

The cover features a central illustration of a green and blue Earth globe. The globe is surrounded by various elements: a green car on top, a yellow car on the left, and a yellow excavator on the bottom left. The globe is also adorned with green and yellow leaves and flowers. In the background, there are white silhouettes of city buildings and a blue sky with white clouds. The text is positioned on the right side of the cover, within a white cloud-like shape.

中興電工

2022

Sustainability Report

English Version

Notice to readers

This English-version report serves as a summary translation of the Chinese version.

If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Message from the Chairperson

After years of devastation, the COVID-19 pandemic finally came to an end in 2022. However, the issues of uncontrolled carbon emissions, worsening climate extremes, and ecological crises caused by global warming have continued to worsen and show no signs of abating. As a key player in Taiwan's green energy industry, CHEM has proven its resilience and achieved remarkable business performance in the unpredictable global operating environment of 2022.

Benefiting from the government's active efforts in strengthening the power grid, CHEM has actively invested in domestic green energy generation infrastructure. This has led to sustained growth in its power-related business, stable profitability from solar energy projects, and the gradual fruition of its global hydrogen business and domestic electric vehicle charging stations. The benefits of CHEM's green energy transformation strategy have gradually become evident, as evidenced by its record-breaking revenue and profits in 2022, the best since its establishment.

The business environment in 2023 is expected to continue as seen in 2022. Factors such as the ongoing US-China rivalry, complexity in cross-strait relations, geopolitical complexities, economic fluctuations, inflationary pressures, and tightening bank credit have led to an extremely unstable economic situation. Therefore, in the face of the dynamic and ever-changing business environment in 2023, our key focus will be "Navigating New Directions and Creating New Path."

CHEM will continue to contemplate and evaluate how to steer the company towards sustainable operations, reflecting the belief of being "on the right track" to transform CHEM from a local supplier into a global player.



About this Report

- **General Facts**

This report by CHEM is to enhance the transparency and shall continue to publish on a yearly basis to reveal the operational outcome other than financial performance and to practice the sustainability for business operation. This report is to published in June 2022 and the next publication shall be June 2024.

- **Scope to Cover**

The data included in this report covers the information gathered from January 1 2022 to December 31, 2022. For more details please refer to CHEM's annual report 2022.

- **Compliance & Reference**

GRI Sustainability Reporting Standards, GRI Standards, 2021. The guidance of Sustainability reporting for TPEX-listed Companies. Please refer to Glossary for details in the Chinese version.

- **External Credibility**

All financial data is provided by Crowe (TW) CPAs and summarized based on IFRS – International Financial Reporting Standards. ISO 9001 : 2015 Quality Management, ISO 14001 : 2015 Environment Management, ISO 17025 : 2017 Lab Quality Management, ISO 27001 – Information Safety & Management , ISO 45001 – Occupational Safety & Management, Recognized by National Electrical Manufacturers Association, AS 9100 Aviation Industrial Quality Management & Certification, OHSAS 18001 Occupational Safety Management and Certification, etc.

- **External Proposals**

GRI and Sustainable Development Goals, SDGs and Responsible Business Alliance, RBA. Compulsory for suppliers to avoid Conflict Minerals.

- **Frequency of Publication**

For more details, and to enhance the transparency of information disclosure and to improve the accessibility of this report, please refer to CHEM's annual report 2022 in Chinese version from www.chem.com.tw. This report is to published in June 2022 and the next publication shall be June 2024.

About this Report

- **Contact Information**
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Subsidiaries of CHEM Taiwan

Cheng-Hsin Engineering & Services Co., Ltd.
Sunrise Tech. Co., Ltd
Global-Entech Co., Ltd.
Etrovision Technology Co., Ltd.
San Feng Construction Co., Ltd.
Bao-Sheng Global Co., Ltd.
Wha Dun Building Management Service Co., Ltd.
Findata Finance Technology Corp.
Tian Chong Energy Co., Ltd.
Tian Peng Energy Co., Ltd.
Tian Cin Energy Co., Ltd.
Chung- Hsin Energy Tech. Inc.



Stakeholders' Engagement

- Step 1** – Identify Stakeholders (6 major stakeholders)
- investors, employees, clients, suppliers, authorities and communities

- Step 2** – Communicate with Stakeholders (12 Items)
- cooperate governance, policy for dividends, employee's rights and welfares, workplace safety and health, training and development, training for supervisors, production management, customers' relation management, community and involvement, regulation compliance, energy-saving and carbon reduction, pollution protocol and prevention

- Step 3** – Identify Major Issues (7 topics for sustainability)
- topics focused on the impact to economics, society and environment, including cooperate governance, regulation compliance, energy-saving and carbon reduction, pollution protocol and prevention, learning the development for employees, social activities and involvement.

- Step 4** – Conduct Evaluation and Start Discussion (Sustainability Reports)
The conduct is in accordance with the GRI (Global Reporting Initiative) and to disclose the information of major topics to release CHEM's first sustainability report.

Identifying Stakeholders

For steps and procedures, CHEM is in compliance with Stakeholder Engagement Standard, AA1000 SES 2015) and other standards, and has indentified the stakeholders based on the following criteria:

1. Independency
2. Responsibility
3. Tension
4. Influence
5. Diverse Prospective

6 Major Stakeholders are

1. Investor
2. Employees
3. Clients
4. Suppliers
5. Authorities
6. Community

For communication and details, please refer to the Chinese version of this report.

Stakeholders' Engagement and Communication

To gain a comprehensive understanding of the interests and expectations of all stakeholders, as well as to identify the significance and impact of their concerns, CHEM engages in communication through various means, such as regular meetings, interviews, phone calls, business interactions, surveys, and public information disclosure. Following the Global Reporting Initiative (GRI) sustainability reporting guidelines, specific topics are disclosed and focused on, covering economic, environmental, and social aspects. These topics include corporate governance, dividend policy, employee benefits and welfare, occupational health and safety, employee education and training, management training, production management, customer relationship management, social participation, regulatory compliance, energy conservation and carbon reduction, and pollution prevention.

