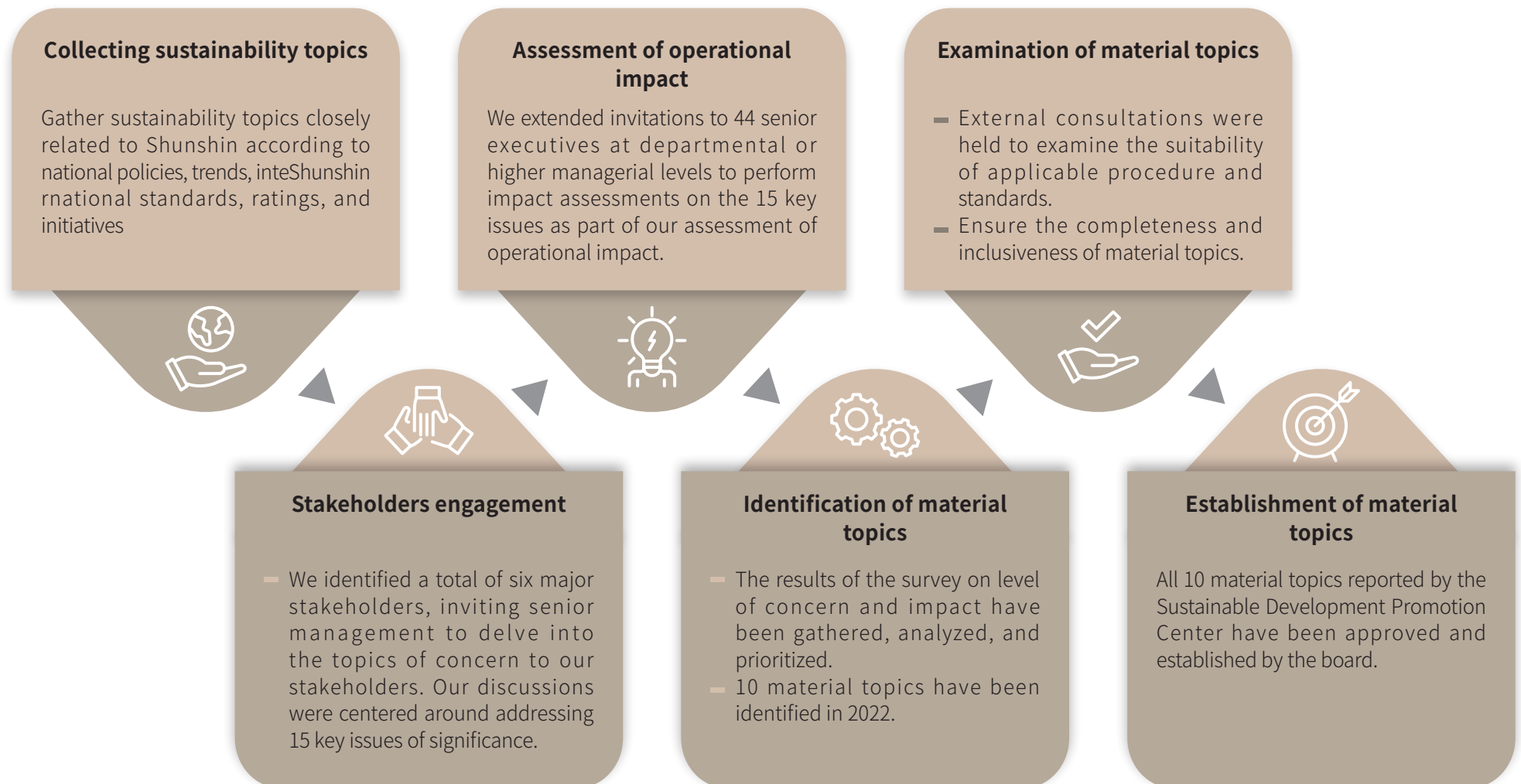
Stakeholders	Significance to ShunSin	Engagement Method	Communication Frequency	Topics of Concern	Outcome of Communication
Governmental Agencies	<ul style="list-style-type: none"> — We actively collaborate with and adhere to local laws and regulations at operational sites, striving to eliminate any form of unlawful conduct. We have proactively established a two-way communication mechanism with local government authorities to gain their trust, support, and cooperation. — Superior government agencies provide industry advice, advocate for regulatory compliance, and enhance risk management. 	<ul style="list-style-type: none"> — Ad-hoc correspondence through official documents, mail, and phone — Participation in government roundtable discussions or advisory meetings — Participation in government surveys or evaluations — Regular updates of the company website and information on the Market Observation Post System — Participation in surveys by superior government agencies — Attendance at government organization meetings and policy advocacy 	<ul style="list-style-type: none"> — Irregularly — Ongoing 	<ul style="list-style-type: none"> — Integrity operations — Economic performance — Water resources management — Air pollution prevention — Waste management — Occupational health and safety — Regulatory compliance — Risk Management 	<ul style="list-style-type: none"> — Active response to government policies and recommendations through visits, meetings, and official documents — Periodic provision of relevant reports or responses as required by local government regulations — Regular participation in government and trade union operations and meetings organized by regulatory authorities, offering timely input on industry development directions, and cooperating with regulatory "supervisions and audits to enhance the company's risk management capabilities"

Stakeholders	Significance to ShunSin	Engagement Method	Communication Frequency	Topics of Concern	Outcome of Communication
Customers	<ul style="list-style-type: none"> Customers are the primary source of revenue and growth for the company. The company is dedicated to providing customers with competitive pricing, high-quality service, and product excellence to meet expectations and achieve mutual success and growth. 	<ul style="list-style-type: none"> Customer visits Customer visits and audits Telephone and video conferences Email communication Customer satisfaction surveys 	<ul style="list-style-type: none"> Monthly/ Irregularly Monthly/ Irregularly Daily / weekly Irregularly Annually 	<ul style="list-style-type: none"> Economic performance Integrity operations Customer relationship management Information security and customer privacy 	<ul style="list-style-type: none"> Despite the impact of the 2022 pandemic, customer visits to our company exceeded 90, while home visits to our customers are at a high of 50, maintaining strong working relationships with both new and existing customers Weekly telephone and video conferences with various customers occurred more than 20 times, allowing for a thorough understanding of customer needs and prompt feedback on the company's improvement plans. The satisfaction of major customers met expectations

Stakeholders	Significance to ShunSin	Engagement Method	Communication Frequency	Topics of Concern	Outcome of Communication
Suppliers/ contractors	<ul style="list-style-type: none"> Suppliers and contractors provide us with raw materials, essential resources, and the required workforce, creating profitability for us through the safe and consistent supply of materials and services. 	<ul style="list-style-type: none"> Site visits Telephone/Email On-site inspections Questionnaire survey Procurement meetings Auditing 	<ul style="list-style-type: none"> Irregularly 	<ul style="list-style-type: none"> Supply Chain Management Green design Integrity operations 	<ul style="list-style-type: none"> 100% of primary raw material suppliers comply with ISO 14001 100% of suppliers have pledged not to use conflict minerals
Local Communities/ Non-profit Organizations	<ul style="list-style-type: none"> We consistently monitor feedback and concerns of local communities to avoid any negative impact on the community and local areas, and to protect the company's reputation. 	<ul style="list-style-type: none"> Dedicated personnel for communication 	<ul style="list-style-type: none"> Irregularly 	<ul style="list-style-type: none"> Social participation Waste management Air pollution prevention Water resources management 	<ul style="list-style-type: none"> Dedicated personnel promptly address community feedback

Material Topic Analysis

We primarily refer to the GRI (Global Reporting Initiative) guidelines and SASB (Sustainability Accounting Standards Board) standards for identifying sustainability topics. Following the AA1000 AccountAbility Principle (2018), we apply the principles of inclusivity, materiality, responsiveness, and impact to identify material topics. Subsequently, we follow the requirements of the GRI Universal Standards 2021 to prioritize and disclose the impact, management, and practices related to each material topic. Based on these results, we adjust our sustainability goals and strategies and strengthen the effectiveness of our external communications.



Identification and Prioritization of Material Topics

When stakeholder engagement is completed, we begin the evaluation of business impact and identification, inspection, validation of material topics. The internal evaluation follows standards and quantifies based on the results of Questionnaire of Stakeholder Concerns. There are 10 material topics identified and prioritized in this Report, including 2 environmental, 5 social, and 3 economic topics. Departments and external experts then gather to inspect and discuss the suitability of the procedure and standards. The compilation continues upon the verification that there is no overlooked concerns from these topics.

Also, we provide contact information on the website, so that shareholders and investors of [stakeholders](#), investors are able to reach us and make quality communication based on Sustainability Report. Any inquiry, suggestion or demand regarding the information and content of material topics is welcomed through this link ESG@shunsintech.com to ensure smooth communication at all times.

Assessment of operational impact

To assess the significance of the 15 sustainability issues identified through stakeholder engagement, the company conducted a comprehensive and standardized internal assessment. This assessment involved 44 senior executives at departmental level or higher. They were invited to provide detailed evaluations of each issue's severity in terms of scale and scope, the likelihood of occurrence, and potential risk of human rights infringement. The assessment was facilitated using the "Stakeholder Topics of Concern Survey" and achieved a 100% survey response rate.

Identification of material topics

The results of the TTY "Stakeholder Topics of Concern Survey" in 2022 were equally weighted and analyzed before prioritization by quantized values. The threshold of material topics are formed at this stage. 10 material topics were identified in 2022.

Examination of material topics

Consultations were held to ensure the suitability of identified topics and threshold criteria through examination. The work also covered the completeness, inclusiveness, macro perfection, and the coherence of the Company's sustainable development strategy of report priorities.

Establishment of material topics

In 2022, we identified 10 material topics. Following approval by the Board of Directors, material topics have been established. We have provided detailed disclosures in this report on the impact of each material topic and outlined our corresponding policies, commitments, management actions, key performance indicators, and objectives.

■ List of Material Topics

No.	Material Topics	Corresponding Guidelines	Significance and Importance to ShunSin	Value Chain Impact			Chapter
				Up-stream	ShunSin	Down-stream	
1	Supply Chain Management	204-1 308-1 414-1	The effective execution of supply chain management plays a crucial role in reducing our operational costs and mitigating business risks. Through routine and ad-hoc evaluations and audits of our suppliers, we consistently provide stable, high-quality products and services to our customers, thereby fostering robust and mutually beneficial business partnerships.	■	■		Sustainable value chain
2	Employee Welfare	201-3 202-1 401-2	Our employees are essential assets to our organization. Therefore, in terms of employee development and welfare, we provide regular opportunities for promotions and salary adjustments to reward outstanding performances. Furthermore, we also provide year-end bonuses, performance-based bonuses, retention incentives, and productivity rewards based on both the company's operational performance and individual work achievements. Our employees are entitled to statutory holidays, marriage leave, maternity leave, annual leave, and other forms of time off. Additionally, our range of employee benefits includes special occasion bonuses, birthday gifts, rewards for process improvement proposals, complimentary annual health check-ups, and the organization of various entertainment competitions, parties, and events. Furthermore, we have established dedicated facilities like dance studios, music rooms, game rooms, basketball courts, billiard rooms, table tennis areas, and (electronic) reading spaces to enhance employee well-being.		■		Personnel turnover

3	Occupational Health and Safety	403-1 403-6 403-2 403-7 403-3 403-8 403-4 403-9 403-5 403-10	We prioritize the health and safety of our employees because a secure working environment is essential for smooth operations. We have also obtained ISO 45001 certification and implemented various supervision checks to enhance safety. This commitment not only safeguards the lives of our employees but also contributes to overall social harmony and sustainable development.				Safe workplace
4	Employee f training and education	404-1 404-2 404-3	The importance of education and training lies in equipping our employees with a deeper understanding of the company's organizational structure, products, regulations, culture, and future direction. This process enhances their professional knowledge and skills, ensuring that they possess the capabilities required for their current roles and are well-prepared for the skills needed in the future. This not only strengthens the company's competitive edge but also instills the right work ethics among our employees, improving their job satisfaction, work attitude, and a sense of belonging to the company, and ultimately guaranteeing the quality of their work.				Human resource development
5	Customer Relationship Management	Custom theme	Customers serve as the primary source of revenue and profit for the company, and they are the driving force behind our continuous growth. Therefore, we maintain a steadfast commitment to understanding and responding to customer needs and market dynamics in real-time, to ensure the delivery of top-quality services. In recent years, customer's heightened attention to environmental sustainability, social responsibility, and supply chain transparency has necessitated ongoing adjustments to mitigate potential market risks.				Customer Service

No.	Material Topics	Corresponding Guidelines	Significance and Importance to ShunSin	Value Chain Impact			Chapter
				Up-stream	ShunSin	Down-stream	
6	Response to climate change	201-2 305-2 302-1 305-3 302-3 305-4 302-4 305-5 305-1	In response to the potential impacts of global climate change and related policies, we take tangible measures to mitigate adverse effects, while capitalizing on relevant development opportunities. These efforts include the construction of environmentally friendly facilities, with a particular emphasis on the installation of rooftop solar panels on our buildings. By reducing our of energy consumption and minimizing our environmental footprint, we actively contribute to our climate change adaptation initiatives.	■	■	■	Climate-related Financial Disclosures (TCFD)
7	Economic Performance	201-1 201-4	To safeguard the rights of shareholders and all stakeholders, we maintain transparency by disclosing operational and financial information. We continuously review and improve our corporate strategies to identify new opportunities in a dynamic and complex business environment. This approach is designed to enhance our core economic performance, ultimately propelling us toward our goal of sustainable corporate development.		■		Economic Performance
8	Integrity operations	205-1 205-2 205-3	Integrity management has a direct impact on our business reputation. To uphold business ethics and earn the trust of stakeholders, we conduct integrity management through the relevant codes of conduct.	■	■	■	Integrity operations

9	Employee Diversity and Equality	405-1 405-2 406-1	By always placing significant emphasis on employees' rights and interests, we have strengthened labor-management relations and enhanced our employees' sense of belonging to the company. Some of the actions taken in this regard include regular hosting of various symposiums, conducting employee satisfaction surveys, and establishing grievance channels for senior managers, labor unions, party group mailboxes, employee care centers, labor dispute mediation committees, and food committees so that they can report their complaints and provide comments and feedback at any time. So far, the communication channels between labor and management have gone smoothly. Furthermore, we schedule regular health check-ups for our employees, while providing occupational health examinations for those in specific positions, strengthening preventive measures.				Workforce overview
10	Water resource management	303-1 303-2 303-3 303-4 303-5	To prevent any negative environmental impact arising from our company's wastewater production, we have established a robust water resource management, measurement, and monitoring network. This system covers the supervision of activities related to sourcing, utilization, recycling, and tap water consumption. Additionally, we are actively advocating for the adoption of water-saving devices. These dedicated initiatives culminated in our recognition as a water saving enterprise in 2022, exemplifying our commitment to sustainable practices and environmental stewardship.				Water resource management

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About ShunSin

About ShunSin

Commitment and Strategies
to Sustainability

External Engagement



About ShunSin

ShunSin Technology Holdings Limited ("ShunSin" or the "Company") was established on January 8, 2008. Our operational headquarters is situated in Zhongshan City, Guangdong Province, People's Republic of China. With a formal workforce of 2,290 employees, this report specifically encompasses 1,252 members of our workforce. Our core business operations revolve around the packaging, testing, and sales of a diverse range of integrated circuit modules, including system module packaging. In 2015, we proudly became a publicly listed entity, trading under stock code 6451. As a corporate entity, comprehensive ownership information is available in the Shareholder Structure and Major Shareholders sections within our [2022 Annual Report](#). As of 2022, our registered capital stands at an impressive NT\$ 1,074,648,000, contributing to a consolidated revenue of NT\$ 5,317,941,000.

Global Business Location

Our company predominantly engages in the sales and provision of our core products and services in mainland China and Vietnam. The following are the subsidiary companies that facilitate these services:

■ ShunSin's Global Business Locations in 2022

Name of Business Locations	Address	Tel
ShunSin Technology Holdings Limited	11F-5, No.495, Guangfu S Rd., Xinyi Dist., Taipei City	(02)2268-8368

■ ShunSin's Subsidiaries in 2022

Name of Subsidiaries	Address	Tel
ShunSin Technology (Zhong Shan) Limited	No. 9, Jianye East Road, Torch High-tech Development Zone, Zhongshan, Guangdong Province, China	(86) 760-23381357
Talentek Microelectronics (Hefei) Limited	Plant No.1, Intersection of Xiangwang Rd. and Dongfeihe Rd., Hefei Comprehensive Bonded Zone, Xinzhan Dist., Hefei City, Anhui Province, China	(02) 2268-8368
ShunYun Technology (Ha Noi, Vietnam) Limited	Lot CN8, Thach That-Quoc Oai Industrial Zone, Phung Xa Ward, Thach That District, Hanoi	(02) 2268-8368
ShunSin Technology (Bac Giang, Vietnam) Limited	Lot H-02, Quang Chau IP, Nenh town, Viet Yen District, Bac Giang Province	(02) 2268-8368
ShunSin Technology (Bac Giang, Vietnam) Limited	No.9, Jianye East Rd., Torch Hi-tech Development Zone, Zhongshan, Guangdong Province, China	(86) 760-23381357

Sustainability Commitments and Strategies

Rooted in the core principles of "compassion, trust, and determination" and guided by our vision that "competitiveness serves as the bedrock of growth and stands as a comprehensive testament to the effective integration of technology and innovation," we have meticulously formulated a sustainability strategy underpinned by the values of "environmental stewardship, regulatory compliance, employee well-being, continuous enhancement, societal enrichment, and sustainable business practices." In every aspect of our decision-making processes, we conscientiously integrate environmental and social considerations to shape our competitive advantage.

In alignment with our unwavering commitment to sustainable development, ShunSin initiated the blueprint for establishing a dedicated sustainability organization in 2022. We are poised to formalize the Sustainability Development Committee in 2023. This committee will seamlessly integrate sustainability into our corporate decision-making framework, incorporating ESG concepts to evaluate our management practices and develop a tailor-made sustainability strategy for ShunSin. This approach is explicitly designed to achieve our sustainability goals and conscientiously fulfill our corporate social responsibilities.

■ Business Scope

As an esteemed semiconductor packaging and testing enterprise strategically located in the heart of Asia with a global presence, our organization is led by a highly proficient team. We are steadfast in our commitment to promoting sustainable growth through outstanding manufacturing expertise and relentless innovation. To meet the expectations of all stakeholders, our dedicated staff rigorously adheres to the principles of

integrity and pragmatism, collaborating to achieve our organizational goals. Our relentless pursuit of excellence has borne fruit in the form of successive international quality system certifications, cementing our position as the top subcontractor for semiconductor testing services. This has made us the preferred partner for leading manufacturers of end products and their primary suppliers. In addition to our well-established presence in system module testing, we have also made successful forays into high-speed optical fiber transceiver modules and sensor technology. In response to future product development needs and the expansion of our business endeavors, we have expanded our scale and enhanced our technical capabilities. We are unwavering in our commitment to retaining our preeminent position in manufacturing technology, supported by ongoing research and development initiatives. To accommodate our burgeoning business footprint, we have proactively undertaken steps in the construction of a comprehensive international marketing and logistics management system. Our workforce benefits from intensive professional training, reinforcing our capability to provide superior product technical support and elevate the standards of our after-sales service. Our ultimate objective is to consistently increase our market share.

In terms of market trends, our company has historically concentrated on markets related to consumer electronics, optical communications, and AI servers. Our primary products feature applications in smartphones, wearable devices, automotive electronics, IoT, and smart homes, among other sectors. In recent years, the consumer electronics market has faced challenges due to the COVID-19 pandemic, leading to decreased demand in the smartphone market and elevated inventory levels, affecting the performance of semiconductor testing companies. However, geopolitical factors have accelerated the development and domestication of the semiconductor industry in mainland China, presenting potential growth opportunities for our company. To capitalize on these opportunities, we continue to develop new products, find new clients, increase research and development investments, and enhance our sustainable development capabilities to generate value for all stakeholders.

Our primary competitors in the semiconductor testing industry include companies like ASE Group, Amkor, HT-Tech, JCET, and others. We hold a distinct advantage, however, in specialized areas such as system modules and sensor modules, enabling us to provide customized design and cost-competitive testing solutions to our customers. We also offer rapid product validation and large-scale production services, further bolstering our competitive edge in the market.

In the future, our company will remain dedicated to offering leading packaging technology and services, and testing solutions to streamline the supply chain. We will closely collaborate with our customers and actively develop a variety of high-end system and module products, enriching people's lives with intelligent, energy-efficient, and sustainable innovations.

■ Company Profile

Company Name	ShunSin Technology Holdings Limited
Date of Establishment	2008/01/08
Company Location	11-5F, No. 495, Guangfu S Rd, Xinyi District, Taipei City
Global Workforce	2,290 employees; The organizational workforce disclosed in this report is 1,252 employees.
Paid-up Capital	NT\$ 1,074,648,000
Net Sales	NT\$ 5,317,941,000 (Year 2022)
Primary Products and Services	Packaging and testing of system modules and other types of integrated circuit modules.

R&D and Innovation

Committed to providing innovative solutions to all our customers through a high level of expertise and strong focus on research and development, our company and its subsidiaries work closely with our customers to both meet their immediate needs and assist in enhancing their research and production processes. In doing so, we actively engage in innovative collaboration models with our customers and industry partners, allowing us to tailor materials to meet specific requirements, fortify product performance and durability, explore new aesthetics dimensions, boost production efficiency, and assist our partners in reducing the environmental footprint of their products. In 2022, our research and development expenses amounted to a total of NT\$ 300 million, representing 8% of our operating revenue. During the same fiscal year, our subsidiary, ShunYun Technology, successfully secured 14 patents, contributing to a cumulative tally of 27 approved patents within the organization.

■ R&D Investment Overview for ShunSin Technology in the Past 3 Years (Unit: Thousand New Taiwan Dollars)

ShunYun	Year	2020	2021	2022
	Investment Amount	14,200	94,167	81,038
	Proportion of revenue	1%	5%	2%
	Annual Growth Rate	-	563%	-14%
ShunSin	Investment Amount	272,144	429,555	310,505
	Proportion of revenue	6%	10%	6%
	Annual Growth Rate	-	36.7%	-27.2%

■ Patent Acquisition Status for ShunYun Technology in the Past 3 Years

Country	New Patents			Cumulative Valid Patents
	2020	2021	2022	
Republic of China (Taiwan)	0	2	7	9
United State	1	2	4	7
People's Republic of China	0	0	3	3
Total	1	4	14	19

■ Patent Acquisition Status for ShunSin Technology in the Past 3 Years

Country	New Patents			Cumulative Valid Patents
	2020	2021	2022	
Republic of China (Taiwan)	0	2	2	4
United State	1	1	2	4
People's Republic of China	0	0	0	0
Total	1	3	4	8

In conjunction with our ongoing commitment to advancing processes within our current product portfolio and enhancing our testing proficiency, we are extending our reach into a wider variety of testing products. Our anticipated pathways for future development encompass:

■ Future Research and Development Objectives



Economic Performance

■ Management Status of Material Topic "Economic Performance" of ShunSin in 2022

Material Topic	Economic Performance
Corresponding GRI Index	GRI 201-1 、 201-4
SDGs Principle	SDG 8
Policy and Commitment	We pledge to diligently drive profitability by means of proactive production, operational optimization, and resource allocation. This commitment is rooted in our unwavering dedication to creating the utmost value for our shareholders.
Metrics and Targets	<p>Short-term:</p> <ul style="list-style-type: none"> Through proactive measures such as increased production, R&D, and customer relationship management, we aim to boost product order volumes and sales, thereby sustaining the company's profitability. We are also actively seeking government grants and utilizing official resources to reinforce our operational capacity and business performance. <p>Mid-Long-term:</p> <ul style="list-style-type: none"> Pioneering the exploration and establishment of new international locations, we aim to enhance both production capacity and financial performance, with a dedicated commitment to upholding the rights and interests of our investors and stakeholders.
Effectiveness Tracking Mechanism	We regularly disclose our financial statements audited by certified accountants and issue annual corporate reports, which serve as a means to showcase the company's annual operational accomplishments.
Annual Action Plan and Measures	<ul style="list-style-type: none"> As part of our Annual Action Plan, we maintain the accuracy of our financial reports and annual statements through a combination of internal reviews and external audits. Should any discrepancies in the disclosed information arise, we actively encourage shareholders and stakeholders to communicate such findings, either through shareholder meetings or our dedicated communication line. In response, our company will promptly rectify the relevant content and issue official correction notices. As of the 2022 consolidated financial statements, ShunSin reported revenues of NT\$ 5.3 billion, accompanied by a post-tax net profit of NT\$ 182 million. Furthermore, in 2022, we secured subsidies totaling NT\$ 44 million in relation to our operating locations.

Direct Economic Value Generated and Allocated by the Organization

In pursuit of our mission, we are dedicated to optimizing operational efficiency through a strategic blend of proactive production, research and development, and meticulous customer relationship management. These initiatives are geared towards realizing international expansion and fostering a resilient financial structure. In 2022, our consolidated operational performance demonstrated remarkable results, with revenue reaching NT\$ 5.3 billion and post-tax net profits amounting to NT\$ 182 million. It is through the collective endeavors of our dedicated team that we were able to maintain profitability in 2022. Looking ahead, we remain committed to our ongoing efforts, striving to create even greater financial value as a means of providing returns to our valued shareholders and stakeholders.