In addition, CHEM has established a dedicated "Stakeholder Contact" section on the Company website, providing an exclusive email address (services@chem.com.tw) for communication and contact with stakeholders. The company also has a spokesperson, proxy spokesperson, dedicated shareholder personnel, and an investor relations contact point. Any questions, suggestions, or complaints related to the concerned issues can be addressed through this email address to ensure smooth and timely communication and interaction. For detailed information on stakeholder communication, please refer to the table "Stakeholder Concerns and Communication Status."

Overall, CHEM is committed to effectively understanding and responding to the interests and expectations of its stakeholders, while adhering to transparent communication practices and promoting sustainable business practices.

Stakeholders	Issues to Focus	Frequency for Communication	Channels of Communication
Investors	Corporate Governance Policy for Dividends	Annually Quarterly / Yearly Based on Needs & Demands Annually Annually Based on Needs & Demands	Annual Report Financial Report Investor Relations Annual Meeting with Shareholders Earning Calls MOPS / Material Information Announcement
Employees	Employee's Rights and Welfare	Quarterly Quarterly	Welfare Committees Employee's Union Committees

Stakeholders	Issues to Focus	Frequency for Communication	Channels of Communication
Employees	Employee's Rights and Welfare	Quarterly Quarterly	Welfare Committees Employee's Union Committees
	Workplace Safety and Health	Quarterly Biennially Based on Needs & Demands Based on Needs & Demands	Employee's Union Committees Health Check Training for Education On-site Nurses and Assistance
	Learning and Development for Employees	Quarterly / Based on Needs & Demands	Learning and Development Activities
	Training for Supervisors	Based on Needs & Demands	Learning and Development Activities

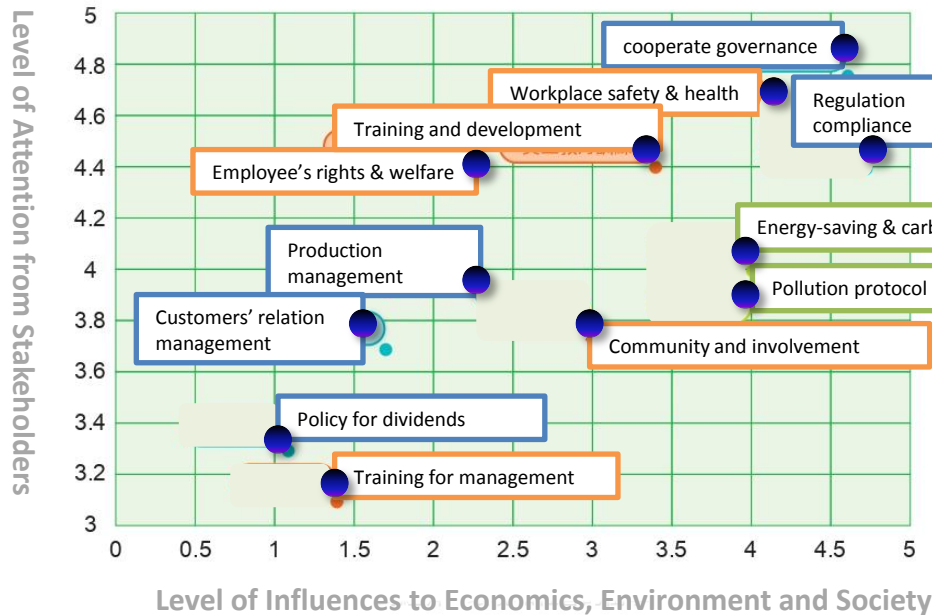
Stakeholders	Issues to Focus	Frequency for Communication	Channels of Communication
Clients	Production Management (QCD)	Based on Needs & Demands	Business development and Revisiting
	Relation Management	Every 6 months	Questionnaires for Satisfactory
Suppliers	Production Management (QCD)	New Suppliers Engagement At the Delivery Every 6 months	Contract Purchasing Suppliers' Assessment for Delivery Auditing for Suppliers
Authorities	Cooperate Governance Social Activities and Involvement Regulation Compliance Energy-Saving and Carbon Reduction Pollution Protocol and Prevention	Based on Needs & Demands Regularly Scheduled	Government's Letters and Notices Questionnaires Announcement and Seminars
Communities	Community Activities and Involvement	Based on Needs & Demands Based on Needs & Demands Regularly Scheduled	Charities Emergency Assistance Sponsorships

Major Focus for Materiality Principle & the Materiality Matrix

In accordance with the materiality principle, CHEM consolidates the 12 issues of concern raised by its stakeholders. Besides considering the level of stakeholder concern, the company also evaluates the economic, social, and environmental impacts of these issues through the assessment conducted by senior executives. Based on these two dimensions, significant thematic identification is carried out, as depicted in the "2022 Materiality Matrix" below. A total of 7 major themes have been identified, namely: corporate governance, regulatory compliance, occupational health and safety, energy conservation and carbon reduction, pollution prevention and control, employee education and training, and social engagement. Following the principles of sustainability, these themes are continuously managed based on the previous year's focus areas.

Based on the results of the materiality identification, the company incorporates relevant policies, commitments, goals, and performance related to these major themes into its sustainability report. This disclosure is made available for evaluation and decision-making by all stakeholders, and the annual sustainability performance and next year's implementation targets are reported to the board of directors, facilitating the continuous advancement of CHEM's sustainable business development policies.