■ ShunSin's Consolidated Financial Statements over the Past 3 Years (Currency: NT\$)

Year	Unit	2020	2021	2022
Capital	Thousand NT\$	1,072,558	1,074,648	1,074,648
Revenue	Thousand NT\$	4,849,689	4,270,400	5,317,941
Gross Profit	Thousand NT\$	1,580,357	922,452	649,724
Operating Profit	Thousand NT\$	961,606	59,012	(81,047)
Income Tax	Thousand NT\$	286,815	(172,435)	(166,251)
Net Profit	Thousand NT\$	719,556	378,607	182,731
Net Profit Attributable to Owners of the Parent Company	Thousand NT\$	724,859	403,082	205,674
Earnings Per Share	NT\$	6.88	3.77	1.92
Research and Development Expenses	Thousand NT\$	272,144	429,555	310,505
Employee Salaries and Benefits	Thousand NT\$	1,019,196	1,036,789	924,938
Cash Dividends Distributed to Shareholders	NT\$ per Share	4.13	2.56	1.17

Note: For details of the entities included in the consolidated financial statements, please refer to pages 10 to 11 of the 2022 Financial Report.

Financial assistance received from government

In the year 2022, ShunSin obtained a total of NT\$ 44,330,000 in financial subsidies from its operational location.

Government	Types of Subsidies	Project Titles	Subsidized Amount (Unit: Thousand NT\$)
People's Republic of China	Subsidies	<ul style="list-style-type: none"> Relief-by-Work Subsidy 2020 Post Competency Training Subsidy Factory Renovation Subsidy 2022 New Year Manufacturer Award Subsidy 	44,330
	Investment Subsidies, Research and Development Subsidies, and Other Related Types of Subsidies	<ul style="list-style-type: none"> Bureau of Science and Technology Subsidy No. 64 - Research and Development Subsidy Bureau of Commerce - Increased Contributions to Stable Foreign Trade Incentive Program Subsidy Innovation and Technology Bureau Subsidy No. 63 - Engineering Technology Research Center Rating "A" Subsidy 2020 Special Funding for Energy Conservation and Circular Economy in the City Zhongshan Municipal Bureau of Science and Technology - Engineering Technology Research and Development Center Rating "A" Subsidy 2021 Third Batch of Zhongshan Municipal Domestic Invention Patent Authorization Grants 2022 Special Funds for Industrial Development in the City (Special Topic on Green Industrial Development) 2022 First-Half-Year Advanced Manufacturing Policy Program Subsidy 2022 Fourth Batch of Municipal Special Funds for Technological Development Subsidy 	
	Incentives	<ul style="list-style-type: none"> Bureau of Commerce - Special Funds for Foreign Investment Incentive Program 2021 Second Batch of Special Funds for Enterprise Scientific and Technological Innovation Development 	
	Financial Awards	<ul style="list-style-type: none"> 2022 Interest Subsidy for Imports - Central Finance Special Funds for Foreign Economic and Trade Development 	
	Any financial support received or obtainable from any institution for the organization's operations	<ul style="list-style-type: none"> One-Time Retention Subsidy 2020 High-Tech Enterprise Certification Support Funds 2021 Equipment Import Interest Subsidy 2022 Zhongshan City One-Time Expansion Subsidy Xinzhan Economic and Trade Bureau Manufacturing Strong Province Subsidy 2022 Municipal Bureau of Commerce Special Funds for Exhibition Industry Development Program 	

Approach to tax, Governance, and Risk Management

In line with our commitment to tax compliance and the fulfillment of corporate social responsibility, our company operates with the goal of creating corporate value and enhancing tax risk management. To achieve these objectives, we have formulated tax governance policies and transfer pricing policies, established a robust tax management system, and created a culture of tax governance. We have also developed rapid response procedures. The following tax management policies have been set to further augment our corporate value, fulfill our corporate social responsibility, meet our obligations as corporate citizens, and ensure the sustainability of our business.

Organizations and Responsibilities Related to Tax Governance

Organizations and Responsibilities Related to Tax Governance are outlined as follows:

1

Finance Director

The Finance Director serves as the highest decision-maker responsible for establishing an effective tax risk management mechanism within the company. Aligned with the overall business strategy and operational environment, they determine overarching tax governance policies to ensure the efficient operation of the tax management system.

2

Tax Management Unit

The Tax Management Unit under the Accounting Department provides monthly reports to the Finance Director, offering insights into tax-related management issues.



Tax Governance Framework, Control, and Risk Management

Our tax governance is based on transparency, legal compliance, and the following tax policies and code of conduct:

1

Legal Compliance

- Our commitment is to adhere to local tax regulations and legislation at all operating locations and comply with international tax standards. We ensure accurate tax calculations and timely filing as a way of fulfilling our tax obligations.
- Tax matters are entrusted to reputable local accounting firms. Annual financial data is provided to KPMG Taiwan and Yongxin Accountant Hang for tax reporting.

2

Information Transparency

- We prioritize transparency in tax reporting, including submitting country reports, master file reports, and transfer pricing reports to tax authorities as required.
- We ensure that tax assessments related to decision-making involve the participation of both qualified and experienced in-house tax teams and external experts.
- We regularly disclose tax information to stakeholders through public channels (e.g., official website and annual reports) to ensure information transparency.
- We utilize legal and transparent tax incentive policies and refrain from using methods that violate the law to obtain tax reduction and exemption.

5

Risk Management

- We establish a robust tax risk management framework and organizational culture, taking into account the optimization of the company's overall tax burden, risk management, and impact on sustainable value. We conduct a thorough assessment of tax risks and corresponding measures.

3

Business Substance

- We align our corporate structure and transactions with business substance, avoid tax structures intended to evade taxes, and refrain from profit-shifting to low-tax regions to avoid tax.
- We adhere to standard transaction principles in transactions with related parties and commit to compliance with the transfer pricing regulations of the respective operating regions to fulfill tax our obligations in value-creating regions.
- We interact with tax authorities in an honest, straightforward, respectful, and fair manner based on trust, information transparency, and legal compliance. We also raise significant tax issues to help improve the tax environment and system.

4

Integrity in Communication

- We ensure that transactions between related companies comply with the transfer pricing principles of the Organization for Economic Co-operation and Development (OECD) and regulations related to Base Erosion and Profit Shifting (BEPS).
- We establish trusting and honest communication with tax authorities in each operating region and provide industry insights and professional expertise to assist in enhancing the tax environment and system.

Stakeholder Communication Policy on Tax-Related Matters

Our principal stakeholders in tax-related affairs are governmental tax authorities. We adhere to the regulations and legal provisions of each country when conducting tax reporting and payments. Should any uncertainties regarding the interpretation of applicable legal requirements arise in the course of our daily operations, we maintain direct contact with government agencies for guidance, either directly or through KPMG Taiwan and Yongxin Accountant, to ensure that the correct procedures are followed. In the event of a tax audit, upon receiving notification, we promptly prepare the necessary documentation and collaborate with the tax authorities. For details of this year's audit report, please refer to pages 93 to 96 of the 2022 Annual Report.

To underscore the transparency of our tax governance policy, we also provide information on tax-related matters to other stakeholders, such as shareholders and investors. This information is available in the stakeholder section of our official website, the annual report for the respective year, and during shareholder meetings, where we address stakeholder queries related to tax matters.

An Overview of Tax Payments by Country/Region in 2022

Country	NTD	Percentage
China	48,072,585	43.18%
Taiwan	63,251,667	56.82%
TOTAL	111,324,252	100.00%

Note:

1. For a more detailed breakdown of tax payments and related data, please refer to our company's official website for financial reports and accompanying notes.
2. Our company's official website: <https://www.shunsintech.com/tw/FinanceReport.html>



External Engagement

External initiative

■ International Initiatives We Support

ESG	1. UN Global Compact: We focus on organizational development in terms of human rights, labor, the environment, and anti-corruption to promote sustainable governance.
Environmental Protection	1. Task Force on Climate-Related Financial Disclosures (TCFD): Our participation helps investors and decision-makers understand the organization's climate-related risks, opportunities, and financial impacts. This empowers the organization to effectively address the challenges of transitioning to a more sustainable future. 2. Carbon Disclosure Project (CDP): Our engagement with CDP is essential in helping our company evaluate and enhance its carbon management system.
Social Engagement	1. International Labour Organization (ILO): We continuously work to improve the working and living conditions of our colleagues while safeguarding their rights. 2. Responsible Business Alliance (RBA): We ensure that our supply chain partners provide a safe working environment and that all workers are treated with respect. 3. Responsible Minerals Initiative (RMI): We are committed to not using any metal of conflict mineral origin.

Membership of associations

■ Membership in Key Associations and Advocacy Groups

Items	Organization Name	Membership Status
1	Zhongshan City Torch Harmonious Labor Relations Promotion Association	Member
2	(Zhongshan) Taiwan Business Investors Social Association	Member
3	Guangdong Cleaning Production Association	Member

02

Corporate Governance

Governance Structure
Functional Committees
Integrity Operations
Risk Management



Governance Structure

Policy Commitment

At ShunSin Technology, we treat all stakeholders with fairness to foster synergy in the way we interact with our shareholders, employees, customers, and other stakeholders. We are committed to achieving sustainable development and demonstrating our concern for economic governance, social human rights, and environmental protection, all in line with ESG principles. We adhere to the following initiatives to formulate relevant codes, policies, and public commitments that align with our sustainability vision and the common good:



Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies



Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies



Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

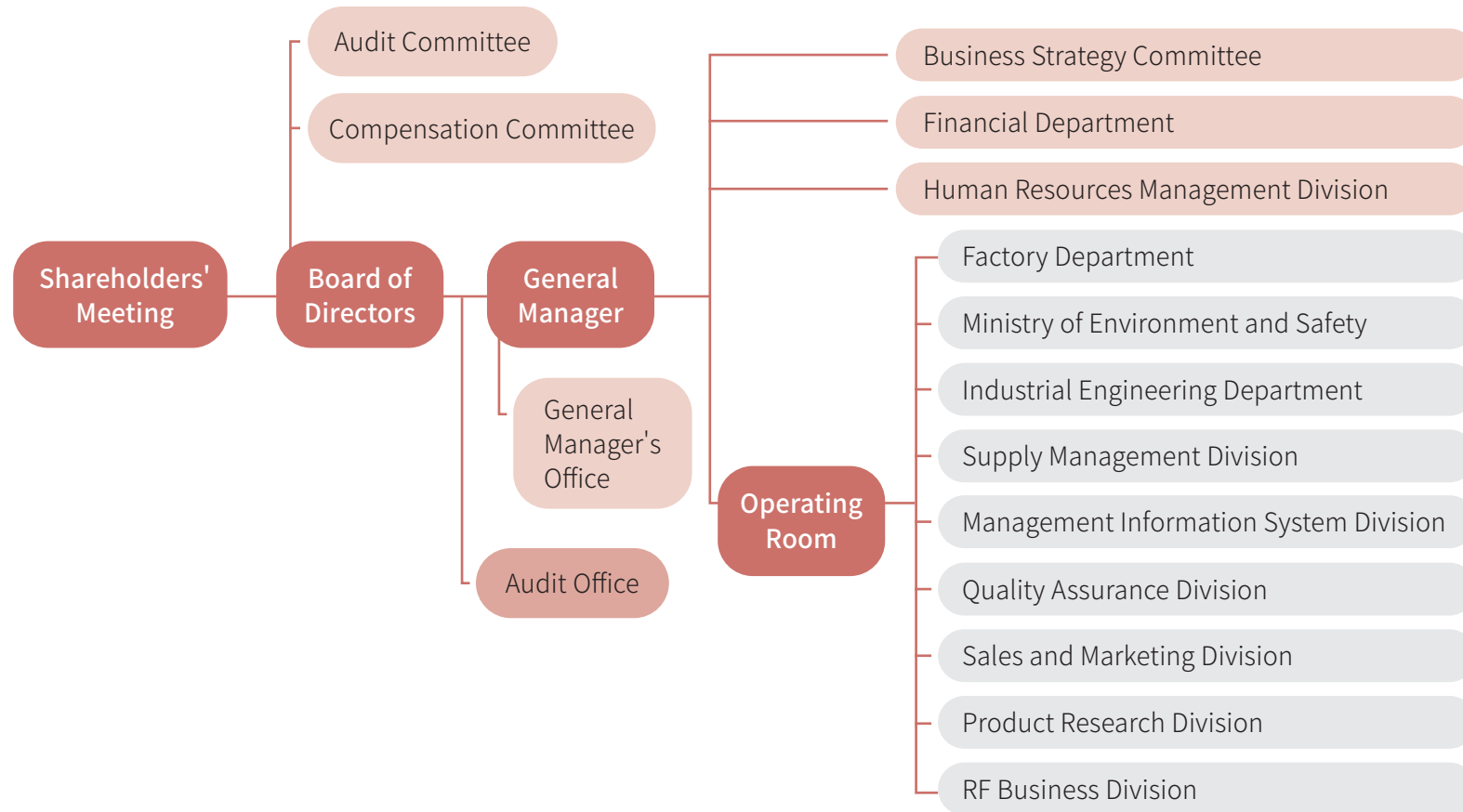
The board of directors at ShunSin has formulated key internal regulations following the relevant guidelines, which are reviewed and approved during board meetings. The approved regulations are then implemented through stock announcements and communicated to internal and external stakeholders via official websites or contract provisions.

Our commitments encompass due diligence and precautionary principles, especially on respecting human rights. We adhere to the RBA norms and closely monitor human rights both within and outside the company, all while focusing on economic performance development.

As part of the execution of our sustainability policy through our internal control system, we have formulated the following: the ShunSin Articles of Association, Ethical Corporate Management, Development Best Practice Principles, Code of Ethical Conduct, and other internal documents that have been publicly announced on the [company's official website](#). These documents collectively affirm our commitment to the protection of employees' human rights, including compliance with legal requirements, the promotion of freedom of employment, humane treatment, the prohibition of inappropriate discrimination and harassment, and the provision for the protection of employee complaint. Additionally, we have incorporated corporate social responsibility policies into contracts with external suppliers to ensure their joint commitment to, and practice of, sustainability.

We are furthering our sustainability efforts by actively progressing toward the existing sustainability commitments which we have established through internal training, and regularly promote ESG principles within the company through such education. In the future, we'll continue to implement development sessions for self-improvement and integrate our commitments and policies into all aspects of ShunSin, ensuring that individuals at all levels maintain a strong sense of sustainability while working.

■ Organizational Chart



Further details regarding the corporate governance structure and business management of each department can be found in the "2022 Annual Report".

Composition & Selection of the Board of Directors

The highest-level governance body of ShunSin Technology is its board of directors, which is responsible for deciding, supervising, and managing the Company's impact on the economy, the environment, and society. The current board of directors of ShunSin Technology comprises seven directors, among which three are independent, representing 42.86% of the board. The current board of directors was re-elected in June 2020 to serve a term of June 2020 to June 2023.

The Company focuses on diversified industry experience, and the professional background and capabilities of board members. Current directors are aged between 50 and 68 years old, with expertise in accounting, commerce, finance, law, and industry management. In the future, we will continue to promote diversity in age and gender among board members, and include different genders, ages, and people from disadvantaged communities to encourage a diverse perspective in decision-making and lower the overall operating risk of the enterprise.

In 2022, the board of directors of ShunSin Technology held a total of seven board meetings; one board meeting every 1.71 months on average. The annual average attendance rate by all directors reached 93.88%. The board of directors is responsible for reviewing operation performance, discussing key ESG strategy and crucial material events (such as whistleblowing cases/complaints, negative impact, public opinion, etc.), assigning and confirming the departments responsible for specific matters, with follow-up in subsequent meetings and supervision of actual progress and handling. In 2022, the board of directors discussed a total of 41 routine matters, including the ShunYun IPO, profit distribution, and operating plan. Please refer to the 2022 Annual Report for more details.

Board members of the Company are elected in accordance with the Articles of Association and also in reference to Article 20 of the Ethical Corporation Management Best Practice Principles for TWSE/GTSM. In terms of qualifications, directors are not limited by gender, age, race, or

nationality. Consideration is also given to the professional background, skills, and industry experience in various domains that are required for the development of the Company. Board members should generally possess the knowledge, skills, and qualities required to perform their duties, and shall accept the voices of different stakeholders. To achieve corporate governance targets, the board of directors of ShunSin as a whole should possess sound operating judgment, accounting and finance knowledge, operational management skills, legal knowledge, industrial knowledge, and leadership and decision-making skills.

■ Board member of ShunSin

Title	Name	Gender	Age	Actual attendance
Chairman	Hsu, Wen-Yi	Male	65	7
Director	Yu, Che-Hung	Male	60	7
Director	Ho, Chia-Hua	Male	50	7
Director	Mou, Chung-Hsin	Male	58	7
Independent Director	Ting, Hung-Hsun	Male	61	7
Independent Director	Chiu, Huang-Chuan	Male	68	6
Independent Director	Lin, Ying-Shan	Male	58	5

Notes:

1. Disadvantaged social communities include indigenous peoples, immigrants, ethnic or racial minorities, minorities based on gender recognition or sexual orientation, and those with mental/physical disabilities, etc.
2. Other important positions and commitments include cross-board members.

Interest Avoidance

Hsu, Wen-Yi is the chairman of ShunSin's highest governance body (the board of directors). Hsu, Wen-Yi also serves as the president of the Company, as well as the director of its subsidiary ShunSin Technology Holdings (Hong Kong) Ltd., managing director and president of ShunSin Technology (Zhongshan) Limited, director of ShunSin Technology (Samoa) Corporation Limited, and branch manager of ShunSin Technology Holdings Limited Taiwan Branch, all of which are 100% owned subsidiaries and branch offices. The reason Mr. Hsu, Wen-Yi serves as both chairman of the board of directors and president of the Company is that he has been the long-term president managing the Company and has delivered excellent operating performance. Thus, the corporate director appointed the president of the Company to serve as its representative and the board of directors also elected him to serve as chairman to increase understanding of the operating status by members of the board and to fix operating targets that are consistent with market operations, improving operation management efficiency. To maintain the supervisory function of the board of directors, the majority of the Company's board of directors do not serve concurrently as employees or managers. The board of directors has a total of seven directors, including three independent directors, demonstrating that the board still has possesses supervision and management ability.

All members of ShunSin's board are covered by a nomination system. The board of directors established the Regulations Governing the Procedure of Board of Directors Meetings in accordance with the Company Act and the Regulations Governing the Procedure of Board of Directors Meetings of Public Companies. It also stipulated the principle of recusal to avoid directors' conflict of interest. Current risks of conflict of interest in the Company include board members serving on other boards of directors and the existence of controlling shareholders in the Company. To avoid and reduce potential Interest Avoidance arising out of board members serving on other boards of directors and the existence of controlling shareholders in the Company, the Company has sound principles for Interest Avoidance and demands its board members to duly perform their ethical and fiduciary duties to the highest levels of self-discipline and prudence. The Company also stipulates that when a director or a corporation represented by a director has an interest in the meeting agenda, an explanation of the key details of the interest shall be provided in the relevant board meeting. If there is any risk to the Company's interests, the director shall be excluded from discussion and voting. For specific information related to the status of recusal, reference can be made to the Chapter III. Corporate Governance Report in the [2022 Annual Report](#) of the Company.

Education of directors

For a timely understanding of global operation management trends, improve corporate governance risk response abilities, and develop the collective intellect of the highest-level governance body of the Company in terms of sustainable development, ShunSin's board members are dedicated to continuous professional development of industry knowledge and enterprise governance experience. The board of directors schedules educational programs covering economic and social aspects to improve the governance capabilities and trend insights required by board members. To provide independent directors with a timely understanding of information related to the Company, we circulate information related to educational programs to the board of directors from time to time and also continuously reinforce information transmission and educational planning based on the requirement of and feedback from each board member to ensure sufficient professionalism and leadership and supervisory functions. In 2022, the board of directors underwent a total 62 hours of education. Each person received 8.85 hours of training on average.

■ 2022 Courses of continuing education of directors

Category	Course	Course Hours
Social	External Innovation and Sustainable Management	3
	Intellectual property Management- Intellectual Property Litigation Practice	3
	Technology Innovation and Competitive Advantage	3

Economics / Governance	Understanding of Supervisory Requirements for Listed Companies Executives	3
	Practical Analysis on Insider Trading and Equity Reporting	3
	Corporate Governance Evaluation Practice Analysis	3
	Corporate Governance and Securities Law	6
	Online Seminar on Independent Directors and Board Supervision from International Perspective	3
	Business Management and Crisis Management	3
	International Twin Summit	4
	Business Risks and M&A Strategies for Taiwanese Businesses associated with Geopolitical Situation	3
	Walking the Talk on ESG - Perspective of Corporate Governance	3
	Cathay Sustainable Finance and Climate Change Summit	9
	Sustainable Development Roadmap Industry Seminar	19
	The Evolution from CSR to ESG	3

■ 2022 Training Hours of Directors

	Social	Economy/ Governance	Total Hour(s)
Chairman: Hsu, Wen-Yi		✓	9
Director: Yu, Che-Hung		✓	6
Director: Ho, Chia-Hua		✓	12
Director: Mou, Chung-Hsin		✓	6
Independent Director: Ting, Hung-Hsun		✓	6
Independent Director: Chiu, Huang-Chuan	✓	✓	15
Independent Director: Lin, Ying-Shan	✓	✓	8

■ Performance Evaluation of Boards of Directors

To implement corporate governance and improve the function of the Company's board of directors, performance targets are in place to increase the operating efficiency. ShunSin has established Performance Evaluations for the Board of Directors and self-evaluations are regularly conducted by the board and functional committees every year through questionnaires. Self-reviews of individual board members are also conducted. The full score is 100. In 2022, the performance evaluation results of the board of directors were 95.11; the performance evaluation results of board members were 94.14 on average; and performance evaluation results of the supervisory committee was 98.86. These results show that the Company's board of directors has a good level of participation and quality of decision-making pertaining to Company operation. The evaluation results serve as reference for the remuneration and nomination for renewal of the Company's board of directors.



■ Remuneration of Managers and Directors

The remuneration policy, system, standard, and structure of directors and managers are established and reviewed by ShunSin's Compensation Committee. This committee is composed of independent directors. Regular meetings are held every year to review and ensure the reasonableness of remuneration. ShunSin also goes through shareholders' meetings to ensure the reasonableness of remuneration of the board of directors and managers is reviewed by stakeholders, such as shareholders. The annual remuneration for members of ShunSin's board of directors includes a fixed salary, pension, director remuneration, and business expenses. Manager remuneration includes a fixed salary, bonus, special allowances, and pension, etc.

Directors' and managers' remuneration is currently linked to relevant benchmarks, such as company operations and decisions. In the future, to procure the best efforts from ShunSin's board members and managers to achieve sustainable development targets, we will include sustainability-related performances in the remuneration policy for board members and managers, and recognize the contribution of board members and managers to sustainable development. It also encourages high-level personnel to continue focusing on long-term trends and build ShunSin's sustainable development strategy.

Return Policy for Unjustified Enrichment

To improve conduct, professional ethics, and capability of the Company and all employees, ShunSin has established a Code of Ethical Conduct. In case of breach of the Code, in addition to returning unjustified enrichment acquired to the claimant or Company, a penalty will also be imposed depending on the situation, including a reduction of performance bonus, year-end bonus, commission, dismissal, demotion, or even legal action. All employees, including managers, are expected to fulfill their management and supervision responsibility and strictly comply with ethical guidelines to ensure the sustainable growth and development of the Company.

Functional Committees

To effectively manage operating risks and impact, and implement identification and supervision of the Company's impact on the economy, the environment, and local community, ShunSin has established functional committees, such as the Audit Committee and Compensation Committee, under the board of directors. Each functional committee conducts due diligence, and gathers information on major events, recommendations, and feedback from stakeholders about positive and negative risks arising from Company operations through routine business communication channels, signing of internal meeting documents, and existing complaint mechanism, and is responsible for the development, approval, and update of strategies and policies related to each impact. The board of directors is responsible for supervising the impact management procedures established by the functional committees and the results thereof. A meeting is held once a year to review the results and effectiveness of the procedures.

Audit Committee

The main duty of the Audit Committee is to control enterprise risk. Three independent directors are elected by general shareholders' meeting to form the Audit Committee. The main function of the Audit Committee is to ensure proper expression of the Company's financial statements, the selection, independence and performance of the CPA, effective implementation of the Company's internal control, the Company's compliance with applicable legislations and rules, and control over existing or potential risks of the Company. In 2022, the Audit Committee held a total of six meetings and average attendance rate was 89%.

Member of ShunSin's Audit Committee

Name	Title	Gender	Term	Special Status ^(Note)
Ting, Hung-Hsun	Chairman of Audit Committee	Male	3 years	None
Chiu, Huang-Chuan	Member of Audit Committee	Male	3 years	None
Lin, Ying-Shan	Member of Audit Committee	Male	3 years	None

Notes:

1. Disadvantaged social communities include indigenous peoples, immigrants, ethnic or racial minorities, minorities based on gender recognition or sexual orientation, and those with mental/physical disabilities, and women.
2. Other important positions and commitments include cross-board members.

■ Compensation Committee

■ Main duties of ShunSin's Compensation Committee:

- ✓ Establish and regularly review policies, systems, standards, and structure of directors' and manager's performance reviews and remuneration. Regularly review and establish directors' and managers' remuneration.
- ✓ Review and determination of incentive plans or stock-based employee remuneration programs.
- ✓ Proposal to amend these organizational rules.
- ✓ Review and determination of incentive plans or stock-based employee remuneration programs for directors and managers.

To ensure proper corporate governance reinforce the remuneration management function of the board of directors, assist the board of directors in the execution and evaluation of the overall remuneration and welfare policy of the Company and remuneration for directors and top managers to ensure compliance of the Company's remuneration arrangements with applicable legislation and the ability to attract talent, ShunSin has established the Compensation Committee and Organization Charter of the Compensation Committee.

The Compensation Committee evaluates and reviews the ratios of provisions for top management remuneration and employee remuneration. The committee has established a table for directors, the presidents, and vice president of the total remuneration amount as a percentage to net income after tax in statutory and individual financial reports – refer to the Company's 2022 Annual Report for further details. The committee evaluates personal capabilities, contributions to the Company, and performance of individual management team members, and reviews the reasonableness of salary and remuneration, with effective control over the risk of talent loss. In 2022, the Compensation Committee held a total of three meetings and the average attendance rate was 78%.

Name	Title	Gender	Term	Special Status <small>(Note)</small>
Chiu, Huang-Chuan	Chairman of Audit Committee	Male	3 years	None
Ting, Hung-Hsun	Member of Audit Committee	Male	3 years	None
Lin, Ying-Shan	Member of Audit Committee	Male	3 years	None

Notes:

1. Disadvantaged social communities include indigenous peoples, immigrants, ethnic or racial minorities, minorities based on gender recognition or sexual orientation, and those with mental/physical disabilities, and women.
2. Other important positions and commitments include cross-board members.

Integrity operations

■ Management Status of Material Topic "Integrity operations" of ShunSin in 2022

Material Topic	Integrity management
Corresponding GRI Index	GRI 205-1 、 205-2 、 205-3
SDGs Principle	SDG 16
Policy and Commitment	In compliance with the regulations of the RBA, we established the Ethical Corporate Management Best Practice Principles and Code of Conduct to serve as guidelines for all staff members in daily operation. We also provide regular training and workshops as well as internal control assessment to evaluate the effectiveness and implementation of integrity management.
Metrics and Targets	Short-term goal: <ul style="list-style-type: none"> Rate of participation in education and training of anti-corruption courses in the whole plant to reach 100%. Mid-to long term goal: <ul style="list-style-type: none"> Regularly track changes in local and foreign regulations and adjust the internal control system and corruption identification process.
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> Number of participants in education and training of anti-corruption courses Annual tracking of trends and changes of domestic and foreign regulations
Annual Action Plan and Measures	<ul style="list-style-type: none"> Prevention and control of potential misconduct through the management and risk evaluation of the internal control system. Implementation of anti-corruption education and training. For colleagues who haven't received anti-corruption education and training, we will promote relevant content to them through announcements and other means to ensure the implementation of anti-corruption training. The achievements of internal anti-corruption training of ShunSin in 2022 are as follows: Board members: 100% completion of anti-corruption training Middle and senior management personnel (including general manager): 100% completion of anti-corruption training Basic-level management personnel: 100% completion of anti-corruption training Basic-level operators: 90% completion of anti-corruption training Suppliers/clients: 100% completion of anti-corruption training

To establish a sound enterprise culture and development of ethical operations, ShunSin has established the Ethical Corporation Management Principles, which establish clearly and in detail specific practices of ethical operations and precautionary solutions against unethical conduct. It has also established the Procedure and Code of Conduct for Ethical Operations with specific stipulations about matters to which members of the Company should pay attention in the performance of business activities. The Company has designated the Administration Department as the responsible department to assist with the integration of integrity and ethical values into the Company's operating strategy, and to establish relevant anti-fraud measures to ensure ethical operations in accordance with the law. It is responsible for the promotion and coordination of ethical policy training. The Company has also established the Regulations for Whistleblowing against Fraudulent Conduct and Codes of Ethical Conduct for compliance and execution by all employees, as well as active cooperation with RMB compliance audits by client third parties and implementation of relevant rectifications.

To implement ShunSin's ethical operation policy and regulation, the responsible persons for each operating point of the Zhongshan Plant fully integrate ethical operation philosophies in the course of their daily work. Relevant management measures are reinforced against key corruption risk points in the Company, such as precious metal management, which has always been the Company's key concern. Cross-checking mechanisms have been put in place for each link of precious metal management to ensure the security of the Company's precious assets. In making annual audit plans, the Audit Department also makes conducts corruption evaluations based on legal requirements, the situation of each operating site, past audit findings, and the nature of the industry.

In addition, the Administration Department of the Zhongshan Plant organizes and convenes large-scale workshops about SER, Commercial Ethics, and the Code of Conduct. All employees are required to participate and sign a Notice on SER, Commercial Ethics, and the Code of Conduct, which ensure that employees understand commercial ethics and ethical operations, and comply with the highest ethical standards. Any form of corruption or bribery is prohibited. Suppliers are also required to sign a Suppliers' Undertaking to guarantee compliance with relevant commercial ethics in the course of transactions. Thanks to our efforts, no event of breach of ethical operations has occurred this year in ShunSin.

Zero-Corruption & Anti-Bribery Policy

The Company promotes business operations based on the principles of ethics and integrity and compliance with the law and ethical standards of the country in which the business activities take place. Full legal compliance is a key policy of the Company. Through a sound management system, compliance with legislation and the identification and implementation of educational training are used as execution guidelines for continuous reinforcement of legal compliance. Each department of the Company has established a sound legal compliance system as well as legal compliance guidelines, with regular monitoring of any change in domestic or foreign laws with a major impact on company operations to ensure that each operating activity is duly compliant with the laws and regulations of that country. We also follow the management organization system to identify and control the risks related to enterprise operations through a complete risk management structure and implementation level to minimize the risk of fraud and improper conduct that may occur within the existing internal control system.

The Company prohibits all employees, supervisors, managers, and directors from engaging in or instructing any other person to engage in unlawful or unethical conduct for any reason. Upon commencement of employment, employees are required to sign the Ethics and Intellectual Property Right Agreement, Non-Disclosure Undertaking, and Intellectual Property Right and Confidentiality Agreement. Training on employee guidelines, management systems, enterprise ethics, and ethical rules is provided on the first day, clearly communicating the rights and obligations of employees. Suppliers and other partners are also required to sign the Suppliers' Undertaking and a high-level anti-corruption policy is also strictly executed as a condition upon entering into a partnership. Ethical disciplines must be duly complied with and there are clear stipulations of compliance matters required of employees and their conduct, covering professional ethics, legal rules, employee relationships, gifts and entertainment, client privacy, intellectual property rights, discrimination, bribery, conflicts of interest, and protection of the Company's assets and reputation, etc. Legal compliance is implemented in every aspect of operating activities, such as in the performance of business activities, product design, and procurement, with strict compliance with discipline. Our Code of Conduct for Ethical Operations expressly prohibits the provision or acceptance of bribery, the provision of unlawful political contributions, undue charitable donations or sponsorship, unreasonable gifts, entertainment or other unjustified benefits, infringement against intellectual property rights, and unfair competition, with precautionary measures and handling procedures against products or services causing damage to stakeholders to ensure client interests, and prevent loss of enterprise assets, fines, or goodwill.

The Company organizes employee participation in anti-corruption training programs every year to improve ethical and self-discipline awareness, including employee ethical rules and anti-corruption, important internal information, RBA (responsible business alliance), including ethical operations, no unjustified benefits, protection of confidential information, protection of intellectual property, intellectual property, fair trade, identity protection, anti-corruption, no-conflict minerals (metal procurement), environmental protection, privacy, and crackdown on retaliation, etc., to promote ethical rules that should be complied with by employees in the course of their work.

■ Communication and Training on Anti-Corruption Policies and Procedures

Target	Mainland China		
	Total	Number of persons (or suppliers and clients) already trained	Ratio of persons trained
Member of Director	7	7	100%
Category A	232	232	100%
Category B	404	404	100%
Category C	616	616	100%
Suppliers	507	483	95%
Client	98	75	76%

Above statistics by category: Category A: (Middle and higher-level supervisors and senior professionals), Category B: (General professionals), Category C: (Direct production employees).

In 2022, we conducted a corruption-related evaluation across two substantive operating sites, ShunSin Zhongshan and ShunYun Zhongshan, representing 100% of our operating scope. The evaluation identifies three types of major corruption risks – precious metal management, procurement of major assets, and resource recycling. Corrupt conduct was also divided by nature: business embezzlement, acceptance of bribes, and theft. No employees were sanctioned or dismissed for corruption this year, nor were any contracts with commercial partners terminated or not renewed due to corruption.

Regulatory Compliance

Operating in compliance with legal requirements is the most basic responsibility of an enterprise and is also key to sustainable operations. To ensure that operating activities comply with the legislative requirements of local governments, ShunSin has a dedicated legal department which pays close attention to legislation and amendments that may have an impact on the Company. The shareholder service providers and accountants engaged by the Company also provide the Company with timely updates of laws and regulations from the competent authorities of listed companies. Departments such as environment and safety, energy and administration also pay close attention to the latest legislation pertaining to the environment, safety, energy, and employment, etc. that may have an impact on the Company's operations. Legislative and policy compliance evaluations are also conducted in accordance with ShunSin's Internal Rules Governing the Identification of Regulations. Relevant documents about major laws and regulations that may have an impact on the Company are issued to each department for reference and execution to ensure that actual operations of each department duly comply with relevant requirements.

ShunSin's Whistleblowing Regulations against Fraud also stipulates that any event with a penalty over NT\$300,000,000 or a major impact on shareholders' interests or securities value, such as government orders to suspend work or production, etc., must be publicly disclosed in the sustainability report to comply with the Company's principles of transparency and balanced reporting under the GRI guidelines. In 2022, the Company did not have any event of employee sanction or termination of a commercial relationship due to corruption.

Compliance Training

To provide each department with timely legal and regulatory assistance and consulting services, we have a legal service platform. Employees can acquire relevant information and promotional materials through the intranet. In addition, we organize trainings on regulations, compile Q&As, and publish promotional materials to ensure awareness and understanding of the latest regulations, review and update practical operations, and avoid unintentional breaches or violations due to lack of awareness. We also reinforce employees' awareness of legal and ethical compliance as part of the most basic social responsibility of the enterprise.

■ Legal compliance trainings of recent 3 years

Year	Training course	Purpose and effect of the course	Training subjects
2020	<ul style="list-style-type: none"> Interpretation of the Labor Standards Act Awareness of the Labor Union Act Awareness of tax acts 	Learn about the Labor Standards Act, the Labor Union Act, tax acts, and other regulations to enhance employees' legal awareness.	All employees
2021	<ul style="list-style-type: none"> Training of new EHS regulations Sharing of customs regulations Interpretation of the Cyber Security Management Act 	Learn about new EHS regulations, the Customs Act, the Cyber Security Management Act, and other regulations to enhance employees' legal awareness.	All employees
2022	<ul style="list-style-type: none"> Introduction to environmental protection regulations Sharing of customs regulations Awareness of the Property Act for Female Employees Cyber Security Management Act 	Learn about relevant regulations on environmental protection and customs as well as the Property Act for Female Employees to enhance employees' legal awareness.	All employees

Voicing complaints and suggestions

Ethical and responsible commercial conduct is the basis of sustainable operations of an enterprise. We have therefore put in place various complaints, whistleblowing, and suggestion channels to encourage interested parties to report, complain, or provide suggestions about non-ethical conduct or any event of operating activity that has an impact on the environment, the economy, society, or human rights.

ShunSin has published its whistleblowing channel on its official website. Both internal and external members can use our public whistleblowing mailbox (suggestions.zs@ShunSintech.com) to file a direct report of unlawfulness to our Company. We also provide the option of anonymous whistleblowing. The department handling the report will keep the whistleblower's identity and the event confidential and will not provide this information to any third party unrelated to the investigation unless required for the investigation to avoid any unfair or unfavorable treatment. The Regulations for Whistleblowing against Fraudulent Conduct expressly stipulate the protection system, and standards for handling breach events. In 2022, ShunSin did not receive any complaints or whistleblowing cases. There has been no complaint or whistleblowing case in the past three years.

The following appeal channels are provided for employees, clients or suppliers on the Company's official website:

External email: suggestions.zs@shunsintech.com;

Internal email: rain.liu@shunsintech.com; wade.wang@shunsintech.com

External telephone: +86-760-23381357 (Mainland China)

EXT: 2888; +886-02-22688368 (Taiwan) EXT: 2886

Any employee who fails to proactively report corrupt behavior will be severely punished according to law and corresponding system of the Company. Employees are also encouraged to actively report any corrupt behavior through the above channels, and the Company will ensure strict confidentiality of the identity of the informers.



Risk Management

■ Risk Management Unit

Subordinate to the board of directors, the Audit Office is responsible for inspecting and supervising each unit. Responsible risk units report risk types, impact description, and response strategies and actions in a meeting held at least once every year. The Audit Office shall evaluate and review the results reported by each unit, and the supervisor of each unit then collects major risk impacts and reports to the board of directors. The board of directors also regularly reviews the effect of corporate impact management in this meeting, and the chair or independent director is responsible for impact management.



■ ShunSin's risk impacts and response strategies and actions

Risk category	Description of cause of risk	Response strategies and actions	Responsible department
Strategic and Operational Risks	<ol style="list-style-type: none"> 1. The epidemic has led to a shrinkage of business volume, or increased operating risk of rises in the cost of raw material. 2. Strategies shall be drafted again due to inflation or business recession. 3. Violation of the new Workplace Safety Act and amended environmental protection regulations: NT\$ 300,000-1,000,000 and even a risk of plant shutdown. 4. The occurrence of fire may result in penalties and operational disruption. 5. Environmental violation risks: Waste gas, wastewater, noise, and waste. 	<ol style="list-style-type: none"> 1. Launch of products related to epidemic prevention or increase of anti-epidemic functions to existing products in consideration of the epidemic. 2. Procurement of raw materials from lower-cost places or in Taiwan. <p>II. Safety response strategies and actions</p> <ol style="list-style-type: none"> 1. The enterprise implements a principal safety accountability system and an all-staff work safety accountability system. Establish a work safety committee, designate specific personnel to take charge of work safety management, and allocate safety management personnel that account for 2% of all employees. Regularly convene safety meetings, implement potential risk identification and governance, and carry out classified risk control. 2. The Company executes the management concept of "Three Autonomous, Two Publicity, and One Commitment" for fire safety, legally executes its fire safety responsibilities, strictly implements a fire safety accountability system, conducts autonomous risk evaluations, inspections of potential safety risks, and rectification of potential risks, actively implements fire prevention measures, and spares no effort to solve fire safety risks, standardizing the Company's fire safety management, and improving fire safety levels. The Company also implements a 24h duty system for the fire control room, and allocates fire protection personnel to be on duty as required. Fire protection patrols are implemented every day. 3. The Company conducts environmental protection management according to production processes, has built a sewage and wastewater treatment station, installed water drainage online monitoring facilities, allocated sewage and wastewater treatment workers, and operates environmental protection facilities: wastewater, waste gas, and noise levels are tested once every year, and treatment agreements are signed with licensed legal treatment suppliers to legally treat the hazardous waste generated in production. We also promote a waste reduction plan to reduce waste generated in the production process. 	Supply management Division Audit Office Administration Ministry of Environment and Safety

Risk category	Description of cause of risk	Response strategies and actions	Responsible department
Market Risks	<ol style="list-style-type: none"> 1. Product sales are not desirable due to a reduction in prices by competitors. 2. Packaged products do not meet customers' needs. 3. The business environment of consumer electronics is unfavorable due to shrinking economies. 4. Geopolitics: Trade wars influence clients' orders. 	<ol style="list-style-type: none"> 1. Improve efficiency, lower cost, and improve quality by relying on the improvement of automation of packaging processes. 2. Improve efficiency, lower cost, and improve quality by relying on the improvement of automation of packaging processes. 3. Actively expand potential clients in Taiwan and overseas and extend product application fields. 4. Establish a production base in Vietnam to manage geopolitical influence and provide clients with more options. 	Business Department
Financial Risks	<ol style="list-style-type: none"> 1. Interest rate risk resulting from credit loans. 2. Risk of financial losses resulting from the failure of clients or counterparties of financial instruments to perform their contractual obligations. 3. Risk of cash flow issues 4. Risk of exchange rates arising from transactions of the Company with transnational enterprises or foreign companies. 	<ol style="list-style-type: none"> 1. Simulate multiple schemes to improve and analyze the interest rate risk, including considering refinancing and other financing instruments available. 2. Select appropriate financing locations to calculate the impact of changes in specific interest rates on profit or loss. 3. Analyze clients' credit risk management and evaluate clients' credit quality. 4. The Financial Department is responsible for monitoring the cash flow needs of the Company, and predicting and assuring sufficient capital of the Company to sustain operations. Since exchange rate fluctuation are not controllable, the Financial Department assigns special personnel to conduct appropriate foreign exchange operations, lower the risk exposure of foreign exchange, and reduce the risk of fluctuations in exchange rates. 	Financial Department

Risk category	Description of cause of risk	Response strategies and actions	Responsible department
Legal Risks	<ol style="list-style-type: none"> 1. Risk of regulations established by the government for related industries, e.g., regulations on wastewater, waste emissions, etc., or restrictions of regulations related to the contents of raw materials. 2. Occupational Safety and Health Act 3. Workplace Safety Act 4. Fire Services Act 	<ol style="list-style-type: none"> 1. The Administration Department regularly reviews personnel-related regulations, and implements evaluations and audits every year. 2. The Ministry of Environment and Safety regularly reviews regulations related to environmental safety, and implements evaluations and audits every year. 3. Cooperate with a professional law firm and seek legal assistance regarding special industry regulations. 	Audit Office
Climate Change Risks	<ol style="list-style-type: none"> 1. Rise of prices of raw materials resulting from the response to climate change. 2. Rise of shipping costs of transnational sea and air transportation due to international regulations. 3. Reputational and legal risk potentially resulting laws, regulations, and other restrictions, as well as international initiatives related to carbon emissions. 	<ol style="list-style-type: none"> 1. Import raw materials that comply with standards from multiple areas to lower costs. 2. Consolidate products in the same shipping route to save costs. 3. Promote the implementation of energy conservation and emission reduction projects to lower energy consumption, introduce solar energy as an energy source to reduce carbon emissions, and purchase green electricity or carbon prices to balance the carbon emissions generated during production. 4. Use energy-saving and water-saving facilities in office areas, and advocate a policy of reducing carbon emissions. 	All Departments
Value Chain Management Risks	<ol style="list-style-type: none"> 1. Value chain management risks resulting from increased human rights and environmental protection awareness. 2. Risk of city lockdown (lockdown control) due to contagious diseases. 3. Negative impact on the environment due to the use of toxic production materials. 	<ol style="list-style-type: none"> 1. The Legal Department has the production unit execute risk reviews related to human rights every year to lower the risk of disruptions to work. 2. If the plant is shut down, clients' delivery timeframes may be missed. 3. Shutdown of work due to shortages of raw materials after city lockdowns. 4. TQC unit is responsible for annual supplier audits. 	Supply Management Division Product Research Department RF Business Division

Risk category	Description of cause of risk	Response strategies and actions	Responsible department
Occupational Safety Risks	<ol style="list-style-type: none"> Accidents due to employees' incorrect operation of machines and tools. Safety risks resulting from the physical facilities in the building or plant area of the Company. The national production list is a key unit due to the use of solvents and special chemicals. Occupational health risk: The use of organic solvents may impact operations and the enterprise reputation due to the occurrence of employees' occupational diseases. 	<ol style="list-style-type: none"> Include occupational safety training in training courses for new employees before work, and advocate relevant contents regarding fire protection capabilities, industrial safety, use of chemicals, transportation safety, and occupational health. Advocate safety conditions in the production line in posters on the bulletin board or electronic publicity screen in the plant area, and conduct spot checks on safety conditions. Regularly check whether the physical facilities of the Company (e.g., buildings, electrical appliances, etc.) are intact and free from defects, and eliminate potential safety risks in a timely manner. Execute physical monitoring for executors in the workplace, test occupational hazards every year, and evaluate the status quo of occupational diseases every three years. The Company implements occupational health and safety management, including archiving management of chemical substances used in production, annual testing of occupational hazards, implementation of pre-job, in-the-job, and post-job health checkups for employees as required, and conducts employees' occupational health and training. The Company evaluates the status quo of occupational hazards every three years, and promotes ventilation improvement in production areas and the replacement of materials with nontoxic or low-toxicity materials to improve the occupational health management level and avoid the occurrence of occupational diseases. 	Resource Management Department – Ministry of Environment and Safety

Risk category	Description of cause of risk	Response strategies and actions	Responsible department
Environmental risks	<ol style="list-style-type: none"> 1. Wastewater, air, waste gases, noise, and dangers 2. Risk of violation of relevant regulations on waste transport, etc. 	<p>The Company places great importance on environment protection and implements a green plant evaluation system. The Company has built a sewage and wastewater treatment station for wastewater generated in production, installed online water drainage monitoring facilities, and allocated sewage and wastewater treatment workers to operate and maintain environmental protection facilities. We also test waste water, waste gas, and noise once every year.</p>	Resource Management Department – Ministry of Environment and Safety
Information security and personal information risks	<ol style="list-style-type: none"> 1. Risk of leaks of client data 2. Establishment of a personal data confidentiality system for maintenance and warranty processes. 3. Risk of leaks of business secrets and confidential documents (including physical documents). 4. Hackers may attack external websites or internal systems to steal confidential information. 	<ol style="list-style-type: none"> 1. The Management Information System Division regularly reviews the back-end of the official website and internal system to check for hackers, security breaches, and viruses. 2. Personal data is collected to a minimal extent in the maintenance and warranty processes to improve users' confidence. 3. Maintain the confidentiality of the contents of confidential documents inside and outside the Company and implement the labeling and classification of degrees of secrecy. 4. The computers used by each employee in the Company shall be installed with anti-virus software and uniformly evaluated and purchased by the Information Management Department. 5. A professional consulting company has been entrusted to advise on the Company's information security system and assist with improvements. 	Management Information System Division

Information Security and Personal Information Risks

Information Security Policies

To improve information security management of the Company, the Information Management Department is responsible for reviewing the information security governance policies of each unit and supervising information security management operational status for an all-round information security protection mechanism, to improve employees' awareness of information security, to regularly evaluate and report information security risks to the information security officer through accurate management, planning, supervision, guidance, and promotion by the professional information security unit.

The Company's Management Information System Division takes charge of making overall arrangements, and managing, supervising, and guiding information security matters. Relevant information services provided by the Information Management Department and other departments of the Company are determined as the main scope of work. The Company also conducts regular information security tests, including vulnerability scanning and reviews of the effectiveness of the protection system. Relevant courses regarding the advocacy, education, and training of information security are also provided. A safe information security environment is provided by the Information Management Department and the execution of information security policies.

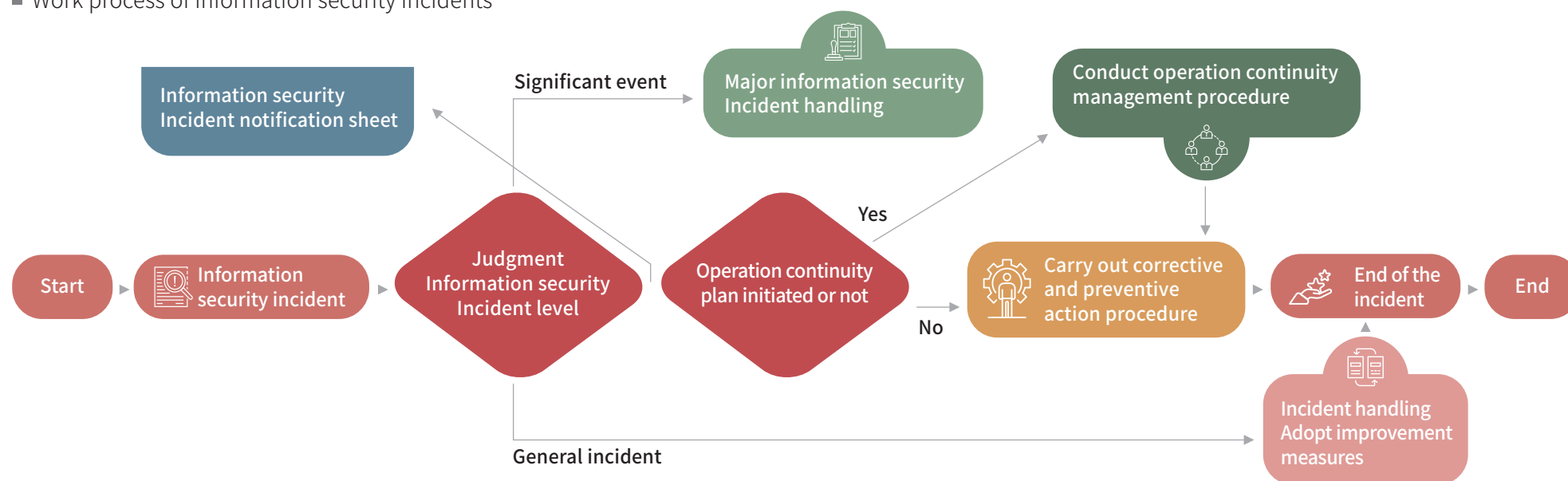
The Company regularly reviews information security policies to reflect the latest development status of government laws and regulations and techniques, and ensures the effectiveness of practical information security work.

■ Information security control policies of ShunSin Technology

Measures	Description
Backup of Archives	Each system corresponds to different server grades in accordance with the degree of importance. Daily, weekly, and nonlocal backups will be carried out according to the degree of importance to quickly restore systems and control data losses within a certain limit. Restoration drills are also carried out every month to ensure the responsive resilience of information security incidents.
Patch Management	Patch management is executed on a quarterly basis. Most infringements can be prevented by relying on patch management in principle. Therefore, the updating of programs and anti-virus software of each computer is also monitored to practically implement vulnerability management work.
Network Control	<p>Personal computers are not provided with an external connection function (and restriction measures addressing access of mobile storage devices are also taken). Those with special job requirements shall apply for a review (targeted at the applied content and websites). Even if the application passes review, the ability to upload documents will be restricted and monitored.</p> <p>When sending outgoing emails, addresses are reviewed first. After the address review is passed, the contents of mail will be reviewed by an authorized person first before they can be sent.</p>

Measures	Description
Management of Remote Connection	There is an access restriction in remote connections depending on level. A review is also conducted in advance. The download function of internal data is locked.
Personal Equipment Control	Employees and collaborative suppliers are prohibited from bringing in information security control equipment. Special requests shall be applied for in advance and reviewed by the authorized supervisor before such equipment can be brought in. When such equipment is brought in or out, information security personnel shall check the anti-virus system and data to ensure the Company's information security is not at risk.