Matrix of CHEM's Major Topics to Focus in 2022



CHEM's Materiality and The Relevance with Impact Indicator

■ Direct ● Indirect ▲ Commercial

Items	Major Topics	Correspondence in Chapters of this Report	Correspondence in GRI indicators	Stakeholders					
				investors	employees	clients	suppliers	authorities	communities
1	cooperate governance	Chapter 2 Cooperate Governance	GRI 201-1	■	●	●	▲	■	
2	regulation compliance	Chapter 2 Cooperate Governance	GRI 205	●	■	●	▲	■	
3	workplace safety and health	Chapter 6 Workplace Safety and Health	GRI 403		■		▲	●	
4	energy-saving and carbon reduction	Chapter 4 Environmental Protection	GRI 302	●	●	●	▲	●	●
5	pollution protocol and prevention	Chapter 4 Environmental Protection	GRI 307	●	●		▲	●	■
6	training and development	Chapter 5 Workplace Friendliness	GRI 404		■	●		●	
7	community activities and involvement	Chapter 7 Charity Work	GRI 203					●	■





Sustainable Development Committee

To fulfill corporate social responsibility, promote progress in the economic, environmental, and social spheres, and achieve the goal of sustainable development, CHEM has established sustainable development practices and submitted reports to the shareholders' meeting as a basis for implementing sustainable development initiatives. These practices have been approved by the Board of Directors.

Since the issuance of the 2022 Sustainability Report, CHEM's management team has consistently reported to the Board of Directors on the progress and achievements in implementing ESG sustainable development, enhancing the Board's engagement in ESG initiatives. Furthermore, in order to implement goals related to environmental protection, social responsibility, and corporate governance, CHEM has planned to establish a Sustainable Development Committee under the Board of Directors in 2024. This committee will assist the Board in continuously promoting practices in the areas of environmental management, social responsibility, and corporate governance, with the aim of achieving sustainable business operations.

Performance in Sustainable Development Actions

In 2015, the UN introduced 17 Sustainable Development Goals (SDGs) as a guide for global collaborative efforts towards sustainability. These goals aim to provide directions for countries, local governments, businesses, and civil society organizations in formulating responsive advocacy and policy-making, leading to sustainable development in the environmental, economic, and social aspects by 2030. CHEM considers sustainable development as its corporate responsibility and actively promotes policies and activities aligned with the SDGs, aiming to implement relevant action plans and contribute to sustainability efforts.

SDGs Indicator				
CHEM's Actions	<ol style="list-style-type: none"> 1. Established the "CHEM Love Charity Fund" to donate NT\$3.2 in 2022 to support vulnerable groups and activities. 2. Donated funds and sponsored non-profit organizations for the underprivileged and critically ill. 3. Supported foster care for orphaned children for over 10 years. 4. Provided employment opportunities for disadvantaged groups. 5. Supported "Scholarship Programs" and "Tutorial and Vocational Classes" to help underprivileged students with their future prospects. 	<ol style="list-style-type: none"> 1. Supported CNY food collection events and provided meals for elderly individuals living alone. 2. Donated supplies to low-income households in the neighborhood. 3. Supported friendly farming practices. 4. Purchased food & supplement to provide for disadvantaged families. 5. Donated funds and sponsored meals for underprivileged elementary and middle school students. 	<ol style="list-style-type: none"> 1. Provided biennial health check-ups for employees, their families, and vendors that exceeded legal requirements. 2. Offered consultation services for health check-up reports and medical advice from in-house doctors. 3. Provided various types of personal protective equipment (PPE) and training to reduce occupational hazards. 4. Implemented proactive "mobile management" within the company, where occupational health and safety personnel actively check on the physical and mental well-being of colleagues. 5. Organized activities such as smoking cessation programs, weight loss programs, and blood donation drives. 6. Conducted annual health and diet lectures, as well as physical fitness courses. 7. Provided paid leave for employees to receive vaccinations and discounts on epidemic prevention supplies. 8. Arranged for influenza vaccinations for employees. 9. Installed Automated External Defibrillator (AED) devices on-site and arranged training for personnel. 10. Provided various clubs, travel opportunities, hospital visits, and medical assistance to promote the physical and mental health of employees. 	<ol style="list-style-type: none"> 1. Provided internal and external education and training, as well as management development programs for mid-level and senior executives. 2. Signed industry-academia cooperation programs with multiple schools and provided internship opportunities. Hired 24 external graduates and 25 fourth-year interns from external schools in 2022. 3. Donated funds for education in rural elementary schools and provided teaching equipment. 4. Provided scholarships for employees' children. 5. Participated in government training programs. 6. Provided rewards for colleagues' language proficiency and certification examinations.



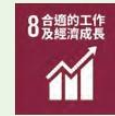
1. Approximately 30% of the company's 20 high-level executives are women, and the President is also a female.
2. Provided a childbirth subsidy of \$1,600 for the first child and \$1,200 for the second child. Cooperated with nearby kindergartens to offer discounted childcare services.
3. Reserved "priority parking spaces for pregnant colleagues."
4. Established breastfeeding rooms and provided dedicated refrigerators.
5. Held occasional gender equality and sexual harassment prevention seminars.



1. Used rainwater and groundwater as the main water sources for toilets. Water tanks are cleaned and disinfected annually to ensure water quality.
2. Regularly tested water dispensers on-site.
3. Installed sensor-activated water supply devices to conserve water resources.
4. Replaced and updated pipelines and motors in the wastewater treatment plant to ensure that the wastewater meets discharge standards.



1. Built a 2,538 kWp solar power system in the Linkou plant area.
2. Actively cooperated with domestic renewable energy policies. Initiated solar power generation and maintenance projects in Qigu, Tainan, and actively promoted solar power generation and maintenance projects in Hualien.
3. Participated in government wind power generation projects, accounting for more than 10% of the company's revenue.
4. Early deployment in the transition from heavy electricity to green energy, establishing Hydrogen R&D center
5. Completed the integrity in R&B lab for renewable energy and owning the stack-testing stand.
6. One and only the supplier for >10kw Fuel Cell
7. Providing Integrated solution for various types of renewable energy, power storage system and FC and others.