■ Work process of information security incidents



Personal Data Management Policy

The personal data management policy is intended to guarantee that the Company's confidential information, business secrets, and personal data are properly protected and that information security protection capabilities can be continually strengthened. In addition to abiding by international information security standards, information security work shall also comply with relevant local and foreign laws, regulations, and specifications, and confidential information protection work shall be promoted, including:

- 1 Advocating the concept and observation of confidential information through daily work.
- 2 Implementing employees' education and training to improve their awareness of information security. In addition to including content concerning the control of confidential information in required training courses for new employees, the Company also provides a two-hour information security training for new employees with a completion rate of 100%. Annual training plans are also provided for in-service colleagues to strengthen information security awareness.
- 3 Advocating that employees shut down computers and monitors when leaving their seats or leaving work for the day. When employees leave their desks temporarily, they should lock the screen to enable password protection to protect important data from being spied upon by persons with mal-intention.

Personnel of the Information Management Department of the Company regularly review whether the servers used to store the personal data of employees and clients have been attacked or if data has been stolen. Personnel control in the computer room is also strengthened to prevent important personal data leaks.



03

Supply Chain Management

Sustainable Value Chain

Sustainable Procurement

Risk assessment of Suppliers

Evaluation & Audit of Supply Chain

Customer Service

Sustainable Value Chain

ShunSin emphasizes the research and development of chip packaging tests and manufacturing of chips. The chip industrial chain belongs to suppliers. Key raw materials including IC substrates, electronic components, mechanical parts, solder paste and compounds, as well as packaging materials, are purchased from upstream. Through manufacturing in production facilities and packaging testing, relevant goods are shipped to downstream chip design suppliers. In 2022, no significant change occurred to the business relationships of the Company's supply chain with upstream and downstream suppliers and clients.

For the purpose of implementing supply chain management, ShunSin has not only required continual improvement in business areas, including chip packaging tests, and strengthened the cooperative relationships with upstream, midstream, and downstream supply chains, but also continually promoted the improvement of ESG matters with suppliers and contractors. Furthermore, relying on regular communication of management, independent evaluations, management audits, and experience sharing, the Company expects major suppliers and contractors to cooperate, strengthen partnerships, promote higher-quality products and services, and create better sustainable value together.

■ Management Status of Material Topic "Supply Chain Management" of ShunSin in 2022

Material Topic	Supply Chain Management
Corresponding GRI Index	GRI 204-1、308-1、414-1
SDGs Principle	SDG 17
Policy and Commitment	By signing the Undertaking of Environmental Protection and Social Responsibility, Letter of Quality Guarantee, and Supplier's Undertaking with suppliers, the Company assures product quality, and partners with suppliers in performing their social responsibility together.
Metrics and Targets	Short-term goal: <ul style="list-style-type: none"> Supplier OTD (On Time Delivery) to reach 100%. Medium term goal: <ul style="list-style-type: none"> Screen the top five suppliers regarding the total amount according to two metrics, LT (Lead Time) and Cost (total import amount), to deepen partnerships. Long term goal: <ul style="list-style-type: none"> The ratio of long-term stable suppliers to reach 80%.
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> Quarterly scoring of suppliers (Prices, delivery conditions, supply chain support and services) Audit of new eligible suppliers Supplier audit Employee appeal channels in the supply chain
Annual action and measure	<ul style="list-style-type: none"> Improvement is required when the plant evaluation standard is less than 75 points. Eligible suppliers will be disqualified if they fail an audit three times. If the quarterly score is less than 90 points, relevant improvement measures shall be taken to address specific items, and feedback shall be given to the Procurement Department and QA Department.

Suppliers Management Strategies

ShunSin has drafted the Operating Procedure for Supplier Selection, Evaluation, and Management for eligible suppliers to strengthen the sustainable management of the supply chain, and carries out annual evaluations and irregular audits of suppliers based on this procedure. The evaluation group is responsible for written and field evaluations. The Company evaluates suppliers to be included in onsite audits according to four essential items – quality, price and transaction terms, supply chain support, and technical support. An audit group comprising personnel from the QA Department, Procurement Department, and RD unit conducts onsite audits of suppliers who comply with audit screening standards, including "Single Supplier", "ratio of the transaction amount of supply volume above 80" and "industrial safety accident/quality defects". For other suppliers, the QA Department is responsible for conducting field and written audits.

In 2022, onsite audits were planned for 10 suppliers, and written audits for 29 suppliers, which the Company followed with a completion rate of 100%. No major defects or risks were found in the evaluation results of the audit. If suppliers fail to standardize the upper and lower limits of process operation data, define the control of return of finished products, or other defects are found, they must respond within improvement measures within five working days after the audit in accordance with the provisions of the Company.

Sustainable Procurement

For our key operating points (including operational boundary mentioned herein), procurement is also mainly implemented in mainland China to reduce carbon emissions from long-distance transportation and to support local business development. In 2022, procurement expenditure in mainland China accounted for more than 5% of total expenditure. In the future, ShunSin will continue to maintain this procurement level, further evaluate the feasibility of the expansion of ratio of local procurement, and establish specific targets.

In recent years, in addition to the continual promotion of environmental protection and energy conservation policies, ShunSin has also encouraged each unit to use energy-saving and environmentally friendly products, e.g., energy-saving facilities (e.g., frequency converter, high-efficiency IE3 motor, explosion-proof LED lamps, air conditioning units, and UPS system), environmental labels, energy-saving labels, water-saving labels, and other related products.

■ ShunSin local purchase spending proportion in the past three year

Unit: Thousand NT\$

Year	2020	2021	2022
Local purchase amount	60,653	247,896	230,110
Total purchase amount	1,601,303	1,824,772	230,110
Proportion of local purchase	4%	14%	16%

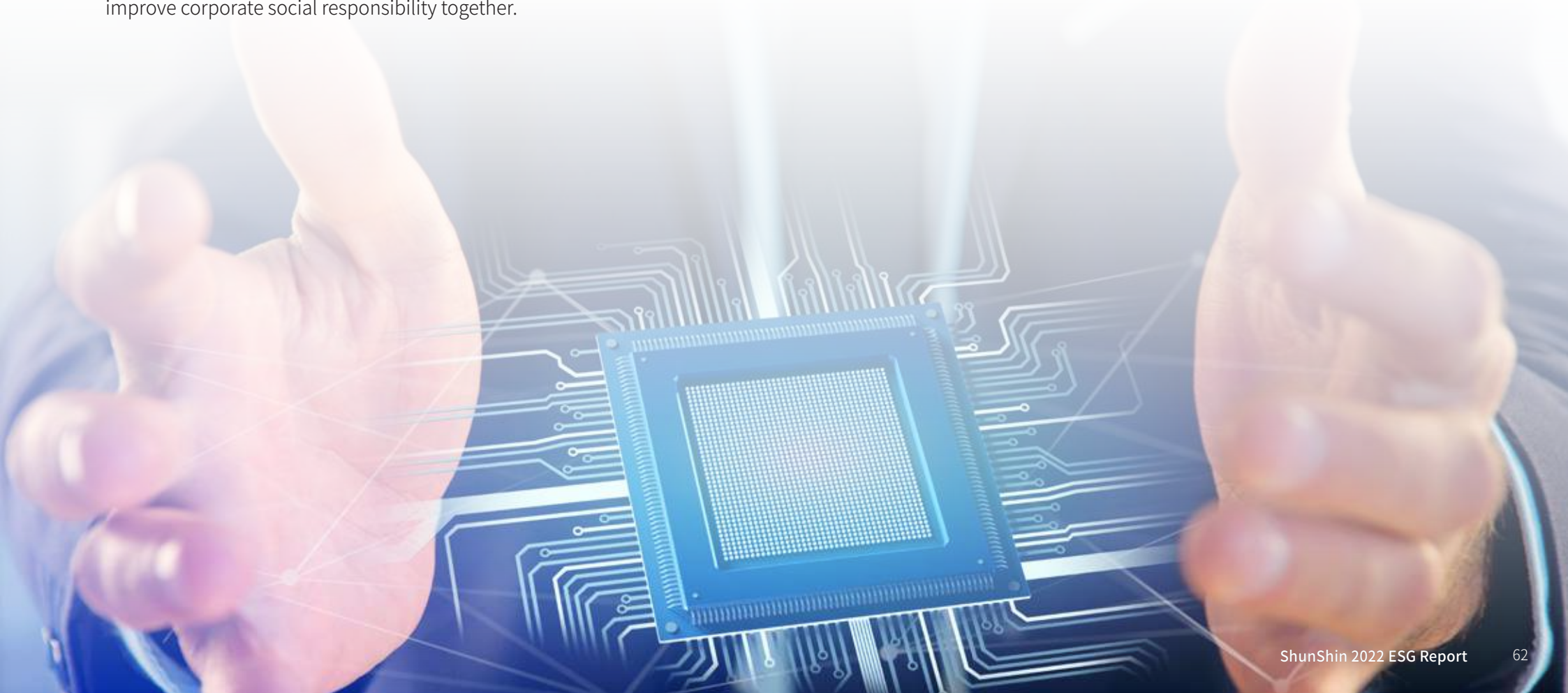
■ ShunSin local raw material purchase spending proportion in the past three year

Unit: Thousand NT\$

Year	2020	2021	2022
Green purchase amount	8,466	515,289	579,502
Total purchase amount	1,601,303	1,824,772	1,434,485
Proportion of green purchase	1%	28%	40%

Risk assessment of Suppliers

To spread risk and continually improve overall supply chain quality, ShunSin requires some suppliers to establish the Operating Procedure for the Recognition of Supplier Qualifications and Assessments according to RBA requirements, and include this policy in suppliers' necessary procurement management items. To this end, ShunSin requires all suppliers to sign the Undertaking of Environmental Protection and Social Responsibility, the Supplier's Undertaking, Letter of Quality Guarantee, Statement of Use of Hazardous Substances, Declaration of No Use of Conflict Minerals, Statement of Labor Human Rights, and Undertaking of Integrity, Incorruption and Confidentiality to ensure the compliance of products or parts supplied by them, corporate governance, and workers' human rights in line with the ESG strategy of the Company. ShunSin will actively assist and coach suppliers who fail to meet our requirements to implement relevant improvement plans, make improvements in employee health and safety, human rights, and corporate social responsibility, and reduce supply chain risks. If any supplier violates related regulations, the Company may propose termination or revocation of contracts with this supplier. We aim for our supplier partners to improve corporate social responsibility together.



Environmental Risks

— All suppliers of main raw materials passed ISO 14001 certification.

To lower the impact of environmental risks, ShunSin continually requires suppliers of main raw materials to pass the ISO 14001 Environmental Management System verification. In 2022, we conducted impact evaluations of environmental risks for 39 newly contracted suppliers of main raw materials who conducted actual transactions with us; all 39 suppliers passed the ISO 14001 Environmental Management System verification, accounting for 100% of newly contracted suppliers. It was evaluated and confirmed that all suppliers of main raw materials did not cause major material or potential negative environmental impacts.

— All suppliers signed and returned the Statement of Use of Hazardous Substances.

ShunSin requires all suppliers to sign the Use of Hazardous Substances to promise compliance of products and parts supplied, including product accessories, packaging materials, and other accessories related to product delivery. If any supplier violates related regulations, the Company may propose termination or revocation of contracts with this supplier to avoid using products that are potentially dangerous to human health and the environment. In 2022, all 39 new suppliers of ShunSin signed and returned the Use of Hazardous Substances; a response rate of 100%.

Social Risks

— 100% conflict-free minerals

ShunSin requires suppliers not to use conflict minerals to ensure that the minerals used in its products, such as tantalum (Ta), tin (Sn), tungsten (W), gold (Au), and cobalt (Co), will not bring profits to armed conflicts. If any supplier uses any of the aforesaid minerals, it shall disclose the source of this mineral. In 2022, ShunSin investigated 39 new suppliers with a response rate of 100%. None had a risk of use of conflict minerals.

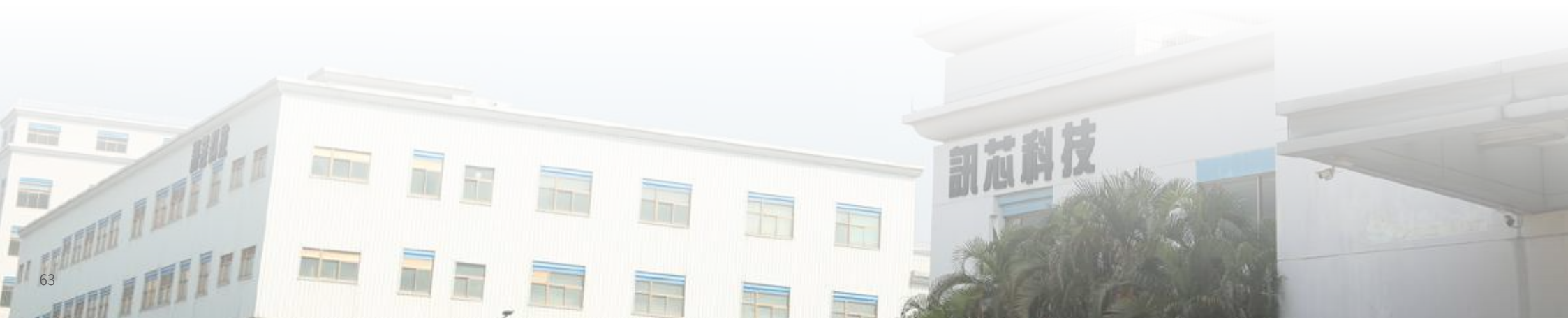
— All suppliers signed and returned the RBA Statement.

The Company required 183 suppliers with actual transactions to sign the RBA Statement, and all 183 responded. The Company will conduct onsite audits of suppliers who do not sign the statement in the future to avoid a potential negative impact on society and human rights. In 2022, it was confirmed that no supplier caused a under major material or potential social impact.

Governance Risks

— All suppliers of main raw materials signed the Undertaking of Integrity, Incorruption and Confidentiality.

All 39 new suppliers of ShunSin must sign the Undertaking of Integrity, Incorruption and Confidentiality. In 2022, 39 suppliers signed and returned this undertaking, and complied with relevant standards to become eligible suppliers following evaluation and approval.



Evaluation & Audit of Supply Chain

Evaluation of Suppliers & Contractors

ShunSin learns about the execution status of regulations of our partners by visiting and communicating with suppliers and contractors to ensure or remind them of the importance of following regulations. The Company evaluates suppliers and contractors periodically. After evaluation, the results are classified into level A, B, C, or D. Suppliers rated as level D are disqualified and required to make improvements within a certain time limit, otherwise we will no longer cooperate with them.

We adjust the ratios of supplier evaluation items in consideration of the degree of materiality of operational impact. In 2022, the supplier evaluation items and ratios of the Company included: 35% for quality assurance, 25% for price and transaction terms, 20% for supply chain support and 20% for technical support. Suppliers with a score exceeding 80 points are rated as eligible suppliers. The results of supplier evaluations over the past three years are as follows:

■ Supplier & Contractors Evaluation Results for the Past 3 Years

(Unit:%)

Suppliers	Grade	2020	2021	2022	Suppliers	Grade	2020	2021	2022
Suppliers	A Level	86%	68%	80%	Contractors	A Level	50%	63%	83%
	B Level	13%	32%	20%		B Level	50%	32%	17%
	C Level	1%	0%	0%		C Level	0%	5%	0%
	D Level	0%	0%	0%		D Level	0%	0%	0%

Audit of Suppliers & Contractors

To ensure that all supplier partners meet the relevant requirements of ShunSin regarding human rights, occupational safety, and environmental protection measures, and in accordance with the supplier risk management mechanism of ShunSin, 29 high-risk suppliers were selected for onsite audit in 2022. There were five defects in total with a defect improvement rate of 100%.

According to the audit findings, the high-risk factors of supplies generally fall within "Occupational Health and Safety" and "Emergency Response". These high-risk factors easily occur to highly labor-intensive suppliers. As for the improvement of occupational health and safety defects, the Company adopts the management methods of continual monitoring and supplier assistance, and requires non-conforming suppliers to establish an appropriate "spot check" mechanism, and report their implementation performance to ShunSin on a monthly basis to lower the potential risks and implement continual improvement with the goal of complying with local regulations and the minimum requirements of the RBA.

Supplier & Suppliers Audit for the Past 3 Years

Manufacturer categories		Supplier		
Audit Methods		2020	2021	2022
Onsite audits	Number of estimated onsite audits	5	7	10
	Number of actual audits	5	7	10
	Achievement rate	100%	100%	100%
Written audit	Number of estimated onsite audits	28	32	29
	Number of actual audits	28	32	29
	Achievement rate	100%	100%	100%

Customer Service

■ Management Status of Material Topic "Customer Relationship Management" of ShunSin in 2022

Material Topic	Customer Relationship Management
Corresponding GRI Index	Custom theme
SDGs Principle	SDG 17
Policy and Commitment	Actively listen to the voice of the customer, exceed their expectations, and promise to continually provide excellent serviceability to create a win-win cooperation with them.
Metrics and Targets	Short-term goal: <ul style="list-style-type: none"> ■ Satisfaction of main clients to reach the target of 85%. Mid-to long term goal: <ul style="list-style-type: none"> ■ Maintain the satisfaction of main clients at >85%.
Effectiveness Tracking Mechanism	Acquire issues, evaluations, and requirements concerning clients through the regular KPI performance tracking inside the Company and irregular client meetings and visits, and continue to improve client satisfaction through quality improvement projects and management review mechanisms.
Annual Action Plan and Measures	<ul style="list-style-type: none"> ■ Establish New Product Introduction (NPI) to strengthen the risk evaluation in the design of new products. ■ Improve the yield and quality of volume production through Continuous Improvement Projects (CIPs). ■ Confirm requirements planning with clients on a regular basis (monthly/quarterly) to implement production capacity evaluations and improvement. ■ Establish a regular quality meeting (weekly/monthly) communication channel, and satisfy clients' requirements for product engineering and quality through continual improvement. ■ Visit clients or downstream terminals on an irregular basis to learn about market changes in a timely manner and take corresponding countermeasures to realize a win-win.

Customer Satisfaction Survey

ShunSin deems feedback from clients as an important foundation for improving client relations. We learn about clients' needs through multiple channels. Clients' opinions are regularly reviewed and analyzed on a regular basis and appropriate improvement plans are proposed to construct a complete client requirement response procedure. In 2022, the average satisfaction of clients of ShunSin reached 86.5%.

With respect to improving client satisfaction, we manage client satisfaction through regular/irregular communications and aim to get positive feedback. Through rigorous investigation design, we accurately evaluate client satisfaction of ShunSin's products and services.

Client Satisfaction Management Methods of ShunSin Technology

- Strengthen the risk evaluation of new product design by establishing a NPI organization to satisfy clients' needs for quick imports of new products.
- Continually carry out CIPs involving engineering and quality, improve yield and quality of volume production, and reduce occurrence of defects and client complaints.
- Confirm requirements plans with clients regularly (monthly/quarterly), conduct production capacity evaluations and improvement, and ensure deliveries meet agreed timeframes.
- Establish regular quality meeting (weekly/monthly) communication channels to satisfy clients' requirements for product engineering and quality through continuous improvement.
- Visit clients or downstream terminals on an ad-hoc basis, learn about market changes in a timely manner, take responsive measures, and realize win-win cooperation.



Customer satisfaction surveys are included in the Customer Service Department's KPIs as itemized indexes. As well as surveys, comprehensive evaluations are carried out. The total score is 100, and the achievement status of the KPIs of each unit of ShunSin and results of surveys account for 20% respectively. The average score of customer satisfaction in the past three years has been maintained at 85 points, showing that most customers were satisfied with the services provided by ShunSin. We will continue to refine the client service mechanism and meet clients' requirements.

■ ShunSin's Customer Satisfaction Survey Results

Category of investigation	Ratio	Itemized index of each unit
Achievement of KPIs of the QA Department	20%	SCAR ¹ 、RMA ² 、FQA ³ Reject
Achievement of KPIs of the R&D Department	20%	Sample Performance ⁴
Achievement of KPIs of the Manufacturing Department	20%	Yield Performance ⁵
Achievement of KPIs of the Division of Supply Chain Management	20%	OTD ⁶ and additional freight
Customer's QBR score or questionnaire	20%	Scord card

Notes:

1.SCAR : Supplier Corrective Action Request

2.RMA : Return Material Analysis

3.FQA : Final Quality Assurance

4.Sample performance : Including sample yield, sample life cycle, etc.

5.Yield performance : Product yield

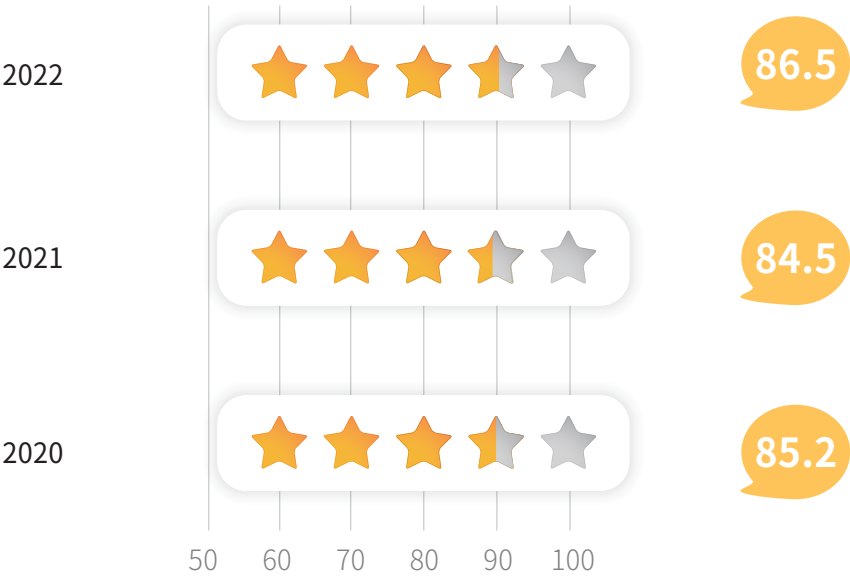
6.OTD : On Time Delivery;



■ ShunSin's Customer Satisfaction Survey Results of the Past 3 Years

Year	2020	2021	2022
Returned quantity	7	6	6
Return Rate	100%	100%	100%
Average Customer Satisfaction Scores	85.2	84.5	86.5

Trends of the average satisfaction score of main clients



04

Environmental Protection

Task Force on Climate-related Financial Disclosures (TCFD)

Energy Management

GHG Emissions

Water Resource Management

Waste Disposal

Task Force on Climate-related Financial Disclosures (TCFD)

In recent years, the frequency of climate change-induced disasters has been increasing. To proactively address climate-related disasters and prevent potential financial losses, we have adopted the climate-related financial disclosure recommendations developed by the Task Force on Climate-related Financial Disclosures (TCFD), a global organization established by the Financial Stability Board (FSB) in 2015. We voluntarily disclose our company's proposed policies and preventive measures in response to climate-related risks and appropriately disclose the financial impact caused by such risks. Furthermore, after taking effective climate adaptation and disaster recovery measures, we identify opportunities to ensure profitability and strengthen our company's climate resilience in order to cope with the subsequent climate disasters that may arise.



■ Management Status of Material Topic "Climate Change Adaptation" of ShunSin in 2022

Material Topic	Climate Change Adaptation
Corresponding GRI Index	GRI 201-2、302-1、302-3、302-4、302-5、305-1、305-2、305-3、305-4、305-5
SDGs Principle	SDG 13
Policy and Commitment	With respect to environmental sustainability, ShunSin promises to conduct energy and greenhouse gas emission management in accordance with four major policies under "Energy Conservation, Emission Reduction, Greening, Circulation" to lower environment impact during operations and growth.
Metrics and Targets	<p>Short-term goal:</p> <ul style="list-style-type: none"> Pass the ISO 14064-1: 2018 Greenhouse Gas Inventory standard in 2023. Establish the energy-saving objective of carbon reduction by 5.63% in 2023 in alignment with the Company's carbon objectives. Identify climate risks and increase the risk management mechanism. <p>Mid-long term goal:</p> <ul style="list-style-type: none"> Continue to eliminate energy-saving equipment and improve energy savings. Optimize the scheduling of production lines, improve personnel's production efficiency and equipment activation rate, and lower energy consumption.
Effectiveness Tracking Mechanism	<p>ShunSin operates an energy management system, carries out internal audits and management reviews every year, implements audits from an external system audit agency, and continuously conducts energy conservation and emission reduction. ShunSin specifically manages internal energy and carbon emissions through the following methods, and identifies climate risks and opportunities to lower the impact of operation on climate:</p> <ul style="list-style-type: none"> Verification of ISO 14064-1: 2018: Carries out greenhouse gas inventory and verification every year, invites a third-party verification agency for verification, and ensures the validity of greenhouse gas management. Task Force on Climate-Related Financial Disclosures (TCFD): Through the TCFD structure, ShunSin identifies risks and opportunities potentially caused by climate change to strengthen operational resilience.
Annual Action Plan and Measures	<p>In 2022, ShunSin manages the climate responsive actions of the Company through "Identification of Risks and Opportunities", "Energy Reduction", and "Greenhouse Gas Inventory". The results are as follows:</p> <ul style="list-style-type: none"> Energy reduction: Through setting carbon operation targets, the annual energy-saving target of the Company reached 5,375.44GJ in 2022, down by 499.05GJ compared with 2021. Energy reduction: Through setting carbon operation targets, the annual energy-saving target of the Company reached 5,375.44GJ in 2022, down by 499.05GJ compared with 2021. In 2022, the Company began to introduce the TCFD, and plans and regularly reviews relevant risks and opportunities.

TCFD Four Core Elements

■ Core Elements of TCFD

Core Elements	Action Plan
Governance	<ul style="list-style-type: none"> — The Stock Affairs Section of ShunSin convenes relevant members of the ESG preparation group to discuss the potential impact of each issue on the organization internally and externally as needed, including identification and evaluation of climate change risks and response to climate impact. After climate-related impacts are identified, relevant meetings are held with senior officers to study and discuss climate-related risks and opportunities. In consideration of potential hazards caused by risks, relevant suggestions and measures for improvement are proposed to adapt to and mitigate climate finance risks and find corresponding climate finance opportunities. — The Sustainable Development Promotion Center /Corporate Governance Officer reports relevant ESG achievements each year to the board of directors, and the board of directors confirms short-term and long-term targets, including issues related to climate change.
Strategy	<p>By incorporating the potential impacts of climate change into overall business considerations, we assess the probability and extent of risks and develop action plans for risk response and mitigation. Based on the areas of the business, risk strategy, and financial planning, we identify physical and transitional risks and opportunities. Through scenario modeling of potential climate-induced financial impacts in the future, we proactively develop action plans for risk response, mitigation measures, and crisis management mechanisms, including actively promoting green energy and environmental protection policies, driving the supply chain to implement low-carbon manufacturing transformation, expanding the use of renewable energy sources, developing innovative carbon reduction technology, and comprehensive reducing carbon footprint in corporate operations and the production and sales of products. For the purpose of responding to the impact of global climate change and greenhouse effect, the Company promotes energy-saving management in offices and work areas, waste reduction, and green procurement, purchasing products with energy-saving and environmental protection labels, and practically implements energy conservation and carbon reduction according to the requirements of government laws and regulations, in addition to energy-saving and carbon reduction measures.</p> <p>The main short-term, medium-term, and long-term risks and opportunities of the Company are shown in "Financial Impact of Climate-related Risks & Opportunities".</p>

Core Elements	Action Plan
Risk management	<p>In order to identify and assess significant impacts of climate risks on our business operations, we incorporate climate risks into our risk management system. The ESG Project Team/Audit Unit regularly assesses climate risks to evaluate their impact on our financial activities, which serve as the basis for policy development and goal-setting. We also establish comprehensive climate management procedures, including the steps of identification, assessment, management, recovery, and adaptation, all of which are monitored by the Audit Unit.</p>
Goals and Targets	<p>We are aware of the impact and risks of climate change, and to mitigate such negative impact, we have a set of indicators and goals to help us manage the risks and opportunities brought by extreme weather.</p> <p>Energy Efficiency and Carbon Reduction: We are committed to taking energy efficiency and carbon reduction measures as part of our medium to long-term plan. Our goal is to achieve a 22.5% reduction in carbon emissions by 2050, using 2020 as the baseline year. The primary measures we undertake include:</p> <ul style="list-style-type: none"> — Electricity: We implement lighting equipment that meets energy efficiency standards and carries eco-friendly labels. We ensure that the air conditioning and lighting in unoccupied meeting rooms are switched off, only essential lighting in offices and public areas during lunch breaks are turned on. We are also constructing phase 3 of the solar power station and replacing original air compressors with more efficient ones to save 3% of electricity consumption each year. This year alone, the actual achievement rate reached 12%. — Water: We not only promote water conservation, but also take action by regulating the output of faucets and replacing faucets and water closets with Water Efficiency Labeled parts and products. Concentrated water used will be recycled to save 1% of water consumption each year. This year alone, the actual achievement rate reached 28%. — Waste Management: We promote waste reduction policies and encourage the efficient use of office documents and paper by implementing double-sided printing and reusing paper whenever possible. The photocopy paper we use is sourced from brands with green pulp certification. It is expected that the waste will be reduced by 2% every year. In this year, the actual achievement rate reached 3%. — Greenhouse gases: Greenhouse gas emissions in 2022: 511.51tCO₂e in Scope 1 (Category 1); 22,249.67tCO₂e in Scope 2 (Category 2); 7,969.79tCO₂e in Scope 3 (Categories 3 and 4). Due to the effective implementation of the energy conservation policy, energy was saved and carbon emissions were reduced compared to base year of 2020. The Company periodically tests and manages greenhouse gas emissions of categories 1-6 to plan energy-saving strategies and actions, and advocate for international greenhouse gas emission and global warming reduction.

Financial impact of Climate-related Risks & Opportunities

After risk assessment, our company has analyzed the financial impacts of climate change and identified the annual adaptation measures. The disclosure of "Climate-related risks and financial impacts" and "Climate-related opportunities and financial impacts" is as follows:

Category	Climate related risk	Impact period	Description of Risk Content	Potential financial impact	Adaptation and mitigation measures
Transitional risk	Policy and Legal Risk				
	Standard of energy saving product	Long-term	According to the Renewable Energy Act's provisions for large electricity consumers that came into effect in 2021, electricity consumers with a contracted capacity of 5,000 kW or above are required to self-generate 10% of their electricity from green sources within 5 years.	Increased energy costs	Reduction of the use of regular energy sources by constructing a solar power station. The solar power station already constructed by the Company has a capacity of 1.575Mw. The capacity of phase 3 of the solar power station planned will reach 0.335Mw.
	Local regulation	Medium / Long-term	Taiwan "Climate Change Response Act"	<ul style="list-style-type: none"> Higher carbon cutdown cost Penalties may be incurred. 	<ul style="list-style-type: none"> After carbon inventory verification in response to government laws and regulations, we will put in place a carbon emission schedule. Equipment in production lines will be updated or optimized, and machines with high energy consumption will be replaced with energy-saving products.
	Market Risk				
	Change in market demand	Short-term	Due to the change in market demand, sales of commodities sold by the Company for a long time were unfavorable since they failed to comply with of energy conservation and carbon reduction trends.	Sales of the commodities were unfavorable, resulting in the reduction of profits.	The products of the Company continually respond to sustainability-related issues, and we adjust production strategies in coordination with clients' needs. Therefore, we were not influenced by relevant policies, and in the future, we will actively adjust our production strategies in response to policy changes.
	Enterprise reputation	Long-term	The effect of carbon reduction cannot fulfill expectations from investors and stakeholders, and consequently investors have doubts, and the reputation of the enterprise is damaged.	More cost and time shall be dedicated to the Company's reputation to reduce the possibility of loss of orders from clients.	Phase 3 of the solar power station has been constructed. In the future, the Company may plan to purchase carbon credit to strengthen the carbon reduction performance of ShunSin, and enhance investors' confidence.

Category	Climate related risk	Impact period	Description of Risk Content	Potential financial impact	Adaptation and mitigation measures
Physical risk	Acute Risk				
	Typhoon. Flood e.g., extreme weather	Short-term	<ul style="list-style-type: none"> Loss potentially caused to equipment, machines and tools, personnel, plant, etc. Impact on workforce attendance. Disruption in transportation and potential loss of goods. 	<ul style="list-style-type: none"> A budget for insurance expenses shall be prepared every year. Production capacity and delivery period impacted. Loss of equipment due to power failures. 	<ul style="list-style-type: none"> UPS framework Disposal measures needed upon the occurrence of regular drills. Disposal measures needed upon the occurrence of regular drills. Purchase commercial property insurance and conduct a risk survey of the plant area to reduce risks.
	Chronic Risk				
	Changes in rainfall patterns	Medium-term	<ul style="list-style-type: none"> Flooding Drought 	<ul style="list-style-type: none"> Attendance rate of personnel affected. Production capacity and delivery period affected. Purchasing of machines and tools including sandbags and water pumps. Purchasing of water in advance to increase manufacturing costs. 	<ul style="list-style-type: none"> The Company has built a 1,200t impounding reservoir for reserve. The Company has built a sand pit with a capacity of 1m³ for emergency response. The roads in the plant area of the Company are 50cm higher than public roads. The elevation of the plant was designed at 150cm higher than that of the roads in the plant area to mitigate the risk of flooding.

Category	Climate related risk	Impact period	Description of Risk Content	Potential financial impact	Adaptation and mitigation measures
Physical risk	Annual increase in average temperature	Long-term	<ul style="list-style-type: none"> Reduced service life of instruments and equipment AC requires better cooling ability 	<ul style="list-style-type: none"> Increase of equipment purchasing expenditure and electricity fees. Production capacity affected by employees' changing mood. 	<ul style="list-style-type: none"> Introduce energy-saving and energy-saving measures for central air conditioning water storage. Utilize the price differences of peak, plain, and valley electricity to save approximately 3% in electricity fees. Improve energy efficiency to save approximately 2% in electricity fees. Provide employees with a comfortable production environment.



■ Climate related opportunities and financial impact

Category	Climate related opportunities	Potential financial impact	Reaction
Resource efficiency	<ul style="list-style-type: none"> ■ Paper and waste recycling ■ Transitioning to more energy-efficient electrical appliances ■ Water conservation ■ Circular economy ■ Green building ■ Laws and standards of energy-saving products 	<ul style="list-style-type: none"> ■ Reducing expenditure on consumables ■ Reducing energy consumption and carbon emissions ■ Lowering water costs ■ The circular economy makes products more sustainably sellable. ■ Subsidies for the purchase of energy-efficient appliance ■ Subsidies for the production of energy-efficiency products 	<ul style="list-style-type: none"> ■ Install relevant energy-saving equipment, e.g., LED lamps, etc. ■ Install a shutdown device on equipment when production is halted. ■ Import electronic forms to reduce paper consumption, and use the back of scrap paper. ■ Establish energy efficiency standards for electrical appliances and prohibit the purchasing and use of equipment with high energy consumption. ■ Use water-saving utensils, check leakage points, and calculate losses using a water balance diagram. ■ Recycle concentrated water to reduce tap water consumption. ■ Use LED lamps which are energy-saving and environmentally friendly. ■ Use equipment with an energy efficiency level of two or above to reduce power consumption. ■ The air-conditioning in the offices is controlled in different areas and at different time intervals.
Energy source	<ul style="list-style-type: none"> ■ Use of low-carbon energy ■ Self-production of low-carbon energy and renewable energy projects ■ Adoption of energy-saving measures ■ Energy substitution/diversity 	<ul style="list-style-type: none"> ■ Reducing carbon emission and saving costs ■ Use of self-produced green electricity and sell residual electricity ■ Increasing energy efficiency to decrease operational costs: ■ Use of diversified energy sources to strengthen the resilience of energy supplies. 	<ul style="list-style-type: none"> ■ Use of solar energy to generate electricity for production. ■ Energy conservation and emission reduction as well as energy conservation audits. ■ The capacity of the solar power station already constructed was 1.575Mw. Phase 3 of the solar power station with a capacity of 0.335Mw has already been planned.

Category	Climate related opportunities	Potential financial impact	Reaction
Product and service	<ul style="list-style-type: none"> Give instant feedback to climate change risks. Stay updated with the latest information and improve service quality. Develop and/or increase low-carbon commodities and services, and develop climate adaptation and insurance risk solutions. R&D and innovation of new products and services 	<ul style="list-style-type: none"> Provide volatile and diversified services and commodities, comply with market demand, and improve corporate reputation and awareness to generate business opportunities for new products or new services and increase operating revenue. 	<ul style="list-style-type: none"> Actively expand commodities in different fields, including automobile, communication, and medical treatment, and provide all-around services through professional packaging and optical techniques.
Markets	<ul style="list-style-type: none"> Develop new markets. Set foot in new industries. 	<ul style="list-style-type: none"> Research and develop new products with green energy technology to expand new markets. 	<ul style="list-style-type: none"> Strengthen the green conduct of the Company and find opportunities to set foot in green products and markets.
Resilience	<ul style="list-style-type: none"> We are systematically associating climate risks with corresponding mitigation strategies to enhance our company's resilience. 	<ul style="list-style-type: none"> Build resilience against climate change to abate subsequent losses and disruption to supply chains. 	<ul style="list-style-type: none"> Strengthen relevant knowledge of the board of directors and the senior management on climate change through professional course training and coaching, and deepen response to climate risks to each aspect of the plant from top to bottom to improve the resilience of ShunSin against climate change.

Energy Management

The energy sources used by ShunSin mainly include purchased electricity, natural gas, and solar energy (a renewable energy source). In 2022, the total energy consumption of ShunSin Technology reached 144,558.16GJ, including 137,416.12GJ of purchased energy and 5,747.10GJ of renewable energy. We also promote the use of energy-saving equipment, actively introduce renewable energy for electricity generation, and are replacing and updating equipment to demonstrate the determination of ShunSin in energy management.

■ Internal energy consumption of ShunSin (Scope 1 + Scope 2)

(Unit:GJ)

Type of energy		2020	2021	2022
Non-renewable energy	Outsourced electricity	126,316.55	158,508.86	137,416.12
	Diesel fuel	0	0.45	0
	Natural gas	1,433.74	1,596.99	1,394.94
	Total	127,750.29	160,106.30	138,811.06
Renewable energy	Solar energy	3,489.91	3,692.49	5,747.10
Energy consumed		131,240.20	163,798.79	144,558.16
Annual output of products (Unit: NT\$ 10,000)		51,835.6911	58,318.0523	37,811.6925
Intensity		2.532	2.809	3.823

Notes:

- 1.The energy coefficients have been used with reference to the General Rules for the Calculation of Comprehensive Energy Consumption released by mainland China as well as data released by the Department of Climate Change, Ministry of Ecology and Environment of the People's Republic of China.
- 2.The formula for energy intensity is: Energy consumption (kgce) / Annual output of products (Unit: 10,000PCS)

Energy Conservation and Carbon Reduction

In 2022, the Company introduced four energy conservation and carbon reduction schemes, including phase 2 of the solar power station project, purchasing of a 400RT screw chiller, replacement of old air compressors, and change of the pressure oven from one layer to two layers. As a result, carbon emissions totaling 230.06tCO₂e were reduced. In the future, we are planning phase 3 of the solar power station project, and will replace old combination dryers to reduce energy consumption and generate carbon reduction benefits by 2% respectively.

■ Performance of ShunSin's Energy Conservation and Carbon Reduction Action Plan in 2022

Action plans	Energy consumption reduced	Base Year / Basic line (note)	Power consumption reduced (GJ)	Carbon reduction (metric tons CO ₂ e)
Equipment improvement or updating	Electricity	2020	3,456	117.98
Energy substitution	Electricity	2020	3,283.0272	112.08

Note:
The year 2020 has been selected as the base year as the Company began to expand the scope of greenhouse gas inventory to Scope 3 in that year. Therefore, 2020 as the comparable benchmark is a high reference and significant benchmark.



GHG Emissions

We began to conduct annual greenhouse gas inventory according to ISO 14064-1 methodology, the international greenhouse gas inventory standard, and with the consolidated financial statements of the Group as the boundary since 2016. We have also entrusted qualified third-party verification agencies to conduct greenhouse gas emission verification of Category 1, Category 2, and Category 3, and will continually acquire ISO 14064-1: 2018 greenhouse gas verification.

In 2022, greenhouse gas emissions of ShunSin were as follows: 511.51tCO₂e in Scope 1 (Category 1); 22,249.67tCO₂e in Scope 2 (Category 2); 7,969.79tCO₂e in Scope 3 (Categories 3 and 4). The main greenhouse gas emission source of ShunSin was purchased energy (mainly electricity) in Scope 2 (Category 2), down by 13.07% compared with the previous year as we introduced solar photovoltaic energy, replaced a 400RT screw chiller, and purchased four new air compressors. Greenhouse gas emissions of Category 4 in Scope 3 were down by 1.6% compared with the previous year. As a whole, compared with the base year of 2020, the total greenhouse gas emissions of ShunSin were reduced by 40.29% in 2022, an average annual decrease of 21.97% over the past three years.

■ ShunSin's GHG emissions and intensity (Unit: tCO₂e)

Total emission			2020	2021	2022
Scope 1 (Category 1)	Diesel combustion		0	34.595	0
	Gasoline combustion		30.796	31.893	25.566
	CH ₄ Escape		382.255	244.718	186.711
	CO ₂		0.643	0.230	1.062
	FM200		97.820	105.120	105.120
Scope 2 (Category 2)	Electricity externally purchased for electrical equipment at the Company		28,217.71	25,581.57	21,769.00
	Electricity externally purchased for electrical equipment in dormitories		57.37	178.55	146.75
	Hot water externally purchased for employees in dormitories		20.65	42.91	43.37
Scope 3 (Category 3,4)	Upstream	Airplane for business trips	3.137334	4.16675684	19.1421
		High-speed rail for business trips	0.000283	0.0214403	0.2575
		Hotel travel facilities	4.0495	6.6674	1.9795
		Commuting vehicles used by employees	178.291473	109.769256	114.6415

Total emission			2020	2021	2022
Scope 3 (Category 3,4)	Upstream	Waste transportation	0.10984076	1.14303383	8.2006
		Land transportation of raw materials	1.15462515	0.6675187	0.5971
		Sea transportation of raw materials	1.24653896	1.42160172	0.1328
		Land transportation of finished products	0.68981102	0.89100271	1.3016
		Sea transportation of finished products	1.27324233	0.73227326	0.0632
		Air transportation of finished products	16.8846495	6.70302012	4.6450
		Upstream discharge of fuel (diesel)	0	8.29024328	0
		Upstream discharge of fuel (natural gas)	81.57938376357	14.5380542	12.6329
		Upstream discharge of fuel (gasoline)	8.13489743	8.48895959	6.8049
		Hazardous waste treatment	0.13124692	0.96641887	0.0416
		Cooking equipment	284.85	273.58	339.1817
		Electrical equipment of the Company	3788.07923	7616.87162	6603.2855
		Water used in industrial production	359.073058	220.810501	156.0634
		Domestic water	9.7570896	4.1209585	6.8961
		Kitchen waste treatment	0.7460845	1.597017	1.7731
		Natural gas (cooking range)	81.5793838	90.9801828	72.7893
		Waste recycling	0.25748442	0.51737495	0.0000
		Production of passive electronic components (resistance, inductance, capacitance and substrate)	503.86	1.0504261	34.8654
		Plastics	0	0	35.4227
		Production of paper packing materials	0.08535667	0.08811893	0

Total emission			2020	2021	2022
Scope III (Category 3,4)	Upstream	Production of raw metal materials (mechanical parts, etc.)	158.999198	11.5807569	1.2302
		PCB	698.334	7.75047	221.8372
		Production of active electronic components (chips)	16787.44	179.579499	810.2192
Total GHG emission			51695.419	34,792.58	30,736.20
Annual output of products (Unit: NT\$ 10,000)			51,835.6911	58,318.0523	37,811.6925
GHG intensity			0.9973	0.5966	0.8129

Notes:

- 1.Methods used for the collection of greenhouse gas volume are operation control method/equity ratio/financial control.
- 2.The estimate in the Sixth Assessment Report of the IPCC is used for the coefficient of global warming potential (GWP) of various greenhouse gases.
- 3.The calculation of electricity carbon emission coefficient is as follows: The electricity carbon emission coefficient was 0.8402kgCO₂e/kWh in 2020; the electricity carbon emission coefficient was 0.5810kgCO₂e/kWh in 2021; the electricity carbon emission coefficient was 0.5703kgCO₂e/kWh in 2022.
- 4.Calculation formula of carbon emission intensity: Total greenhouse gas emissions (tCO₂e)/Annual output of products (Unit: NT\$ 10,000).
- 5.The base year of greenhouse gas emissions was 2020. In 2020, the greenhouse gas carbon emissions reached 51,776.98tCO₂e.



Water Resource Management

■ Management Status of Material Topic "Water Resource Management" of ShunSin in 2022

Material Topic	Water Resource Management
Corresponding GRI Index	GRI 303-1 、 303-2 、 303-3 、 303-4 、 303-5
SDGs Principle	SDG 6
Policy and Commitment	In an industry with a high volume of water consumption, ShunSin knows that it is difficult to acquire water resources. Therefore, with "Clean Production and Protection of the Earth" as our commitment, we promote the recycling of industrial water. We also abide by local regulations on effluent and are committed to lowering the negative impact on the environment.
Metrics and Targets	<p>Short-term goal:</p> <ul style="list-style-type: none"> Optimally construct a water recycling system, use the process water recycled for other facilities inside the plant, improve the recoverable amount to 11-15% of total water consumption, and reduce water resource consumption. Abide by and track changes in local regulations on effluent to avoid environmental pollution and penalties due to water consumption. <p>Mid-long term goal:</p> <ul style="list-style-type: none"> Introduce ISO 46001 Water Efficiency Management Systems to improve water source management in the Company.
Effectiveness Tracking Mechanism	Control and adjust the system recycling system on a daily basis to ensure the reduction of consumption and practical recycling of water resources.
Annual Action Plan and Measures	<ul style="list-style-type: none"> ShunSin aligns with government policies in the long term, and adopts methods including recycling process water and increasing management and monitoring equipment to minimize the water impact and ensure that local people's water consumption is not affected. In 2022, the water recycling volume of ShunSin accounted for 11.2% of the total water consumption. Recycled water was also provided for use in other facilities on the site. Continue to sustain the operation of water recycling facilities to avoid influencing water recycling due to failures or other reasons.

Chip packaging testing is an industry with high water consumption. Tremendous water resources are used in processes involving raw materials and products, including wafer grinding, chip cutting, chip cleaning, product rinsing, finished product cutting, and cleaning of jigs and tools. ShunSin is located in Zhongshan, Guangdong Province. In accordance with the Aqueduct Water Risk Atlas of the World Resources Institute, the aqueduct water risk of Zhongshan, Guangdong Province is "Low to Medium (1-2)". The water consumed by ShunSin is mainly industrial water and renewable water, which do not overlap with household water. However, industrial water has the potential to impact local water consumption due to repairs of old and leaking pipe networks and interruption of power and water supply resulting from natural disasters such as rainstorms.

To mitigate the aforesaid impact, ShunSin has determined to exert effort to diversify its water resources, actively cooperates with the government's recycled water reuse policy, and strives to minimize the water impact through action plans like the phase 1 recycled water utilization plan, phase 3 recycled water capacity expansion and construction, and increase of water level sensors in each impounding reservoir for the dynamic monitoring of water resources. We also try to guarantee that the wastewater and sewage generated during operations comply with level-1 standards (second time period) specified in the local emission standard of the Emission Limits of Water Pollutants of Guangdong Province (DB44/26-2001). We also regularly entrust qualified manufacturers with sewage testing work. In 2022, the Company was not involved in any incident regarding failure to comply with effluent on emission limits, or environmental protection.

Water Usage

- Total water intake for all regions in the past three years (unit: ML)

Source of water intake	2020	2021	2022
Third party (tap water sourced)	350.60 ML	534.28 ML	383.95 ML
Water usage	350.60 ML	534.28 ML	383.95 ML

Notes:

1. Freshwater refers to water with a total dissolved solids (TDS) content equal to or less than 1,000 mg/L.
2. Other water refers to water with a total dissolved solids (TDS) content greater than 1,000 mg/L.

Water Discharge

As for water discharge, ShunSin has established a wastewater station and a monitoring system in the plant. The flow and discharge of effluent are also monitored and recorded. The quality of water discharged also complies with the regulations and specifications of the region where the plant is located. In 2022, the total water discharge of ShunSin was 106.12ML. As for water quality, the standard required of chemical oxygen demand (COD) of discharge water is also superior to that specified in relevant regulations, and much lower than the 90mg/L level required by the government of Guangdong Province.

- Total wastewater discharge for all regions in the past three years (unit: ML)

Wastewater Bodies		2020	2021	2022
Discharge volume categorized by endpoint	Surface Water	0	0	0
	Groundwater	0	0	0
	Seawater	0	0	0
	Third party (tap water sourced)	56.98 ML	120.27 ML	106.12 ML
Total wastewater discharge		56.98 ML	120.27 ML	106.12 ML

- Total wastewater discharge for Zhongshan plant in 2022 (unit: million liters / PH value exclusive):

Items	Guangdong County Standard	Zhongshan plant emissions
Fluoride	≤ 10	/
Total copper	≤ 0.5	0.006L
Total zinc	≤ 2.0	0.004L
Sulfide	≤ 10	/
pH value	6-9	6.4
Suspended solid (SS)	≤ 60	38
Chemical oxygen demand (COD)	≤ 90mg/L	21 mg/L
Ammonia nitrogen	≤ 10	1.5
Total nitrogen	/	1.87
Total phosphorus	/	0.03
Petroleum	≤ 5.0	0.06L
Cationic surface active agent	≤ 5.0	0.05L
Total organize carbon	/	/

Notes:

- 1.The water discharge volume above aligns with the record of the water meter.
- 2.The operation wastewater of the Zhongshan factory is treated by the wastewater treatment system, and is much lower than the effluent standard.
- 3.The water in Zhongshan factory is included in the pipe network of the industrial area and then discharged to the receiving waters after the effluent standard is satisfied.
- 4.The results of water quality data in the table above have been obtained after a qualified inspection company sampled and analyzed the water in the plant area.
- 5.For items smaller than the detection limits of instruments, "L" shall be added after the values.

Water Consumption

- Total water consumption for all regions in the past three years (unit: ML)

Year	Total consumption
2020	293.62 ML
2021	414.01 ML
2022	277.83 ML

Note: Total water consumption = Total water withdrawal – Total water discharge

Waste Disposal

The industrial waste of ShunSin includes waste engine oil, waste packaging, surface treatment sludge, waste bulbs, waste acid, waste printed circuit boards, waste printing ink, and waste resin. If waste is not properly cleared, it will have an impact on enterprise operations and a major impact on the environment. Therefore, ShunSin adopts relevant measures for the circular economy, including source reduction and adoption of recyclable materials, and legally entrusts qualified suppliers in Taiwan with waste clearing, transportation, and treatment to lower the negative impact of waste generated during operations on the environment.