1. Signed industry-academia collaboration projects with multiple schools and provided internship opportunities for students. In 2022, a total of 24 external hires and 25 senior year students from other schools participated in internships.
2. Employed 21 individuals with disabilities in 2022.
3. Continued to increase the employment of 48 employees aged 65 and above in 2022, and received the "Excellent Enterprise for Continued Employment of Older Workers in 2021" award.
4. The company's enterprise union was recognized as an excellent union by the Taoyuan City Government.
5. To encourage colleagues to recommend outstanding individuals, a talent referral bonus of NT\$3,000 was provided to employees.
6. As of 2022, CHEM had a total of 1,746 employees, with 266 new hires during the year.



1. Actively cooperating with domestic renewable energy policies, initiated solar photovoltaic power generation and maintenance projects in Qigu, Tainan, and actively promoted solar photovoltaic power generation and maintenance projects in Hualien. After the completion of the projects in Qigu and Hualien, it will contribute approximately 550 million kWh of green energy generation to Taiwan annually.

2. Automated design of hydrogen fuel cell production lines, including automated board washing and painting, to reduce personnel exposure to environmental pollution.

3. In 2022, CHEM's iCharging initiated electric vehicle charging services at four rest areas on National Highway 4 and obtained another six sites in the second phase.

4. Collaborated with all electric vehicle manufacturers to establish electric vehicle charging stations throughout Taiwan. In 2022, 20 stations were completed. Utilizing the DooDooHome fee system and a large membership base to enhance customer loyalty by charging for parking and charging at once.



1. Implemented an employee suggestion box to understand the needs of grassroots employees and assist in improvement. Suggestions are also forwarded directly to the general manager by the respective departments.

2. Provided job opportunities for female colleagues in the same factory to increase the proportion of female colleagues.

3. Implemented fixed amount bonuses to effectively improve the income of grassroots employees.

4. Donated patrol vehicles to the Fenglin Township Office in Hualien County.

5. Donated 10 temperature sensors to Zhao Ming Junior High School during the pandemic.

6. Supported handmade products by the Joy Children Foundation.

7. Provided tablets, video teaching aids, and scholarships for students in remote areas.

8. Participated in the distribution of winter supplies in Wanrong Township, Hualien County.



1. Involved in urban renewal projects such as Dun Nan Project and Sanchong Project, creating a green, comfortable, and safe living environment and providing a new urban landscape for old communities.

2. First participated in urban renewal projects in 2020, and Dun Nan Project was awarded the 22nd National Architectural Gold Medal.

3. Renovated the Zhonghe office building, including facade investment, updates to public facilities, and mechanical and electrical equipment, to beautify the cityscape and enhance the living environment for residents.



1. Actively classified production waste to reduce landfill and promote the circular economy by recycling materials. Collaborated with suppliers to encourage them to recycle packaging materials or reduce plastic usage.

2. Reused iron plates and bases from construction sites by transporting them back to be recycled.

3. Optimized production processes to reduce waste of oil, gas, water, and electricity resources.



1. Organized tree planting activities, with each person planting a tree.

2. Adopted and cared for trees in industrial areas.

3. Increased the planting of 120 trees.

4. Regularly replaced activated carbon filters and updated wastewater facilities to prevent pollution that may harm the local ecology.



1. Prohibited employees from accepting bribes, provided reporting channels, and clearly defined penalties for violations.

2. Established a dedicated unit responsible for handling complaints and a hotline for reporting.

3. Protected the personal information of whistleblowers to prevent improper treatment due to reporting.

01 ABOUT

1.1 Company Introduction

CHEM was established in 1956, accompanying the takeoff and transformation of Taiwan's industries. We provide advanced power equipment and power transmission and distribution engineering services to support the various stages of power development. Currently, we are a leading company in Taiwan's heavy electrical, parking management, and green energy industries. Since its establishment, CHEM has embraced innovation and change, seeking growth and transformation. Built upon the stable foundation of the power industry, our main business focuses on power equipment, power engineering, and green energy. We have developed six major business segment/department, including heavy power, system integration, parking management, CNC, renewable energy and China business group. In recent years, recognizing the increasingly severe global warming issue, CHEM has actively aligned with the government's green energy and energy-saving policies. We contribute our expertise and actively engage in renewable energy businesses such as wind power generation, solar power generation, fuel cells, charging stations, micro-grids, and more. We strive to fulfill our corporate social responsibility in green energy and environmental protection, joining hands with Taiwan to guard the Earth environment with green energy realization.

CHEM is at the leading position in the domestic heavy electrical equipment industry. We focus on three main businesses: gas-insulated switchgear (GIS) heavy electrical equipment, precision manufacturing, and hydrogen energy. In addition to these core businesses, CHEM has diversified its operations.

The scope of our operations includes heavy electrical products, electric meters, system air conditioning engineering, generators, power automation systems, parking management, charging stations, and integrated engineering for power generation and substations. Since 2008, CHEM has also been investing in the research and development of new energy, particularly hydrogen energy. It aims to create cleaner and more energy-efficient products for the future we share.

For details in history and company physical information listed, please refer to the shareholder's meeting handbook, chapter 1 and 2.



Scope

CHEM has been deeply rooted in the heavy electrical industry for many years, leveraging its strong competitive advantages in the power industry to develop diversified business portfolios. Our operations encompass a wide range of areas, including heavy electrical equipment, power engineering, renewable energy products, Micro Grid, electric meters, system air conditioning engineering, generators, and parking management.

In recent years, CHEM has actively transformed and expanded into green energy businesses such as hydrogen energy, energy storage, Micro Grid, and carbon reduction. With a commitment to environmental protection and Earth conservation, CHEM has achieved significant milestones. These include the successful operation of seven solar power plants, the growth of hydrogen energy product sales, and the introduction of the "iCharging" electric vehicle charging service at highway rest areas. These initiatives signify CHEM's position as a green energy company and its dedication to fulfilling corporate social responsibility.