To ensure that all waste is legally and properly treated or reutilized, ShunSin has taken multiple measures. Firstly, ShunSin prudently selects waste clearing and treatment suppliers, retrieves and compares the treatment and reutilization status of waste actually received in the plant area at the suppliers on a regular basis, and strengthens suppliers' audit efficiency, including requiring the waste clearing and transportation suppliers to use a GPS positioning system for tracking and management. Secondly, the transfer process of dangerous hazards is strictly managed. The waste generating departments in the plant area collect and classify hazardous waste and hand it over to the environmental safety unit for unified management. In accordance with site storage conditions, the environmental safety unit contacts the waste disposal organization to transfer them. The hazardous waste disposal organization carries out transfer application at the "Solid Waste Cloud Application System of Guangdong Province" before transfer, and then weighs the waste on site before issuing a hazardous waste handover list. Registration is then completed on the system. Annual applications are also conducted at the end of each year. Relevant management plans are also filed at the beginning of the year. If matters like contract changes arise, the management plans will be changed. By taking these measures, ShunSin practically masters the flow direction of waste to realize the goal of proper treatment and reutilization.

■ Waste management in the past 3 years

Year				2020		2021		2022	
Classification	Type of waste	Processing site (note 1)	Processing method (note 2)	Output (tonne)	Percentage	Output (tonne)	Percentage	Output (tonne)	Percentage
Hazardous industrial waste	Waste organic solvents	Off-site	Incineration (including energy recycling)	0.015	0.05%	1.416	2.13%	0.514	0.94%
	Waste engine oil	Off-site	Utilization	0.053	0.16%	0.253	0.38%	0.500	0.92%
	Surface treatment of sludge	Off-site	Incineration (including energy recycling)	0.520	1.59%	35.084	52.67%	32.336	59.25%
	Waste tubes	Off-site	Burial	0.090	0.28%	0.018	0.03%	0.089	0.16%
	Waste acid	Off-site	Physicochemical treatment	0.017	0.05%	0.040	0.06%	0.040	0.07%
	Waste packaging	Off-site	Incineration (including energy recycling)	0.080	0.24%	1.491	2.24%	1.432	2.62%
	Waste printing ink	Off-site	Incineration (including energy recycling)	0.045	0.14%	0.045	0.07%	0.050	0.09%

■ Waste management in the past 3 years

Year				2020		2021		2022	
Classification	Type of waste	Processing site (note 1)	Processing method (note 2)	Output (tonne)	Percentage	Output (tonne)	Percentage	Output (tonne)	Percentage
General industrial waste	Carton paper	Off-site	Recycling	12.079	36.91%	3.186	4.78%	13.192	24.17%
	Scrap iron	Off-site	Recycling	14.947	45.68%	22.574	33.89%	5.209	9.54%
	Scrap copper	Off-site	Recycling	0.014	0.04%	0.000	0.00%	0.255	0.47%
	Aluminum scrap	Off-site	Recycling	3.329	10.17%	1.920	2.88%	0.607	1.11%
	202 Stainless steel	Off-site	Recycling	0.088	0.27%	0.000	0.00%	0.355	0.65%
	304 Stainless steel	Off-site	Recycling	1.226	3.75%	0.755	1.13%	0.000	0.00%
	Cable	Off-site	Recycling	0.220	0.67%	0.094	0.14%	0.000	0.00%
Total quantity				32.723		66.606		54.579	
Recycling rate (note 3)				99.67%		99.91%		99.76%	

Notes:

1. Processing sites: Site (Self-processed within the plant) and off-site (Entrusted processing)
2. Processing method: Reuse (Used for the same purpose again), reutilization (manufacturing of new materials after reprocessing), incineration (including energy recycling), incineration (not including energy recycling), burial, others, and utilization.
3. Recycling rate (%) = Total recycled amount/Total waste * 100%; burial and physicochemical treatment are not recyclable, while all other processing methods are recyclable.
4. Hazardous industrial waste and general industrial waste have been recognized in accordance with the Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes and the Regulations on the Administration of the Recovery and Disposal of Waste Electrical and Electronic Products of the People's Republic of China.

05

Social Inclusion

Employee Profile Distribution

Employee Rights and Benefits

Human Resource Development

Care-Free Workplace Environment



Employee Profile Distribution

We are committed to creating a friendly workplace culture of diversity and equality, and zero discrimination, emphasizing equality and respecting multiple values. We use the 5P model for our talent - Perception, Pick, Placement, Professional, and Preservation. There is no differential treatment based on race, nationality, gender, age, political or religious beliefs, and we value our talent. Development, good salaries, and benefits guarantee that our employees can develop their skills and make continuous progress in the Company, working together to create value.

We prohibit all forms of discrimination, so everyone is treated fairly regardless of whether or not they are in our Company. We strictly formulate and implement policies for recruitment, wages, benefits, rewards, training, promotions, job assignments, punishment, dismissal, and retirement. Adhering to the principles of fairness and equality and not discriminating against employees based on their race, ethnicity, color, nationality or social class, origin, nationality, religion, disability, gender, sexual orientation, family responsibilities, marital status, political affiliation, political opinion, due to trade union membership, age, and other aspects does not interfere with employees' rights to exercise their beliefs and good customs in the above-mentioned aspects, or to meet the needs of situations involving the above-mentioned aspects that may give rise to discrimination.

ShunSin has always adhered to the development idea of being "people-oriented" and providing employees with a favorable training and learning environment as well as technical professional development planning, in the hope that employees' comprehensive qualities and working skills can be improved. Diversified employee composition brings different viewpoints and advanced opportunities, which help employees make good use of their talent in the workplace and offer different thinking so the Company develops on a global level.



■ Management of the material topic "Diversity & Equality" at ShunSin in 2022

Material Topic	Diversity & Equality
Corresponding GRI Index	GRI 405-1 、 405-2 、 406-1
SDGs Principle	SDG 10 、 SDG 8
Policy and Commitment	We adhere to the principles of legality, fairness, impartiality, equality, voluntary actions, honesty, and credibility. We actively protect the basic human rights of our employees and abide by national laws, the RBA Code of Conduct, and various international human rights conventions, while providing a competitive, safe, and comfortable work environment.
Metrics and Targets	<p>Short-term goal:</p> <ul style="list-style-type: none"> Continue to employ people with disabilities to unleash their talent <p>Medium-term goal:</p> <ul style="list-style-type: none"> More than 40% of employees are female while we have >5% of female supervisors <p>Long-term goal:</p> <ul style="list-style-type: none"> Obtained gold-level RBA VAP Certification
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> Submit weekly/monthly reports and hold management review meetings every year to discuss, track, and review the achievement of targets. The Company has established an internal appeals system, and set up different channels such as the employee hotline, symposiums, mailbox, and satisfaction survey to communicate with employees on an ad-hoc basis. Employees may lodge complaints at any time if faced with discrimination and unfair treatment. The internal audit unit evaluates risks, drafts audit plans, clarifies audit items and time, procedures, and methods, etc., on an ad-hoc bases, and executes relevant reviews according to these plans. Auditors also conduct routine and additional special audits, and supervise and encourage each unit inside the Company to annually evaluate the effectiveness of the internal control system. The audit results together with working papers and related data are included in audit reports and submitted for verification to ensure that the internal control system of the Company is continually and effectively executed. An e-platform is used for self-evaluations of internal control of the Company. The self-evaluation supervisor of each unit is responsible for evaluating the design and implementation effectiveness of the internal control system in accordance with the internal control risk database. The internal audit unit then rechecks each unit's self-evaluation reports, and these reports together with the improvement conditions of internal control deficiencies and defects found by the audit units are used by the Board of Directors and the general manager to evaluate the effectiveness of the overall internal control system and issue an internal control system statement. With reference to RBA (Responsible Business Alliance) standards, the Company convenes dedicated internal units in charge of human resources, environmental protection and safety, and general affairs to launch internal audit activities regarding labor, morality, health and safety, environment, and the management system, or applies to the RBA for third-party agency audits to ensure the conformity of corporate management to ESG-related policies and guidelines.

Annual Action Plan and Measures

- The Company has recruited five employees with mental and physical disabilities to support disadvantaged groups.
- Female employees account for 44% while female supervisors account for 6.9%. Female employees are encouraged to join the Company and apply for supervisory positions.
- The Company has not been involved in any incident of discrimination. The Company has established a barrier-free communication system, set up an employee care center, and provides a 24h assistance hotline so that employees may express their opinions or lodge complaints at any time and we can solve difficulties in a timely manner, offer counseling, and promote the physical and mental health and development of employees. Furthermore, we have launched relevant publicity and training programs on the prohibition of discrimination to avoid undesirable incidents.

Talent Structure

Due to the pandemic the global total number of employees at ShunSin Province of Guangdong Zhongshan factory was 1,252, a decrease of 164 compared to the previous year by the end of 2022. The proportion of employees per region is 98% in the mainland region, and 2% in other regions. The gender distribution is 700 male employees (56%) to 552 female employees (44%). We are also committed to developing a diverse and diverse talent pool, including ensuring employment opportunities for people with physical and mental disabilities, increasing the proportion of local residents appointed as senior executives, promoting diverse and shared prosperity, and enhancing the overall competitiveness of the Company.



■ Types of employees in 2022 at ShunSin

Employment Classifications (Unit: number of people)		Mainland China		Non-mainland China		Total		
		Male	Female	Male	Female	Male	Female	Total
Contract Type	Employee (Non-fixed-term Contract)	186	286	19	2	205	288	493
	Employees (Fixed-term Contract)	495	264	0	0	495	264	759
Full/Part Time	Full-time employee	681	550	19	2	700	552	1,252
	Part-time employee	0	0	0	0	0	0	0
	No guaranteed minimum hours (temporary workers)	0	0	0	0	0	0	0
Total by gender		681	550	19	2	700	552	1,252

Notes:

1. Full-time employees: The working time of employees may not exceed eight hours a day nor 40 hours a week according to the Labor Standards Act.
2. Part-time employees: Employees whose working hours are less than 40 hours per week.
3. No guaranteed minimum hours: Employees without minimum or fixed working hours, such as temporary workers and on-call employees.
4. Non-mainland Area Employees: Employees based in Taiwan, Hong Kong, and other non-mainland areas.
5. Employees listed here work in the Zhongshan factory in mainland China, covering ShunSin Cayman, ShunSin Taiwan Branch, ShunYun Cayman, ShunSin Hong Kong, ShunSin Hong Kong, ShunSin Samoa, and ShunSin Samoa, The number of employees at the ShunSin Zhongshan Factory and ShunYun Zhongshan Factory.

■ Changes in the number of workers at ShunSin in the past three years

Employee Category	2020	2021	2022
Employees	1,407	1,416	1,252
Workers who are not employees	49	47	47
Total	1,456	1,463	1,299

Notes:

1. Head count (or full-time equivalent, FTE) to calculate the number of employee.
2. As of December 31, 2022.
3. Non-employee workers: The total number of workers who are not hired by ShunSin and whose work is controlled by other organizations, including dispatched workers from labor agencies and contractors; main job types include cleaning and food suppliers, etc.

Diversified and Plentiful Employment Opportunities

ShunSin echoes SDG 8 Decent Work and Economic Growth, providing equal employment opportunities for people of different genders and ages, and ensuring job opportunities for minority groups in accordance with local government regulations to ensure a diverse talent pool. According to employee data statistics from the end of 2022, the proportion of female employees is 44%, and female supervisors 6.9%, male supervisors 7.1%; the proportion of middle-aged and elderly workers over 50 years old is 0.56%; and, in accordance with government regulations, a total of five employees with physical and mental disabilities have been hired, totaling 0.4% of the total number of employees. To fulfill our social responsibility, ShunSin continues to recruit and employ people with disabilities, and pays insurance premiums for people with disabilities every year.

To promote local co-prosperity, we actively employ personnel from mainland China into senior management positions, such as directors, managers, vice managers, and section managers, etc., and in "important operating points," including Zhongshan. The total number has reached 103, accounting for 54% of all senior managers. The Company has arranged special parking spaces and convenient working positions for employees with mental and physical disabilities, involving 17 groups of people. The dining hall of the Company is allocated with dining areas for rice-based cuisine, cooked wheaten food, snacks, and buffets, to satisfy different employees' needs. Furthermore, dormitories are provided for employees who require accommodation.

■ Diversified distribution of job categories of employees at ShunSin

Job Category / Multi-Category		Gender		Age			Other (information disclosed according to actual business condition)	
		Male	Female	Below 30 years old	31-50 years old	Above 51 years old	Ethnic minorities	Disabled employees
Category A (Total 232)	Number	158	74	10	216	6	12	0
	Percentage	68%	31%	4.3%	93%	2.5%	5.1%	0
Category B (Total 404)	Number	220	184	235	169	0	19	2
	Percentage	54%	45%	58%	41%	0%	4.7%	0.4%
Category C (Total 616)	Number	322	294	342	274	0	98	2
	Percentage	52%	47%	55%	44%	0%	15.9%	0.3%
Number of employees (diversified category)		700	552	587	659	6	129	4
Percentage of total employees		56%	44%	47%	52%	0.5%	10%	0.3%

Notes:
 1. Employees are classed per qualification and status: Category A: (Supervisors at mid-level or above and senior professionals); Category B: (General professionals); Category C: (Direct production employees).
 2. Minority employees are mainly employees who are do not identify as Han, including Zhuang and Yao, etc.

Personnel Turnover

■ Management of the material topic "Employee Benefits" at ShunSin in 2022

Material Topic	Employee Benefits
Corresponding GRI Index	GRI 201-3 、 202-1 、 401-2
SDGs Principle	SDG 5
Policy and Commitment	We believe in a people-oriented corporate philosophy of "Inspiring, Motivating, and Nurturing Employees". We are committed to the pursuit of a high-performance organization and outstanding talent, establishing a comprehensive remuneration and benefit program, and cultivating and developing diverse talent, as well as creating value for the Company.
Metrics and Targets	Short-term goal: <ul style="list-style-type: none"> Our remuneration and benefit system complies with local regulations. Remuneration standards are regularly checked with reference to external market survey reports as well. Medium-term goal: <ul style="list-style-type: none"> The score of employee satisfaction investigation is maintained at above 85 points.
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"> Third-party agencies are entrusted annually to perform audits over the achievement status of KPI indicators regarding social responsibility. The Company has established an employee complaint system, set up a hotline, and formed a trade union organization to strengthen democratic management, promptly learn about employees' opinions and voices, and make improvement action plans immediately to improve employee satisfaction. In 2022, the Company launched an investigation regarding the remuneration and benefits of a local enterprise, and improved our meal allowance standards. In 2022, the score of employee satisfaction survey reached 86.5 points. The Company improved service quality all-around, including clothing, food, shelter, and transportation. The Company also holds cultural and recreational welfare activities every month, improved employees' dining hall, enhanced the diversity of dishes in catering areas of cooked wheaten food and rice-based cuisine, and introduced specialties. Beverage vending machines were increased in the plant area, free self-service car washes were set up, and the Company upgraded and reconstructed the apartments in the dormitory to improve accommodation. The Company also provides its employees with annual health checkups, as well as breast cancer/cervical cancer screening for female employees.

Maternity Benefits

The Company legally implements labor laws, the Special Provisions for the Work Protection of Female Employees, the Population and Family Planning Law of Mainland China, the Regulation on Population and Family Planning of the provincial government, and advocates SDG 5 Gender Equality to support employees' rights and interests to raise the next generation. Female employees working in mainland China who have children in accordance with statutory and regulatory provisions may enjoy antenatal examinations with full pay based on a doctor's certificate from the date of pregnancy. During maternity, female employees may enjoy 98 days' maternity leave and 80 days' baby bonus leave. Male employees may enjoy 15 days' paternity leave. As of the end of 2022, an unpaid parental leave system had not yet been launched.

We expect to optimize maternity welfare measures in 2023. Employees and their spouses may enjoy ten days' parental leave respectively every year up until their children reach the age of three. During parental leave, employees' five insurance funds and one housing fund, as well as remuneration and benefits, are executed according to relevant regulations. Furthermore, in accordance with the Regulation on Labor Protection for Female Employees, female employees may avail one hour's breastfeeding leave every day when breastfeeding without their remuneration being affected.

With respect to maternity leave, 53 employees qualified for maternity (paternity) leave at ShunSin in 2022, including 12 male employees and 41 female employees. A total of 53 employees applied for maternity (paternity) leave, an application rate of 100%, and 18 employees were reinstated in 2022. All 12 employees were reinstated in the same year. Among the 41 female employees who applied for maternity leave, six female employees were reinstated in 2022, and the remaining 35 female employees were reinstated in 2023.

■ Statistics of employees qualifying for maternity/paternity leave in 2022

Region	Number of employees applying for maternity leave	Total number of employees qualifying for maternity leave	Percentage of applications
Mainland China	53	53	100%

Employee Rights and Benefits

Human Rights and Labor Rights Protection

Our company prohibits the employment of children under the age of 16, and prohibits forced labor and any improper employment discrimination. We also require suppliers to comply with international standards and relevant labor employment laws in their business locations. We safeguard all labor rights and interests, including minimum wage, working hours (including overtime), insurance, vacation, pensions, notice periods for contract termination, freedom of association, and group negotiation rights, and provide equal work opportunities and benefits, without discrimination based on race, skin color, gender, religion, politics, nationality, or social background. In 2022, there were no significant risks or incidents of discrimination, use of child labor, forced labor, discrimination, or other violations of labor rights at ShunSin or its suppliers.

■ Explanation of measures related to labor rights and interests at ShunSin

Working Hours

- Regular employees work eight hours a day, 40 hours a week in total.
- If overtime is required due to special circumstances, the total daily working hours shall not exceed 11 hours, with a maximum of 36 hours overtime on a non-regular basis.
- According to the Labor Standards Act, employees who work for more than eight hours on a day are to be given additional overtime pay, and may not be forced to work overtime.

Exit method

- If the labor relationship with an employee is to be terminated, the Company shall provide this employee with a job transfer opportunity or training first according to the Provisions of Terms of Labor Contracts and Collective Contracts in Chapter 3 of the Labor Law. If this employee does not meet the requirements after job transfer and training, the Company will terminate the labor relationship with this employee with a notice of 30 days, or pay this employee one month's payment in lieu of notice. If the conditions for economic compensation are fulfilled, economic compensation shall be provided according to the relevant provisions of the state.
- The Company shall, in accordance with the dates of birth in the personnel archives of employees who are about to retire, follow up with employees after applying for retirement and assist them in handling retirement formalities one month before the mandatory retirement age. If employees are reemployed after retirement, they shall be hired according to the labor service relationship.

Labor
Agreement

- The Company has established a trade union organization, and regularly holds employee symposiums with the chairperson of the labor union, cadres, and workers' representatives every year according to the Labor Union Act. Interim meetings may be convened as necessary to conduct two-way communication and negotiation on issues like promotion of labor-management cooperation, coordination of labor relations, improvement of working conditions, and employee welfare planning.
- As for collective agreements, the work management and welfare issues of the employees of the Company have been recorded in the Employee Handbook of ShunSin. The chairperson and members of the labor union and the workers' representatives are invited every year to discuss and negotiate the modification of the Employee Handbook. In 2022, the chairperson of the labor union signed the Employee Handbook for this year. The issues recorded in the handbook cover 1,252 employees, accounting for 100% of the total number of employees.

Major
operational
changes

- Major business changes that affect employee rights and corresponding measures are implemented after discussion at a labor management meeting.
- Affected employees and their representatives are notified at least four weeks in advance before significant operational changes are implemented.
- During the reporting period, no significant operational changes occurred at the Company.



Remuneration Level

ShunSin provides competitive remuneration and remuneration standards are based on employees' positions, professional abilities, education and experience, and seniority, and with reference to market levels in the same trade. We also value equal pay for equal work, and overall compensation does not differ due to gender. The ratio of basic salary and remuneration paid to male employees and female employees is 1.3:1.

Employee remuneration of the Company includes fixed salary and variable pay; the first part of the fixed salary is paid on a monthly basis. The payment standard of the fixed salary is determined with reference to the payment level in the same trade and labor market statistics, and is adjusted as appropriate in consideration of employees' positions, job nature, professional abilities, and workplace supply and demand. The second part of the fixed salary is paid annually. The payment standard is one month's basic salary agreed. Variable pay is calculated according to the ratio of employees holding important positions in the current year, and is derived from employee dividends, performance bonuses, and equity incentives, etc. Through variable pay, part of employee remuneration is linked to operating performance.

The Company has already established the Operating Procedure for Compensation, which is communicated to employees through new employee education and training and the internal mail system for a full understanding of the Company's remuneration system. The Company has also established the Operating Procedure for Management by Objectives and Performance Evaluations to link performance objectives to remuneration policies, systems, standards, and structure, etc. The remuneration and welfare of employees with a rank of manager or above is subject to the Salary and Compensation Committee's and Board of Directors' approval to improve the transparency of corporate governance and remuneration.

■ Types of employees in 2022 at ShunSin

Year	Full-time employees who are not supervisors		
	Number of employees	Average annual pay (NT\$)	Median of annual pay (NT\$)
2020	1,072	207,565	273,900
2021	1,201	299,732	323,897
2022	1,060	289,194	307,568
Increase or decrease compared to the previous year	Decreased by 141 employees	-2,395 (Adjustment of production capacity)	-3,711 (Adjustment of production capacity)

Notes:

1. Full-time employees who are not supervisors: Refers to full-time employees other than directors, managers, and those with equivalent ranks.
2. Annual pay: Includes basic salary, meal allowances, yearend bonus, performance bonus, overtime pay, income from allotment of shares, etc.
3. The original unit of measurement of a part of annual salary is Renminbi.
4. Therefore, the average exchange rate of Renminbi against NT\$ (4.4:1) in 2022 was adopted to convert the currency of annual pay to NT\$.

- Remuneration ratios of male and female employees of ShunSin of each category in the past three years

Year	2020		2021		2022	
Job Category	Male	Female	Male	Female	Male	Female
Category A	1.30	1	1.47	1	1.24	1
Category B	1.15	1	1.17	1	1.13	1
Category C	0.92	1	0.95	1	0.91	1

Notes:

1. Calculation method: Average remuneration of male employees of each category/Average remuneration of female employees of each category.
2. Remuneration: Refers to annual pay, which includes basic salary, meal allowances, yearend bonus, performance bonus, overtime pay, income from allotment of shares, etc.
3. Employees above are classed per qualification and status: Category A: (Supervisors at medium level or above and senior professionals); Category B: (General professionals); Category C: (Direct production employees).

- Pay of basic-level personnel in important operating points of ShunSin in the past three years

Year	Average standard compensation of basic-level personnel (NT\$)		Average standard compensation of basic-level personnel/Local minimum wage	
	Male	Female	Male	Female
2020	19,113	21,947	258%	290%
2021	20,515	22,231	277%	300%
2022	21,842	24,402	261%	291%

Notes:

1. "Important operating points" defined by the Company cover the operational scope disclosed in this Report. The remuneration of employees in mainland China is mainly calculated as such employees account for 98% of the total number of employees.
2. The Company has established remuneration for employees and other workers with reference to the basic salary announcements of the Ministry of Labor in the given year, and guarantees that remuneration is not lower than the basic salary.
3. Basic-level personnel: Refers to personnel of the Company with titles of technologist, technician, and dispatching worker.
4. Standard salary: Includes basic salary, meal allowances, and other recurring payments.
5. The local minimum wages were NT\$ 7,396, NT\$ 7,396, and NT\$ 8,369 respectively from 2020 to 2022.
6. The original unit of measurement of a part of remuneration is Renminbi. Therefore, the average exchange rate of Renminbi against NT\$ in 2020-2022 was adopted to convert the currency of remuneration to NT\$.

Welfare Measures

To protect the rights and interests of employees and enhance the company's cohesiveness, ShunSin provides a complete welfare system for the regular employees. In addition to the basic rights of labor and health insurance, special leave, maternity leave, parental leave, and other statutory rights, it also provides a variety of employee benefits, such as holidays, an insurance fund, emergency assistance, marriage and childbirth gifts, funeral subsidies, employee dormitories, and free meals, striving to improve employee wellbeing and create a happy workplace.

■ Pay of basic-level personnel in important operating points of ShunSin in the past three years

Basic benefits	Insurance	Basic insurance (endowment insurance, medical insurance, hospitalization insurance, maternity insurance and unemployment insurance) and one housing fund, captive insurance fund (medical insurance, maternity insurance and accident insurance). Social insurance and a housing fund are purchased for all staff members so that employees may feel assured after retirement, and housing fund loans at a low interest rate can be utilized.
	Holidays	Fixed holidays, annual pay, marriage leave, funeral leave, public leave, parental leave, nursing leave, etc. are provided for employees in accordance with the Regulation on Paid Annual Leave for Employees, the Labor Law, and the Regulation on Population and Family Planning of Guangdong Province.
	Pension systems	In accordance with the Labor Law and the Regulation on Social Insurance of Guangdong Province, 14% of the total amount of labor remuneration is set aside as a pension every month and is uniformly collected and managed through the social insurance fund.
Rewards and benefits	Bonus/Cash gifts	Employee birthday cash gifts, wedding and funeral cash gifts, various excellence appraisal activities, recognition of senior employees, rewards on Teachers' Day, lottery drawing activities, etc.
	Sympathy for emergencies and difficulties	Help for employees suffering from major losses due to natural disasters, and care for families with difficulties on traditional festivals.