In Billion	Green Energy	Service	Others
Revenue	126.1	37.9	21.4
Percentage	68.0%	20.5%	11.5%

Green Energy

Solar Power |
Hydrogen Energy |
Micro-Grid |
Power Supply

Service

Parking Mgmt | EV
charging |
Maintenance &
Operation

Others

Urban Renovation
| System
Integration |
Precision
Machining

Power Business Group

1. Power Supply
2. Power Engineering
3. Power Meters
4. Power Automation



System Integration Group

1. System Engineering
2. Air-Conditioning Products
3. Power Generating Products
4. Machining & Electric Maintenance & Operation
5. Urban Renovation
6. Energy-Saving Service



Renewable Energy Group

1. Hydrogen Business (Fuel Cell, Micro-Grid)
2. Wind Power, Solar Power Engineering Projects, Construction, Operation and Maintenance



CNC Group

1. Semi-Conductor, photovoltaic-related and aviation in precision machining



Dodohome Group

1. Parking Management Solution
2. Charging Service and Management

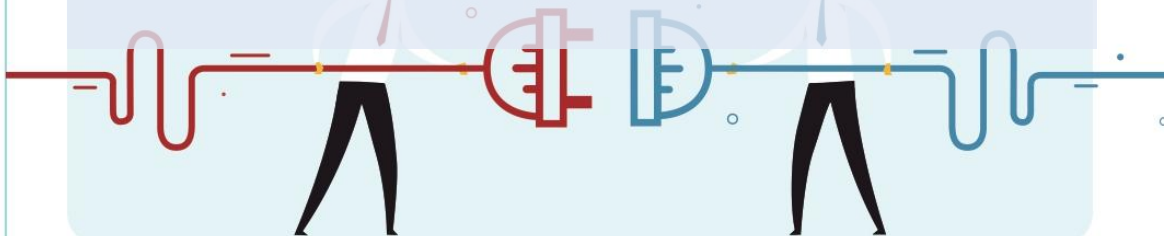


China Business Group

1. Semi-Conductor, photovoltaic and aviation in precision machining
2. GIS Solution

Main Business Products Include:

1. Manufacturing and sales of air conditioning products, electric motor products, electrical products, power supply equipment products, industrial machinery components, and products.
2. Contracting of electrical pipeline installation engineering projections, air conditioning motor engineering, maintenance of air conditioning equipment and electromechanical systems.
3. Contracting and construction of waste incinerators engineering projects, pollution prevention and control projects, contracting and construction of power supply systems and power monitoring system engineering.
4. Contracting and engineering of wind power, hydropower, thermal power, solar power generation projects, highway tunnel electromechanical fire protection, and substation turnkey projects.
5. Operation, management, and equipment manufacturing, sales, and operation management of parking lots and charging stations.
6. Manufacturing and sales of smart grid power automation equipment.
7. Research, development, manufacturing, and sales of stationary fuel cell systems, including key component development such as fuel cell stack modules, power modules, reformers, and fuel cells.
8. Residential and commercial property development and leasing.
9. Manufacturing and sales of various types of hydraulic actuators, pneumatic actuators, spring actuators, electric actuators, electric spring actuators, and medium-voltage switchgear equipment used in 22kV~550kV gas-insulated switchgear (GIS).
10. Production and manufacturing of aerospace components, panels, semiconductor equipment chambers, and precision machining components.
11. Engineering, contracting, and operation and maintenance of solar photovoltaic plants.



1.2 Awards

Due to the current shortage of manpower in the domestic power industry, efforts have been made to cultivate more outstanding talents in the field. This includes establishing scholarships to assist excellent electrical and mechanical students in completing their studies. Additionally, collaborations with several universities such as Chang Gung University, National Taiwan University of Science and Technology, Longhua University of Science and Technology, and Chung Cheng University have been initiated to jointly invest in power research and development projects.

Furthermore, in 2007, a high-quality power supply industry master's program was established in collaboration with National Taipei University of Technology. This program aims to exert efforts in cultivating the next generation of outstanding power professionals. Various collaborative projects with academic institutions are summarized.

Please refer to the Chinese version of this report for the names of Awards in Chinese to avoid the discrepancy.

		產學訓合作訓練三方協議書 (能源與冷凍空調工程系四技產學訓專班) 4 人	110.07.12~111.06.30
		產學合作專班合約書 (機械工程系) 10 人	104.9.1-108.6.30
2	龍華科技大學	產學合作專班合約書 (機械工程系) 7 人	111.07.01~112.06.30
		產學訓合作訓練三方協議書 (電機系) 3 人	111.03.21~113.06.15
3	長庚大學	建教合作合約書 (電機系) 4 人	105.7.4-108.8.23
4	國立中正大學	前瞻製造系統頂尖研究中心合作意向書	106.1.1-108.12.31
5	東南科技大學	產學合作合約書 (冷凍空調系) 1 人	108.7.1-108.12.31
		產學合作合約書 (冷凍空調系) 3 人	112.02.06~112.06.30
6	黎明技術學院	產學訓合作訓練三方協議書 (電機系) 3 人	111.03.21~113.06.15
		校外實習合約書 (電機系) 2 人	112.01.09~112.06.08

*2022 年合計產學合作生 24 人，實習生 25 人



Corporate Social Responsibility Awards

In order to fulfill corporate social responsibility and contribute to the progress of the economy, environment, and society towards sustainable development goals, CHEM has established corporate social responsibility practices since 2015. The awards received are as follows:

Awards Received for Corporate Social Responsibility

Please refer to the Chinese version of this report for the names of Awards in Chinese to avoid the discrepancy.

- | | |
|----|---|
| 6 | 導入倍倍經濟概念，榮獲台灣電力公司 2018 特色環保優良工地計畫特優獎項 |
| 7 | 2019 年第四屆 APEC 能源智慧社區最佳案例 (ESCI) 智慧電網類金質獎 |
| 8 | 1111 人力銀行舉辦「製造業暨營建代銷類幸福感大調查」，上班族票選心目中「精密機械類」最幸福企業前二十名 |
| 9 | 中華電信股份有限公司 2019 年供應商永續夥伴認證標章金級獎 |
| 10 | 敦化南路都市更新案 110 年度取得黃金級綠建築標章證書 |
| 11 | 美國應用材料亞洲唯一「優良廠商獎」 |

Awards & Recognition Received:

To avoid discrepancy from translation, please refer to the Chinese version for details and the names in Chinese as listed.



British Standards Institution Statement for Sustainability



Green Building Recognition for Urban Renovation Projects 2021



Best Performance in Suppliers Recognized by AMAT



Golden Quality Awards for Public Engineering & Construction



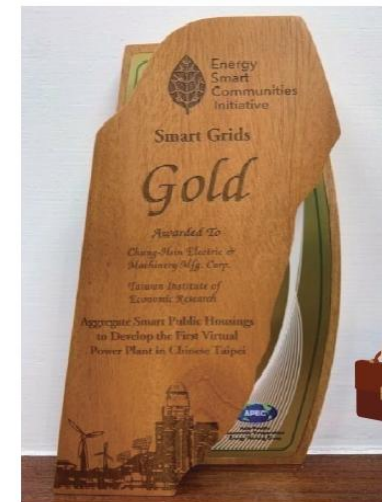
Low Carbon Alliance By Chungwha Telecom



Recognition of Appreciation for Community Power Grid Rebuilding after Natural Disasters



Energy for Smart Community Best Practice - ESCI by APEC – Year 3



Energy for Smart Community Best Practice - ESCI by APEC – Year 4



Other Awards and Recognition

Best Honor in Tech

- 1 Industrial Technology Advancement Award – Year 18

Best Honor as the Corporate

- 1 **Please refer to the Chinese version of this report for the names in Chinese to avoid the discrepancy.**
- 2
- 3

Recognition in Quality and Products

- 1 ISO 9001 : 2015 Quality Management
- 2 ISO 14001 : 2015 Environment Management
- 3 ISO 17025 : 2017 Lab Quality Management
- 4 ISO 27001 – Information Safety & Management
- 5 ISO 45001 – Occupational Safety & Management
- 6 Recognized by National Electrical Manufacturers Association
- 7 AS 9100 Aviation Industrial Quality Management & Certification
- 8 OHSAS 18001 Occupational Safety Management and Certification
- 9 NADCAP CMSP Hole-making Certification



Recognition in Quality and Products

10	<p>Please refer to the Chinese version of this report for the names in Chinese to avoid the discrepancy.</p> <p>新加坡 110/220/420/550 KV 瓷柱式斷路器 GCB 通過義大利 CESI 型式試驗認證</p>
11	
12	
13	

Awards & Recognition from Products / Engineering Projects

1	The 5th Public Construction Commission Golden Quality Award -Excellence	11	The 20th Public Construction Commission Golden Quality Award -the Best of Excellence, and Special Achievement Award
2	The 7th Public Construction Commission Golden Quality Award -Excellence	12	The 21st Public Construction Commission Golden Quality Award –Excellence
3	The 8th Public Construction Commission Golden Quality Award -the Best of Excellence	13	The 22nd Public Construction Commission Golden Quality Award -the Best of Excellence
4	The 9th Public Construction Commission Golden Quality Award -Excellence	14	Urban Renovation - the Dunnan Project - National Golden Award for Residential and Commercial Buildings
5	The 9th Public Construction Commission Golden Quality Award -the Best of Excellence	15	Best in Class Performance Recognized by AMAT
6	The 11th Public Construction Commission Golden Quality Award -Excellence		
7	The 15th Public Construction Commission Golden Quality Award -the Best of Excellence		
8	The 16th Public Construction Commission Golden Quality Award -Excellence		
9	The 17th Public Construction Commission Golden Quality Award -the Best of Excellence		
10	The 19th Public Construction Commission Golden Quality Award -Excellence		



Government-Approved and Funded Projects in Recent Years

Projects Supported by MOFA – Tech and Research

Please refer to the Chinese version of this report for the names in Chinese to avoid the discrepancy.

6	鼓勵國內企業在台設立研發中心計畫	102
7	高值化航太級加工設備與應用整合性計畫	104
8	高效水冷燃料電池堆及其關鍵技術開發計畫	109

Projects Supported by MOFA – Bureau of Energy for Fuel Cell & Verification Projects

4	內政部消防署無線電中繼站燃料電池備用電力示範運轉驗證計畫	101
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External Engagement and Participation

1.3 External Engagement

1. Sustainable Development Goals, SDGs
2. Global Reporting Initiative, GRI
3. United Nations Global Compact, UNGC
4. World Economic Forum - Anti-Corruption and Bribing



Associations

There are numerous industrial associations and professional organizations in Taiwan. In order to consolidate industry consensus, CHEM actively participates in various industrial associations, utilizing different platforms to share industry news, receive diverse perspectives and professional knowledge, and further promote the development and advancement of industry public affairs. In 2022, CHEM was a member of 40 industrial associations. Among them, CHEM's Quality Assurance Committee, Air Conditioning Plant, Electric Machinery Plant, and Power Plant were members of the National Accreditation Foundation, a foundation established under the law, and each obtained TAF laboratory accreditation.

CHEM for Industrial Associations, Involvement and Engagement

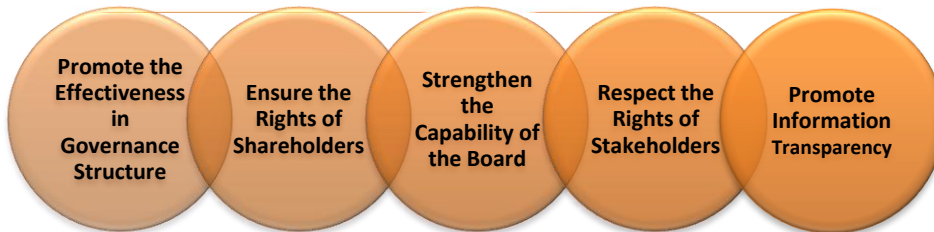
Please refer to the Chinese version of this report for the names in Chinese to avoid the discrepancy.