Health promotion	Occupational health and safety care	<p>Employees who join the Company may enjoy free health checkups. Annual health checkups and breast cancer/cervical cancer screening activities for female employees are regularly arranged. Senior supervisors are provided with regular blood glucose testing. Health knowledge lectures are also held annually.</p> <p>Diverse dishes and nutritional meals are provided at the dining hall. Healthy food ingredients and meal allowances are provided for employees. Employees are encouraged to dine at the Company. Assistance for employees suffering hardship due to accidents or major diseases is provided for families.</p> <p>Hospital care grants are provided for employees who have undergone surgery and are hospitalized due to accidents or diseases. Care grants are provided for people with mental and physical disabilities twice a year. The "Love Mommy Cabin" has been established to provide places for female employees to rest when pregnant and breastfeeding. This cabin was awarded as a demonstration site of "love mommy cabins" in Guangdong Province.</p> <p>An employee care center has been established and a psychological health care hotline been set up to provide employees with psychological assistance and promote psychological health.</p>
Complete facilities	Leisure place	The Company has allocated a fitness room, dance room, music room, game room, basketball court, billiards room, table tennis room, and other places for employees' cultural and recreational activities. Parking lots, car charging stations, and free car washes are also provided.
Welfare Commission	Benefits	<p>Source of funds: Accrued based on the total amount of employee wages and deposited to a special account for management by the labor union. The annual total expenses actually incurred to the Company in the current year reached NT\$ 797,000.</p> <p>Scope of expenditure: Allowances and subsidies for weddings, funerals, and maternity leave, insurance expenses, and subsidies for club activities and departments, etc.</p>
	Annual activities	Cultural and recreational activities are held regularly, including various kinds of ball games, entertaining competitions and performances, lottery drawing evening parties, garden parties, afternoon tea, team building events, and knowledge competitions, etc.

Human Resource Development

Material Topic	Employee Training and Education
Corresponding GRI Index	GRI 404-1 、 404-3
SDGs Principle	SDG 4
Policy and Commitment	<ul style="list-style-type: none"> — Policies: Properly apply existing resources, establish a systematic education and training system in coordination with operation strategies continually expand employees' professional knowledge and the quality level of their management skills, improve employees' workplace value, and create employees' competitive advantages. — Commitments: All personnel are able to acquire systematic and professional training, cultivation and guidance, and appropriate resources are provided for employees to acquire diversified skills and knowledge to effectively implement their work and improve productivity.
Metrics and Targets	<p>Short-term goal:</p> <ul style="list-style-type: none"> — The targeted annual training duration of general employees is 42 hours, while that of basic-level employees on the production line is 24 hours. The annual achievement rate of education and training has reached 100%. <p>Mid-long term goal:</p> <ul style="list-style-type: none"> — The annual cultivation rate of multi-skilled technical talent is >10%, and the participation rate of performance assessments is >100%.
Effectiveness Tracking Mechanism	<p>The Company has always adhered to the development idea of being "people-oriented", fully applying internal and external resources, and coordinating operating strategies to establish seven complete and systematic training systems (supervisor talent development training, capability training per profession, OJT training, training per task, environment, safety and energy, quality management, and self-development). A good training and learning environment, diversified learning resources, and scientific and reasonable vocational development planning is provided for employees where specialized technical and management and leadership skills can be cultivated.</p> <ul style="list-style-type: none"> — Review the achievement status of education and training in the form of a meeting report on a weekly and monthly basis, and follow up with the planning and implementation conditions of improvement actions. — Basic-level employees are encouraged to learn skills of different posts and conduct post certification. The Company reviews the skill improvement and performance of employees every quarter, and promotes excellent employees to encourage the achievement of development targets of multi-skilled technical talent.

Effectiveness Tracking
MechanismThe

- To establish an effective incentive mechanism and encourage employees to focus on services in the long-term, the Company has standardized the procedures for employees' annual promotion in terms of salary and position. Annual performance assessments and appraisals are conducted for new employees upon expiry of their probation period and for general regular employees. The objects of assessment are irrespective of gender, and the ratio of employees undergoing assessment is 100%. The Group adjusts employees' salaries and promotes them based on their performance irrespective of gender. Yearend bonuses, performance bonuses, continual service capital, and bonuses as incentives as appropriate, etc. are linked to performance.

Actions and Measures

- In 2022, the annual training duration of general employees reached 42.9 hours, while that of basic-level employees on the production line reached 31.6 hours. The total achievement rate was 108%.
- In 2022, the Company cultivated a total of 135 multi-skilled technical talent, accounting for 10.7% of total employees.
- In 2022, a total of 1,114 employees qualified to participate in a performance assessment, accounting for 89% of total employees.







Multiple Training Channels

To cultivate talent and improve employee abilities, ShunSin provides a complete education and training mechanism, from new personnel training, professional skills development required for each position, and leadership training for middle and senior executives, to dedicated personnel design training projects. Through diversified learning platforms such as physical education, online learning videos, digital learning platforms, and teaching satisfaction feedback mechanisms, the training plan of the Company is continually improved. In 2022, the average training hours of teacher-level colleagues reached 42.9 hours, and that of employee-level colleagues reached 31.6 hours. The average training hours for male colleagues are 35.9 hours, and 42.3 hours for female. The entire year's investment in training funds is NT\$298,109. Scholarships have been established to subsidize employees' continuing education. In the past three years, the accumulated subsidies reached NT\$ 189,200.

ShunSin also provides training plans for education with records of formal schooling, and encourages employees to engage in continuing education and continually serve the Company. We have established relevant rewarding systems to implement a policy for providing tuition rewards for employees' on-the-job education, and skills training so that employees can reach their full potential and grow in their careers. As a result, technical and managerial reserve cadres at each rank in the Company are cultivated to profoundly improve enterprises' competitiveness by leveraging human resources.

■ Categories of education and training of ShunSin

Categories of education and training	Connotation/Description
 Training of new employees	New employees learn about the Company's products, quality, and culture, etc. through this training. Each department establishes OJT training plans per positions to help new employees blend in and grow quickly.
 Professional training of functional personnel	The Company formulates professional training plans and required courses for the upcoming year at the end of each year, and organizes training as planned based on position, seniority, and qualification and status.
 Supervisor management development series	Strengthen supervisors' leadership management capabilities, and provide management courses for basic-level and middle-level supervisors, e.g., courses on team communication, leadership incentives, etc.
 Self-development	The Company has set up on-the-job education improvement, and title/skill certificate acquisition. In the past three years, the Company subsidized a total amount of NT\$ 189,200, and has opened knowledge lectures involving language learning, communication skills, reporting writing, laws and regulations, and psychological health, etc. for all employees.

■ Training status of employees at ShunSin in 2022

Job Category	Calculation method	Male	Female	Subtotal
Category A	The actual number of people during the reporting period (A1)	158	74	232
	Training hours during the reporting period (B1)	7,382.5	3,903	11,285.5
	The average number of training hours during the reporting period (B1/A1)	46.7	52.7	48.6
Category B	The actual number of people during the reporting period (A2)	220	184	404
	Training hours during the reporting period (B2) 8,869.5	8,869.5	9,002.5	17,872
	The average number of training hours during the reporting period (B2/A2)	40.3	48.9	44.2
Category C	The actual number of people during the reporting period (A3)	322	294	616
	Training hours during the reporting period (B3)	8,897	10,453.5	19,350.5
	The average number of training hours during the reporting period (B3/A3)	27.6	35.6	31.4
Total	Total hours during the reporting period (Q)	25,149	23,359	48,508
	Total number of employees at the end of the reporting period (R)	700	552	1,252
	The average number of training hours per employee (Q/R)	35.9	42.3	38.7

Note: Employees above are classed per qualification and status: Category A: (Supervisors at medium level or above and senior professionals); Category B: (General professionals); Category C: (Direct production employees).

■ Processing and participation of in-service training courses at ShunSin in 2022

Course category	Hours of courses	Total number of person-time	Completion rate
Department skill training	1,354	42,823	110%
Network security awareness	58	395	103%
Personal Information Protection	35	1,234	108%
Occupational health and safety training	47	1,143	109%
Total	1,494	45,595	108%

Note: Training completion rate: $\frac{\text{Actual number of employees} / \text{Expected number of employees} + \text{Actual classes} / \text{Expected classes} + (\text{Actual number of employees} * \text{Actual class hours}) / (\text{Expected number of employees} * \text{Expected class hours})}{3}$

Performance and Career Development

ShunSin provides a complete promotion and compensation system, and regularly conducts employee performance evaluations. The Company conducts performance assessments every quarter. In 2022, 1,252 employees underwent a performance assessment, and 1,114 employees who joined the Company prior to July 31 of the current year participated in the annual performance assessment. Supervisors interviewed employees, reviewed their performance and improvement direction, and established different training schemes based on the assessment results to improve employees' skills. About 10% of employees have their salaries adjusted every year based on the results of the annual performance assessment, satisfying the functional management and human capital development of the organization.

Note: Employees above are classed per qualification and status: Category A: (Supervisors at medium level or above and senior professionals); Category B: (General professionals); Category C: (Direct production employees).

■ Performance review of employees at ShunSin in 2022

Job Category	Calculation method	Male	Female	Subtotal
Category A	Total number of employees at the end of the reporting period (A1)	158	74	232
	Number of employees who undergo regular performance and career development reviews (B1)	124	63	187
	Percentage (B1/A1)	78%	85%	81%
Category B	Total number of employees at the end of the reporting period (A2)	220	184	404
	Number of employees who undergo regular performance and career development reviews (B2)	214	166	380
	Percentage (B2/A2)	97%	90%	94%
Category C	Total number of employees at the end of the reporting period (A3)	322	294	616
	Number of employees who undergo regular performance and career development reviews (B3)	263	284	547
	Percentage (B3/A3)	82%	97%	89%
Total	The total number of employees who undergo regular performance and career development reviews(R)	700	552	1,252
	Total number of employees at the end of the reporting period (Q)	601	513	1,114
	The proportion of employees who regularly undergo performance and career development reviews (Q/R)	86%	93%	89%

Care-Free Workplace Environment

■ Management of the material topic "Occupational Health and safety" at ShunSin in 2022

Material Topic	Occupational Health and Safety
Corresponding GRI Index	GRI 403-1 、 403-2 、 403-3 、 403-4 、 403-5 、 403-6 、 403-7 、 403-8 、 403-9 、 403-10
SDGs Principle	SDG 3
Policy and Commitment	We plan policies according to the ISO 45001 Occupational Health And Safety Management System with the objective of providing employees with a safe work environment.
Metrics and Targets	Short-term: — 0 major occupational injuries and diseases. Mid-to-long-term: — Maintain occupational health and safety management system certification, and ensure that colleagues in the plant area are contented at work.
Effectiveness Tracking Mechanism	Confirm the continuous effectiveness of the system through annual internal audits.
Annual action and measure	— The Company continues to pass the ISO 45001 Occupational Health and Safety Management System certification every year, maintaining occupational safety policy, risk identification, and related measures. — We have established accident notification and processing flows to remedy and review conditions related to occupational injuries through institutionalized procedures. — In 2022, two fire safety drills were executed in total. — In 2022, no occupational injury occurred in ShunSin's plant.

Occupational Health and Safety Management System

To maintain employee safety and prevent occupational accidents, the Company implements occupational safety system management in accordance with the ISO 45001 Occupational Health and Safety Management Systems certification. The scope of workplaces covered in the occupational health and safety management system includes the region where production activities are actually conducted, i.e., the Zhongshan factory of ShunSin (No. 9, Jianye East Road, Zhongshan Torch High-Tech Industry Development Zone, Guangdong Province), but does not include plant areas without production activities in other companies located in Taiwan and mainland China; the coverage of workers related to production activities standardized by the management system has reached 100%.

We have established the Occupational Health and Safety Work Code and Occupational Health and Safety Management Plan in accordance with the Occupational Health and Safety Law and other relevant regulations. We aim to focus on six key work areas and continuously conduct occupational hazard risk assessments to improve the system through PDCA circular quality management. Each department has established occupational health and safety sections, management staff, and emergency medical personnel in accordance with the law, striving to prevent occupational disasters through comprehensive prevention measures.

Workers included in the occupational health and safety management system

Factory area	Employees	Workers who are not employees	Subtotal	Coverage ratio
Zhongshan factory	1,252	43	1,295	100%
Total	1,252	43	1,295	100%

Notes:

1.The number of non-employees includes contractors and dispatched personnel who have been working in the factory for a long time.

2.Calculation method for coverage ratio: The total number of employees covered by the occupational health and safety system (employees + non-employees)/the total number of company workers

■ Occupational Health and Safety Management System

1

Health and safety education training and disaster drills

1. Conduct work safety education and regular retraining for employees and contractors.
2. Provide job-related education and training for emergency medical personnel and environmental health and safety professionals.

2

Hazard identification and risk assessment

Identify and evaluate hazards that may cause occupational injury or disease, including hazardous workplaces, chemical substances used in processes, and safety assessments for work activities. Identified hazard risk factors currently include fire, electric shock, mechanical injury, chemical injury, confined space, traffic and other injuries. Noise, ionizing radiation, and other relevant hazards are involved in some regions.

3

Environmental health and safety audits and inspections

Reported to the Occupational Safety Committee. This year, one audit and inspection was completed. The pass rate was 98%. The main nonconforming item was an incomplete record of the distribution of labor protection products. In the future, the labor protection products distributed by each unit will be registered, managed, continually tracked, and improved.

4

Environmental health and safety audit and inspection

The Company has established and implemented work safety comprehensive emergency plans as well as safety management system and SOP for emergency disposal. When unexpected disasters occur, process notification and processing will be followed, and incidents analyzed. The reasons for accidents will also be investigated and improvements reviewed.

5

Health and safety education and training and disaster drills

The Company regularly organizes general and special health checkups, holds occupational health publicity week and health checkups annually, and carries out health and safety knowledge competitions and other activities every year.

6

Environmental health and safety audits and inspections

- 1.Measures for the protection of female employees' health: Provide pregnant women and women who have given birth with maternal health evaluations and work adjustments to ensure the mental and physical health of female employees during pregnancy, after delivery, and when breastfeeding. The Company has also planned exclusive parking spaces, allocated a breastfeeding room, and taken other measures for pregnant women.
- 2.Measures for the health management of workers exposed to high occupational disaster risks: Implement pre-job, on-the-job, and post-job professional health checkups for employees, allocate and distribute personal protective equipment for employees, and supervise the use of such equipment.
- 3.Measures for the occupational health and safety management of suppliers/contractors: Audit the qualifications of construction contractors according to the Company's safety management code, sign construction safety management agreements, and implement safety notification and construction disclosure before construction.

Health and Safety Committee

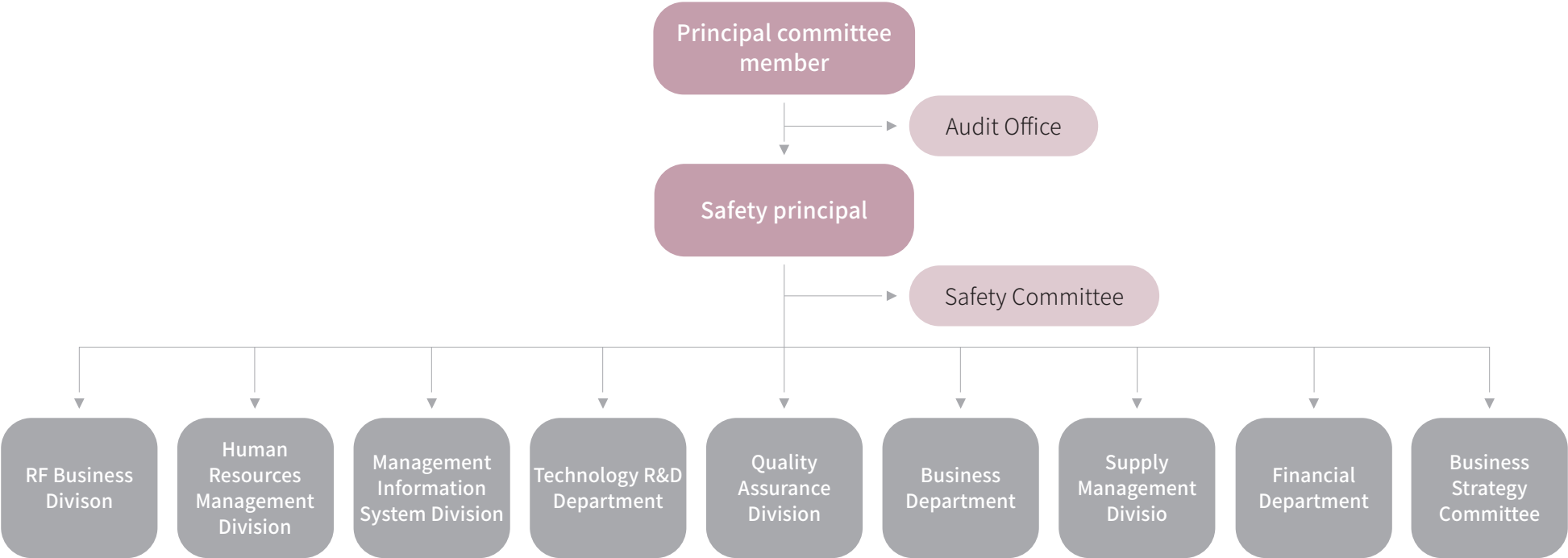
To protect the rights and interests of employees, ShunSin has a Health and Safety Committee with a total of 51 members. The members of this committee include 12 directors, supervisors, and commanding personnel from each department, two engineering technical personnel involved in occupational health and safety, 16 labor representatives, and 21 emergency rescue personnel. An emergency response center and firefighters are also involved. When laborers' opinions need to be consulted during meetings, basic-level employees from each department are also invited to participate in the meetings, communicate, and vote to ensure that workers' opinions are consulted.

In addition, in accordance with the provisions of regulations related to emergency rescue personnel, the number of emergency rescue personnel shall be configured as 1% of the total number of employees. Therefore, 13 emergency rescue personnel shall be allocated for the Zhongshan factory; however, as for practical allocation, we have arranged 21 trained emergency rescue personnel to benefit from quick assistance and procession in case of emergencies and avoid a shortage of emergency rescue personnel in the event of an emergency due to vacations or other related reasons.

The Health and Safety Committee is responsible for enhancing the level of health and safety management and safety management goals through planning, implementation, evaluation, and improvement of the environment. The Health and Safety Committee holds a work safety management meeting regularly every month. The themes discussed in the work safety management meeting include the identification and elimination of hazards, risk evaluations, accident investigations and audits, and the establishment and management of audit standards for contractors and suppliers, etc.

If a worker believes that the work environment may cause injury or illness, they can also apply to their immediate supervisor for a transfer to another position and they will be protected from intimidation, threats, or termination of employment in accordance with the work rules of the company.

■ Organizational chart of the Health and Safety Committee



Occupational Health and Safety Education and Training

To enable employees to work in a healthy and safe working environment, ShunSin regularly conducts occupational safety training and retraining for new employees and in-service employees, so that employees can obtain the necessary safety knowledge at work. To avoid similar accidents from happening again, our Company also regularly conducts accident education and training, and uses accident investigations and analysis to help colleagues understand the cause of accidents, reduce the occurrence of occupational safety accidents, and strengthen employee health and safety.

■ 2022 Personnel health and safety training

Employee Category	Training Category	2022 Training Course	Hours of courses Hour(s)	Actual Participants	Total Hours
New Hire Employee	General training	Training of new employees' awareness of occupational health and safety	8	255	2,040
	Specific training	Department safety management training at the workshop level	8	255	2,040
		Post safety operating procedure training	8	255	2,040
Active employees	General training	Training of awareness of occupational health and safety	1	1,039	1,039
		Training of awareness of fire safety escape	1	1,039	1,039
	Specific training	Chemical safety work, hazardous waste management, and emergency drills	4	16	64
		Fire drill in the first half of 2022	0.5	1,036	518
		Traffic safety training	1	51	51
		Hazardous waste accident emergency drill	1	7	7
		Actual operation practice of fire extinguishers	1	48	48
		Fire drill in the second half of 2022	0.5	814	407
		Safety training of emergency response operators	1	14	14

Employee Category	Training Category	2022 Training Course	Hours of courses Hour(s)	Actual Participants	Total Hours
Labor contractor	General training	Construction safety management training	0.5	246	123
	Specific training	Special work approval training	2	86	172
Total			37.5	5,161	9,602

Occupational Safety Hazard Risk Control

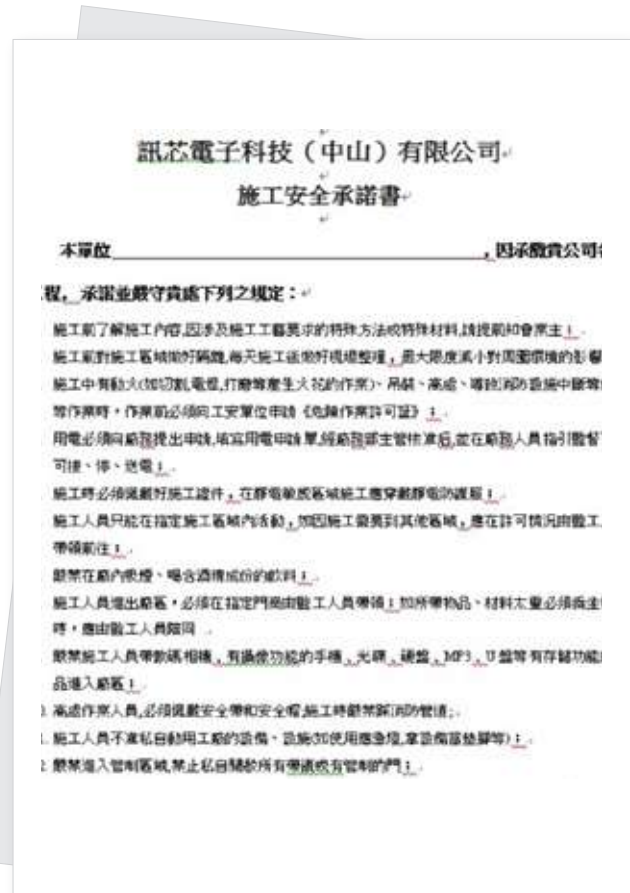
ShunSin conducts hazard identification analysis and sets risk levels based on occupational disaster records. Common types of occupational safety hazards include fire, chemical injury, and X-ray radiation. We will provide specific education and training for employees of the whole factory and operators engaged in special positions regarding the awareness of safe use of chemicals, anti-radiation safety, and awareness of fire safety escape. We also conduct fire safety evacuation and emergency response drills once every half a year, and require employees to wear labor protection products and take safety protection measures.

- Hazard identification, analysis, and improvement measures for occupational health and safety management in ShunSin

Hazard identification	Hazard analysis	Risk level	Measures to improve
Mechanical hazards	Unsafe environment or facilities: machinery without safety protection mechanism	Medium	<ul style="list-style-type: none"> — Wearing and updating of protective tools: Dust and noise — Ventilation: High temperature and environment — Regular health checkups: Dust and human factors engineering — Rotation or temporary change of work: Human factors engineering — Shortening of working hours: Human factors engineering, and high-temperature thermal environment
Chemical hazards	Employees are exposed to hazardous chemical/organic solvent leaks in the working environment	Medium	
Physical hazards	Hazards caused by high and low temperature operations, noise, and repetitive manufacturing	Medium	
Human hazards	Damage to musculoskeletal injuries caused by repetitive work postures	Medium	

Management Measures for Occupational Health and Safety of Contractors

ShunSin conducts safety management for construction contractors according to the Construction Safety Management Procedure, and requires suppliers to sign a Non-corruption Undertaking, Construction Safety Undertaking, and Work Safety Management Agreement, etc. to implement safety, occupational health, and environmental protection management. We also regularly check occupational health and safety risk indicators, and manage contractors through project awarding parties.



Measures for hazardous substances management

To effectively implement the management of hazardous substances in all products, strive to perform corporate responsibility for environmental sustainability, lighten the impact on the environment and ecology, comply with international standards, and satisfy expectations from stakeholders, ShunSin annually reviews the status quo of hazardous substance management and updates relevant provisions on hazardous substances with reference to environmental protection trends, international specifications, and customer requirements. In 2022, ShunSin increased the number of controlled substances of critical raw materials from 219 to 224.

To provide clients with safe products through raw material control, and comply with regulatory requirements at the same time, we have established a product health and safety management mechanism, and required conformity to the management requirements of ShunSin for hazardous substances from R&D to production, e.g., RoHS, SVHC, TSCA, and other related requirements. Furthermore, we regularly require suppliers to provide material safety datasheet and relevant test reports for review.

Occupational Accident Response and Handling

The Company has established and implemented the Operating Procedure for Emergency Response to ensure that we can quickly establish relevant response organization and conduct effective treatment upon the occurrence of emergencies or major accidents to prevent or lower environmental pollution as well as losses of personnel, equipment, and products.