- | | | | |
|----------------------|------------------|----------------------|--|
| 6. 中華民國內部稽核協會 | 16. 台灣消防器材工業同業公會 | 26. 林口工三工業區廠商協進會 | 36. 台灣氫能產業發展聯盟 |
| 7. 中華民國電驛協會 | 17. 台灣汽電共生協會 | 27. 台北市冷凍空調技師公會 | 37. 財團法人台灣電子檢驗中心
(含 ISO 9001、ISO 14001、OHSAS 18001) |
| 8. 中華民國中東經貿協會 | 18. 台灣冷凍空調學會 | 28. 台灣區工具機暨零組件工業同業公會 | 38. 台南縣工業會 |
| 9. 財團法人中華民國會計研究發展基金會 | 19. 台灣智慧型電網產業協會 | 29. 台灣旅沙電力協會 | 39. 中華民國全國營造業工地主任公會 |
| 10. 財團法人全國認證基金會 | 20. 台北市電器商業同業公會 | 30. 臺灣區航太工業同業公會 | 40. 中華民國太陽光電發電系統商業同業公會 |

02 Corporate Governance



CHEM's 5 Principles for Corporate Governance



Scan for CHEM's Sustainability Development Practice in Principle

Principles for Corporate Governance

Effective corporate governance mechanisms are the foundation of sustainable business operations. Upholding the principle of integrity, CHEM is committed to promoting an effective corporate governance framework that safeguards shareholder rights, strengthens the functions of the board of directors, respects the interests of stakeholders, and ensures transparency in operations and finance. By continuously enhancing the quality and effectiveness of corporate governance, CHEM solidifies the spirit of corporate governance and establishes a solid foundation for sustainable business operations.

To implement corporate governance, in 2020, CHEM appointed a dedicated corporate governance officer, Jin-Feng Lai, as approved by the board of directors. Ms. Lai's responsibilities include handling the necessary information for board of directors' execution of duties in accordance with the law, managing matters related to board and shareholder meetings, providing information required for board members' execution of duties, assisting board members in their appointment and continuing education, and ensuring compliance with laws and regulations.

In order to continuously improve the effectiveness of corporate governance, CHEM employs internal control systems, conducts reviews and evaluations, evaluates the performance of the board of directors, provides training for the corporate governance officer, and regularly publishes corporate governance reports. These measures enable CHEM to effectively respond to the rapidly changing internal and external governance environment, assist management in formulating strategies for economic, environmental, and social issues, and ensure the continuous effectiveness of institutional design and implementation, thereby maximizing benefits for the company and stakeholders. For ten consecutive years, from 2013 to 2022, CHEM has been recognized for its excellent performance in information disclosure evaluations of listed and OTC companies, consistently achieving an "A" grade rating.

• The Assessment and Evaluation for Corporate Governance of CHEM 2022.

Topics to Focus	Corporate Governance & Practice
GRI Indicator Correspondence	GRI 201-1
Policy and commitments	Pursuit of Sustainable Business Management and Profit Gains Assurance of Stakeholders' Rights Maximize the Stakeholder's Gains
Objectives & Goals	Short-term Goals Annual Consolidated Revenue to reach NT\$18 Billion and Net Income after Tax to reach NT\$ 2 Billion Long-Term Goals -Enhance the Business Performance in Operation by Change management -Stand in the Opportunity of Green Energy Industry & Development
Responsibility and Resources	The board to authorize the management for sustainability development and the management shall update in 2024. The board to authorize the Department heads to be the managers in sustainability in practice to enhance the effectiveness Whereas in need and raised by shareholders for topics in such topics, the board shall propose for resolution if in need.
Evaluation Criteria and Results	Annual Consolidated Revenue has reached NT\$18 Billion and Net Income after Tax to reach NT\$ 2 Billion. Actual Consolidated Revenue was NT18.5 Billion and the actual Net Income after Tax was NT2.47 Billion



Business Operation & Performance

Looking back of the year 2022, the impact of the COVID-19 pandemic is seen gradually fading away. However, factors such as the outbreak of the Russia-Ukraine war, ongoing tensions between the United States and China, and persistent inflation in Europe and America are all bringing more uncertainty to the global economic recovery after the pandemic.

Despite this unpredictable and ever-changing global business environment, CHEM has demonstrated strong resilience and achieved outstanding business performance. Thanks to the government's active program to strengthen the power grid, the company's continuing growth in heavy electrical equipment and engineering business, with the stable contribution from solar energy projects, all of above has led to steady profits. In addition, the company's hydrogen energy business and domestic electric vehicle charging stations are gaining momentum. As the result, this has made CHEM's 2022 as the year of recording-breaking performance in revenue and profits with the concerted efforts and the resilient business performance. The Company has achieved consolidated revenue of NTD 18.55 billion; a consolidated net income of NTD 2.47 billion after tax, and the earnings per share (EPS) was \$5.21.

Items (unit: NT\$ thousand)	2020	2021	2022
Operating Income	15,390,789	18,024,761	18,56,885
Operating Margin	3,285,639	4,298,539	4,744,448
Operating Profits / Loss	1,720,973	2,678,147	2,851,135
Tax	250,504	507,616	625,844
Net Income	1,551,301	1,972,560	2,466,498
EPS (NT\$)	3.59	4.19	5.21
Compensation to Employees	1,578,865	1,579,694	1,783,543

To avoid the discrepancy, please refer to the Chinese version of the annual report for financial details in description.



2.1 Governance & Practice

2.1.1 the Board

In line with company regulations, CHEM has established a board of directors consisting of nine members, including three independent directors. The board plays a crucial role in supporting the company's sustainable operations by ensuring effective corporate governance, safeguarding shareholders' rights, strengthening the functions of the board, and respecting the interests of stakeholders. Through a commitment to transparency, CHEM strives to enhance the quality and effectiveness of corporate governance, thereby establishing a solid foundation for the company's sustainable growth. The board of directors convenes quarterly meetings, with an attendance rate of 90.28% in 2022, and is supported by functional committees such as the audit committee and the compensation committee, which assist in overseeing key areas such as accounting, auditing, and financial controls.

CHEM maintains regular interaction with stakeholders through various communication channels, enabling proactive engagement and addressing potential negative impacts that may arise. The company conducts diligent investigations into stakeholders' concerns regarding financial matters, corporate operations, legal compliance, environmental issues, and employee rights and health. These investigations are reported to the General Manager and Chairman, who assess the significance of the findings and determine whether reporting to the board of directors is necessary. This comprehensive approach ensures that potential risks are identified and appropriate actions are taken. Furthermore, CHEM emphasizes the importance of diversity and equality within the board of directors, considering professional expertise, experience, and the inclusion of individuals from diverse genders and age groups. This approach fosters innovative decision-making and strengthens corporate governance practices. The board's performance is regularly evaluated internally, and every three years, an external independent institution or expert team conducts an evaluation, further enhancing CHEM's governance integrity and management effectiveness.



Diversity in Board Members

Title	Name	Gender / Age	Educational Background & Experience Highlights
Chairman	Yi-Fu Chiang	Male >70	Department of Diplomacy, National Chengchi University, Head of Investigation Bureau President of CHEM
Director	Hui-Chuan Kuo	Female <60	MS of Industrial Management, National Cheng Kung University Vice President of CHEM
Director	Jin-Tiao Wu	Male <70	Ph.D. (Chemistry and Biochemistry), University of Maryland, U.S.A. President of Reinnova Entech engineering Corp.
Director	Wei-Chuan Chang	Male <70	China Maritime College Vice President of CHEM
Director	Fu-Nein, Chiang	Male <60	COO, Dodohome Group, Chung Hsin Electric & Machinery Mfg. Corp. Ltd.
Director	Ming-Xian Weng	Male >70	Department of Agricultural Engineering, National Taiwan University
Independent Director	Gene-Tzn Chen	Male >70	Department of Law, National Taiwan University. Legislator, Delegate to the National Assembly, Investigator, Lawyer, President of Taishin Securities Investment Trust CO.,LTD
Independent Director	Sing-San Pai	Male >70	S.J.D of Chinese Culture University M.Arch. National Cheng Kung University B.Arch. Chung Yuan Christian University M. Administration Management, University of San Francisco National Policy Advisor to the President. Board Director, Taipei Architects Association. Chairman, Consumers' Foundation, Chinese Taipei. Chairman, Memorial Foundation of 228. P.C.C Complaint Review Board for Government Procurement
Independent Director	Horng-Chi Chen	Male >70	S.J.D of Kindai University Legislator, Delegate to the National Assembly, Deputy Representative, Representative offices in Japan Chairperson of Taiwan-Japan Relations Association, Associate Professor

The Performance Review of the Board

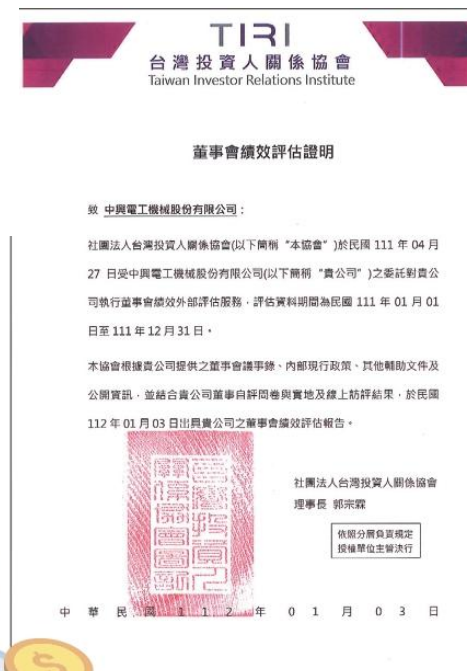
The Company had established Evaluation for Board Performance for enhancing efficiency and effectiveness of the board. The evaluation is performed at least once a year internally.

The details for the performance result is revealed in Board Evaluation, available at CHEM.com. This has depicted that the board had well-performed the functions of supervision and directions for company policies, and the responsibilities for major business operation and the risk management. Meanwhile, the internal control protocol is established and is in compliance with corporate governance.

Conclusion cited from the Evaluation from External Independent Organizations for the Company Board:

1. Clear role allocation in company operations.
2. Objective and independent for financial decision-making.
3. Promoting gender equality policy.
4. Independent directors fulfilling their duties objectively.
5. Established sustainability guidelines with regular board reporting.

The 5 elements for self-performance	Items for evaluation	Result
1.The level of participation of the business operation	12 items	4.83 /5
2.Decision Quality of the Board and Enhancement	12 items	4.92 /5
3.Composition and Structures of the Board	7 items	5.00 /5
4.Election of the Board Directors, Settlement, and Continuous Training Courses	7 items	4.71 /5
5.Internal Control	7 items	5.00 /5



8 Capability of the Director of the Board



Title	Name	Course Name	Training Hours
Board Director / Representative of Stakeholders	Yi-Fu Chiang	Domestic and international economic conditions, industry prospects, and potential risks.	3
		Global financial and economic trends, risks, and response strategies.	3
Board Director / Representative of Stakeholders	Hui-Chuan Kuo	Domestic and international economic conditions, industry prospects, and potential risks.	3
		