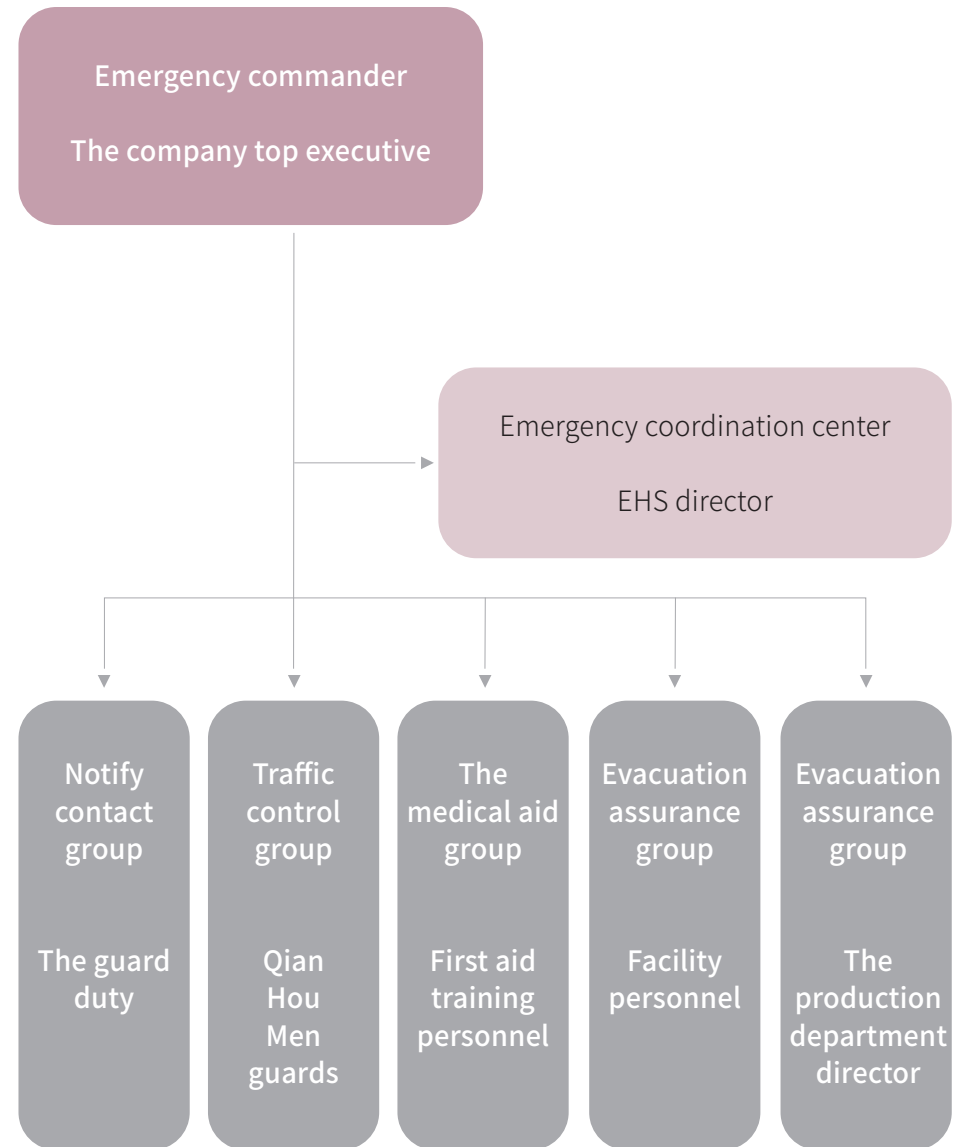
■ Accident reporting and procedures

Immediate treatment Notify site supervisors or safety principals

Communication and contact group Establish an emergency response group
Rush to the site and execute rescue actions

Countermeasures Draft countermeasures depending on the accident
Notify relevant functional organizations according to the severity of the accident
Draft reinstatement plans according to the losses caused by disasters

Record, review and analysis, and end Record the reason for the accident
Review and analyze the reason for the accident
End



■ Accident investigation process

Accident occurrence	A major occupational disaster shall be immediately reported to the Work Safety Office and higher supervisor. Contractors shall notify the construction supervision unit by telephone within 30 minutes, and inform relevant units, including the fire protection unit and medical unit, for support according to relevant provisions. Major occupational disasters shall be notified to the local labor inspection agency within eight hours.
Tracing the cause of the incident	The Audit Office shall set up an "Occupational Disaster Investigation and Treatment Group" after a major occupational disaster. The supervisor or designated personnel of each unit shall serve as the convener, and collaborate with department supervisors to conduct site surveys and audits. After the Accident Prevention Report is sent to the top executive of emergency commanders, a major occupational disaster investigation report review meeting will be convened within one week. The occupational health and safety supervisor serves as the convener, and supervisors of each unit and labor representatives are invited to form the investigation and treatment group. The Audit Office is responsible for explaining the process and treatment of major occupational disasters.
Event review and improvement matters	<p>In accordance with the improvements required in the incident investigation and analysis report submitted by the "Occupational Disaster Investigation and Treatment Group", each unit shall include such improvements for management and follow-up control until improvements are completed. Each unit shall also comprehensively review and make improvements to prevent the recurrence of similar incidents.</p> <p>On the site of a major occupational disaster, relevant photos shall be taken as evidence, and the investigation report shall be submitted together to the Work Safety Office as case teaching materials for education and training for the purpose of preventing the recurrence of similar incidents.</p>

Statistics and Analysis of Occupational Injury Accidents

In 2022, the total working duration of employees of ShunSin reached 2,945,688 hours, and the daily average working duration of each employee reached 9.4 hours, 1.4 hours higher than the working hours stipulated in labor regulations. Relatively high working hours are mainly related to the Company's production features. A working system of six working days and one rest day a week is adopted for most employees on the production line (direct personnel), while a working system of five working days and two rest days is adopted for management personnel (indirect personnel). Therefore, the overall working hours of the Company were relatively high if calculated on the basis of 249 standard working days in 2022.

To compensate employees on the production line for their hard work, ShunSin not only pays overtime according to regulatory provisions, but also regularly arranges health checkups to monitor employees' health every year. As for psychological care, a care center has been established to provide employees with psychological health counseling, difficulty relief, sickness, and complaint handling for employees. We care about employees' physical and mental health. Two occupational injuries were also recorded, a traffic accident during commute outside the factory and a leg injury in a basketball game. No work-related injury has occurred in the Company in the past three years. No serious occupational injury has occurred, and no death has resulted from an occupational injury.

■ Occupational injury statistics of workers in ShunSin in the past three years

Year	2020		2021		2022	
Employee category	Employees	Non-employees	Employees	Non-employees	Employees	Non-employees
Number	0	0	0	0	0	0
Total Working Hours	3,483,936	110,0936	3,480,288	112,256	2,945,688	113,176
Number of Fatalities	0	0	0	0	0	0
Rate of Fatalities	0	0	0	0	0	0
The number and rate of high-consequence work-related injuries	0	0	0	0	0	0
Rate of High-Consequence Work-related Injuries	0	0	0	0	0	0
The number and rate of recordable work-related injuries	0	0	0	0	0	0
Recordable Injury Frequency Rate	0	0	0	0	0	0

Notes:

1. Occupational injury refers to accidental injuries caused by workers performing their duties or occurring in the workplace; the statistical basis does not include commuting accidents (if transportation vehicles are arranged by the team, such as official vehicles or special transportation vehicles, then such accidents are included).
2. Total working hours: Calculation of total annual working hours of all workers; calculation of total actual working and overtime hours; for those other than employees (contractors and dispatching workers), the annual data is estimated as 8 hours a day × (Number of employees entering the factory every month × Monthly working hours).
3. Serious occupational injury: Refers to an injury (excluding death) caused by occupational injury that resulted in a disability or the inability to recover to the same health state before the injury within six months (according to the GRI definition, "recovery time" is used instead of "work lost time", and workers may return to work or terminate their employment before fully recovering).
4. Total Working Hours Mortality rate = Number of deaths caused by occupational injuries × 1,000,000 ÷ Total Working Hours
5. Serious occupational injury rate = Number of serious occupational injuries × 1,000,000 ÷ Total Working Hours
6. Total Recordable Injury Frequency Rate (TRIFR) = Number of recordable occupational injuries (including severe occupational injuries, deaths, and other TRIFR) × 1,000,000 ÷ Total Working Hours
7. 4 to 6 point ratio calculation method: calculated to 2 decimal places, not rounded to 5.
8. A rate based on 1,000,000 hours worked indicates the number of work-related injuries per 500 full-time workers over a one-year timeframe, based on the assumption that one full-time worker works 2,000 hours per year (employ 500,000 or more employees).

■ Statistics on the frequency and severity of disability injuries among workers in ShunSin in the past three years

Year	Employee category	Number of Working Days Lost Due to Disability	Disabling Frequency Rate (FR)	Disabling Severity Rate (SR)	Frequency Severity Indicator (FSI)
2020	Employees	0	0	0	0
	Non-employees	0	0	0	0
2021	Employees	0	0	0	0
	Non-employees	0	0	0	0
2022	Employees	0	0	0	0
	Non-employees	0	0	0	0

Notes:

1. Number of lost working days: Number of days unable to work (rest days). The calculation basis includes occupational accident injury leave, excluding sick leave and menstrual leave.
2. Disabling frequency rate (FR) = times of disabling injury \times 1,000,000/total working hours (calculated to 2 decimal places, not rounded up or down)
3. Disabling severity rate (SR) = (days of disability damage loss \times 1,000,000)/total experienced working hours (rounded to an integer, not rounded up or down)
4. Frequency-severity indicator, FSI = $\sqrt{[(FR \times SR) \div 1000]}$
5. A rate based on 1,000,000 hours worked indicates the number of work-related injuries per 500 full-time workers over a one-year timeframe, based on the assumption that one full-time worker works 2,000 hours per year (employ 500,000 or more employees).

Workplace Health Services

Occupational Injury and Disease Prevention

ShunSin has been actively promoting and emphasizing the workplace health environment for a long time. To protect workers' mental and physical health, the Company regularly handles health examinations, including general health checkups for all employees. Health checkups are conducted once a year or every two years depending on different positions. Furthermore, in accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, we conduct regular special examinations and monitoring of occupational hazards every year, and classify the examination results into three grades, i.e., "Normal", "Reexamination", and "Occupational Contraindication". If an "Occupational Contraindication", we communicate with the relevant employee and transfer them to posts away from the hazardous risk to protect their health and safety and avoid occupational diseases.

ShunSin provides special health checkup services regularly for working personnel exposed to relevant occupational hazards as stipulated in regulations such as the Technical Code of Occupational Health Monitoring and Code for Health Requirements and Monitoring of Radiation Working Personnel, as well as other working personnel who are required to receive mandatory health monitoring due to exposure of occupational hazards in the work environment. Special health checkup items include routine neurology, internal medicine, ophthalmology, blood tests, urine tests, electrocardiogram, liver function, oral cavity, and retina examinations. According to data from the past three years, no personnel had occupational contraindications, and no occupational disease has occurred. In addition to health checkups to regularly monitor employees' health, ShunSin has also adopted new construction methods and techniques, reduced and eliminated occupational

hazards in the production process, and employed specific personnel for specific positions to reduce the number of employees exposed to hazards. By taking these methods, we are dedicated to lowering and eliminating occupational injury risks to personnel.

- Health management grading of special physical examinations in the past three years (unit: number of people)

Year	Number of subjects	Examination results		
		Normal	Reexamination	Occupational contraindication
2020	223	223	17	0
2021	190	190	0	0
2022	106	106	0	0

Notes:

2. Normal: There is no abnormality in the health examination results.
Re-examination: A re-examination is required to further identify whether the health examination
3. results are Category 1 normal or Category 3 occupational contraindications.
Occupational taboos: Based on the results of the health examination, it is estimated that the employee is not suitable for this position, and discussion will be conducted to transfer the
4. employee to another position.
The reasons why the number of people undergoing special health examinations is decreasing every year: (1). Starting from 2021, part of the manufacturing process have been transferred to overseas, so the number of people in China has reduced. (2). In 2022, the methanol physical examination will be changed to once every three years, so the number of people will further decrease.

■ Occupational disease statistics of workers at ShunSin in the past three years

Year	Employee category	Total Working Hours	Number of cases	Number of Fatalities	Rate of Fatalities	Main types of occupational diseases
2020	Employees	3,483,936	0	0	0	None
	Non-employees	110,0936	0	0	0	None
2021	Employees	3,480,288	0	0	0	None
	Non-employees	112,256	0	0	0	None
2022	Employees	2,945,688	0	0	0	None
	Non-employees	113,176	0	0	0	None

Notes:

- Occupational diseases refer to acute, recurrent, and chronic health problems caused or exacerbated by work, including musculoskeletal diseases, skin, and respiratory diseases, malignant cancers, diseases caused by physical factors (such as hearing loss), and mental illnesses, etc.
- Total Working Hours: The total annual working hours of all workers. Employees are calculated based on the actual number of working and overtime hours. A full year data estimation based on non-employees (contractors and dispatched workers) is taken as 8 hours per day × (number of people entering the factory every month × the number of working days per month).
- Rate of fatalities = Number of fatalities as a result of work-related injury × 200,000 or 1,000,000 ÷ Number of hours worked (calculated to 2 decimal places). A rate based on 2,000 hours worked indicates the number of work-related injuries per 100 or 500 full-time workers over a one-year

Health Promotion Care

We expect employees to enjoy a work-life balance. We introduced the EAP (Employee Assistance Program) and established a new health center, integrating professional service resources from both internal and external sources, assisting employees to solve problems related to health, family, and legal, etc. that affect their work performance. Employee assistance includes:

Service system	Care Center: Psychological health consulting, difficulty relief, sickness sympathy, Children Education Assistance and complaint handling for employees Emergency Response Center: Handling of emergency health and safety incidents in the plant area and employees
Professional assistance	Psychological counseling: Psychological health interview
Consulting channels	Dedicated line for insurance fund consulting of the Company: Internal extension 2705 Workplace unlawful infringement/sexual harassment/dedicated line for opinion feedback/RBA response: Internal extension 2718
Self-inspection	Health aspect: Brief Symptom Rating Scale Work-Level: Occupational Aptitude Test Life level: DISC personality test Psychological level: Pressure means quantity gauge
Information sharing	Health updates: Regularly post articles on the bulletin board and the Company's internal website to promote the latest health information. During the COVID-19 epidemic that broke out in 2020, the company immediately updated the relevant epidemic prevention information and released announcements to strengthen epidemic prevention.
Event handling	Annual health checkups, cultural and recreational activities, knowledge competitions, excellence appraisals, lottery drawing evening parties, afternoon tea activities, gourmet garden tours, recognition of senior employees, care for disabled people, and care during festivals.



Appendix

GRI Content Index

SASB Disclosure Indicators –
Semiconductors

Independent Assurance Statement

GRI Content Index

Statement of use	A ShunSin Technology Holdings Limited has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.
GRI 1 used	GRI1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

General Disclosures

GRI Disclosure Number	Disclosure Title	Corresponding Chapter	Page
GRI 2：General Disclosure 2021			
The organization and its reporting practices			
GRI 2-1	Organizational details	About ShunSin	P. 22
GRI 2-2	Entities included in the organization's sustainability reporting	About this Report	P. 6
GRI 2-3	Reporting period, frequency and contact point		P. 6
GRI 2-4	Restatements of information		P. 6
GRI 2-5	External assurance		P. 7
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	Business Scope	P. 23
GRI 2-7	Employees	Talent structure	P. 93
GRI 2-8	Workers who are not employees		P. 93

GRI Disclosure Number	Disclosure Title	Corresponding Chapter	Page
Governance			
GRI 2-9	Governance structure and composition	Board composition and Selection, Functional committees	P. 37 、 42
GRI 2-10	Nomination and selection of the highest governance body	Board composition and Selection	P. 37
GRI 2-11	Chair of the highest governance body	Interest Avoidance	P. 38
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Functional committees	P. 42
GRI 2-13	Delegation of responsibility for managing impacts	Risk Management Unit	P. 50
GRI 2-14	Role of the highest governance body in sustainability reporting	About this Report	P. 7
GRI 2-15	Conflicts of interest	Interest Avoidance	P. 38
GRI 2-16	Communication of critical concerns	Board composition and Selection	P. 37
GRI 2-17	Collective knowledge of the highest governance body	Education of Directors	P. 39
GRI 2-18	Evaluation of the performance of the highest governance body	Performance Evaluations of the Board of Directors	P. 40
GRI 2-19	Remuneration policies	Compensation Committee	P. 43
GRI 2-20	Process to determine remuneration		P. 43
GRI 2-21	Annual total compensation ratio	Confidentiality Restrictions: Salaries are confidential information.	

GRI Disclosure Number	Disclosure Title	Corresponding Chapter	Page
Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	Letter from the Chairman, Commitment and Strategies to Sustainability	P. 3 、 23
GRI 2-23	Policy commitments	Policy Commitment	P. 35
GRI 2-24	Embedding policy commitments		P. 35
GRI 2-25	Processes to remediate negative impacts	Voicing Complaints and Suggestions	P. 49
GRI 2-26	Mechanisms for seeking advice and raising concerns	Voicing Complaints and Suggestions	P. 49
GRI 2-27	Compliance with laws and regulations	Compliance with laws and regulations	P. 48
GRI 2-28	Membership Associations	Membership Associations	P. 33
Stakeholder Engagement			
GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement	P. 10
GRI 2-30	Collective bargaining agreements	Human Rights and Labor Rights Protection	P. 98



Material Topics Disclosure

GRI Disclosure Number	Disclosure Title	Corresponding Chapter	Page
GRI 3 : Material Topics 2021			
GRI 3-1	Process to determine material topics	Material Topic	P. 15
GRI 3-2	List of material topics	Material Topic	P. 17
Material Topics : Supply Chain Management			
GRI 3-3	Management of material topics	Sustainable Value Chain	P. 60
GRI 204-1	Proportion of spending on local suppliers	Sustainable Procurement	P. 61
GRI 308-1	New suppliers that were screened using environmental criteria	Supplier Risk Assessment	P. 62
GRI 414-1	New suppliers that were screened using social criteria		P. 62

GRI Disclosure Number	Disclosure Title	Corresponding Chapter	Page
Material Topics : Employee Benefits			
GRI 3-3	Management of material topics	Personnel Turnover	P. 96
GRI 201-3	Defined benefit plan obligations and other retirement plans	Welfare Measures	P. 102
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Remuneration Level	P. 100
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	Welfare Measures	P. 102
Material Topics : Occupational Health and Safety			
GRI 3-3	Management of material topics	Care-Free Workplace Environment	P. 109
GRI 403-1	Occupational health and safety management	Occupational health and safety management	P. 110
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety Hazard Risk Control	P. 112
GRI 403-3	Occupational health services	Occupational Safety Hazard Risk Control	P. 121
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety.	Health and Safety Committee	P. 112
GRI 403-5	Worker training on occupational health and safety.	Occupational Health and Safety Education and Training	P. 114
GRI 403-6	Promotion of Worker Health	Health Promotion Care	P. 123

GRI Disclosure Number	Disclosure Title	Corresponding Chapter	Page
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	Occupational Safety Hazard Risk Control	P. 115
GRI 403-8	Workers covered by an occupational health and safety management system.	Occupational health and safety management	P. 109
GRI 403-9	Work-related injuries.	Statistics and Analysis of Occupational Injury Accidents	P. 118
GRI 403-10	Work-related ill health	Occupational Safety Hazard Risk Control	P. 121
Material Topics : Training and Education			
GRI 3-3	Management of material topics	Human Resource Development	P. 104
GRI 404-1	Average hours of training per year per employee	Multiple Training Channels	P. 106
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Performance and Career Development	P. 108
Material Topics : Customer Relationship Management			
GRI 3-3	Management of material topics	Customer Service	P. 66
Self-disclosure	Self-disclosure		P. 66

GRI Disclosure Number	Disclosure Title	Corresponding Chapter	Page
Material Topics :Climate Change Response			
GRI 3-3	Management of material topics	Task Force on Climate-related Financial Disclosures, TCFD	P. 71
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Financial Impact of Climate-related Risks and Opportunities	P. 75
GRI 302-1	Energy consumption within the organization	Energy Management	P. 80
GRI 302-3	Energy intensity		P. 80
GRI 302-4	Reduction of energy consumption	Energy Conservation and Carbon Reduction	P. 80
GRI 305-1	Direct (Scope 1) GHG emissions	GHG Emissions	P. 82
GRI 305-2	Energy indirect (Scope 2) GHG emissions		P. 82
GRI 305-3	Other indirect (Scope 3) GHG emissions		P. 82
GRI 305-4	GHG emissions intensity		P. 84
GRI 305-5	Reduction of GHG emissions	Energy Conservation and Carbon Reduction	P. 81
Material Topics :Economic Performance			
GRI 3-3	Management of material topics	Economic Performance	P. 27
GRI 201-1	Direct economic value generated and distributed	Direct economic value generated and distributed	P. 28
GRI 201-4	Financial assistance received from government	Financial assistance received from government	P. 29

GRI Disclosure Number	Disclosure Title	Corresponding Chapter	Page
Material Topics: Integrity Operations			
GRI 3-3	Management of material topics	Integrity Operations	P. 44
GRI 205-1	Operations assessed for risks related to corruption	Zero-Corruption & Anti-Bribery Policy	P. 47
GRI 205-2	Communication and training about anti-corruption policies		P. 45
GRI 205-3	Confirmed incidents of corruption and actions taken		P. 47
Material Topics: Employee Diversity and Equality			
GRI 3-3	Management of material topics	Employee Profile Distribution	P. 91
GRI 405-1	Diversity of governance bodies and employees	Diversified and Plentiful Employment Opportunities	P. 95
GRI 405-2	Ratio of basic salary and remuneration of women to men	Remuneration Level	P. 100
GRI 406-1	Incidents of discrimination and corrective actions taken	Human Rights and Labor Rights Protection	P. 98
Material Topics: Water Resources Management			
GRI 3-3	Management of material topics	Water Resources Management	P. 85
GRI 303-1	Interactions with water as a shared resource		P. 85
GRI 303-2	Management of water discharge-related impacts		P. 85
GRI 303-3	Water withdrawal	Water Usage	P. 86
GRI 303-4	Water discharge	Water Discharge	P. 86
GRI 303-5	Water consumption	Water Consumption	P. 87

Non Material Topic Disclosure

GRI Disclosure Number	Disclosure Title	Corresponding Chapter	Page
GRI 202 : Market Presence 2016			
GRI 202-2	Proportion of senior management hired from the local community	Diversified and Plentiful Employment Opportunities	P. 95
GRI 207: Tax 2019			
GRI 207-1	Approach to tax	Approach to tax, Governance, and Risk Management	P. 30
GRI 207-2	Tax governance, control, and risk management		P. 30
GRI 207-3	Stakeholder engagement and management of concerns related to tax		P. 30
GRI 207-4	Country-by-country reporting		P. 30
GRI 306: Waste 2020			
GRI 306-1	Waste generation and significant waste-related impacts	Waste Disposal	P. 88
GRI 306-2	Management of significant waste-related impacts		P. 88
GRI 306-3	Waste generated		P. 88
GRI 306-4	Waste diverted from disposal		P. 88
GRI 306-5	Waste directed to disposal		P. 88
GRI 402: Labor/Management Relations 2016			
GRI 402-1	Minimum notice periods regarding operational changes	Human Rights and Labor Rights Protection	P. 98
GRI 408: Child Labor 2016			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights and Labor Rights Protection	P. 98

SASB Disclosure Indicators –Semiconductors

■ SASB Disclosure Indicators –Semiconductors

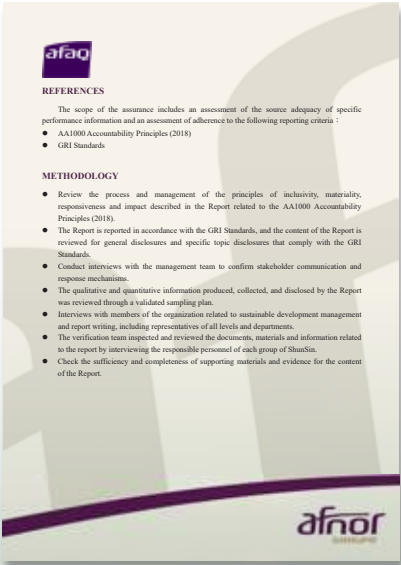
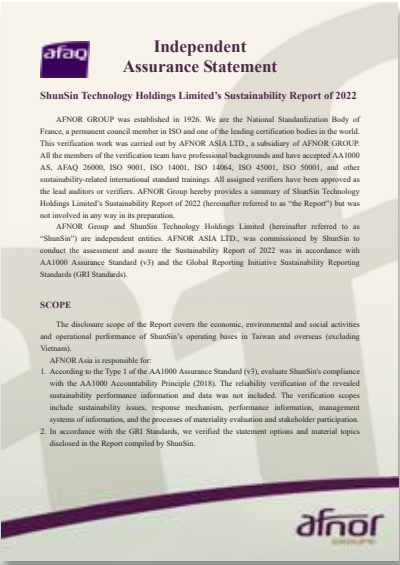
Topic	Code	Accounting Metric	Unit	Explanation / Corresponding Chapter
Greenhouse Gas Emissions	TC-SC-110a.1	Gross global Scope 1 emissions	Metric tons CO ₂ e	CH4. GHG Emissions
		Total emissions from perfluorinated compounds (CO ₂ e equivalent)	Metric tons CO ₂ e	The total emissions of PFCs of the Company was 0%
	TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative	CH4. TCFD Four Core Elements
Energy Management in Manufacturing	TC-SC-130a.1	Total energy consumed	Gigajoules (GJ)	CH4. Energy Management
		Percentage grid electricity	Percentage (%)	CH4. Energy Management
		Percentage renewable	Percentage (%)	CH4. Energy Management
Water Management	TC-SC-140a.1	Total water withdrawn, percentage of each in regions with High or Extremely High Baseline Water Stress (Aqueduct Water Risk Atlas)	Cubic metre (m ³)	CH4. Water Resource Management
		Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress (Aqueduct Water Risk Atlas)	Cubic metre (m ³)	CH4. Water Resource Management
Waste Management	TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	Metric tons /%	CH4. Waste Disposal

Topic	Code	Accounting Metric	Unit	Explanation / Corresponding Chapter
Employee Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Quantitative	CH5. Care-Free Workplace Environment
		Total amount of monetary losses as a result of legal proceedings associated with employee safety and health violations	NT\$	CH5. Care-Free Workplace Environment
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Description of Percentage of employees that are (1) foreign nationals and (2) located offshore	Percentage (%)	CH5. Talent Structure
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%)	The proportion of product revenue for Shunsin that includes substances from IEC 62474 is 0%.
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	Quantitative	We will find a second or third source of materials required to ensure a normal and backup supply in case of quality problems.
Intellectual Property Protection & Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	NT\$	In 2022, no related penalty incident or loss occurred to the Company

■ SASB Disclosure Indicators –Semiconductors

Activity Metric	Accounting Metric	Unit	Explanation / Corresponding Chapter
TC-SC-000.A	Total production	Appropriate Units of Measure	378,116,291 pieces
TC-SC-000.B	Percentage of production from owned facilities	%	100%

Independent Assurance Statement





ShunSin Technology Holdings Limited

<https://www.shunsintech.com/tw/>

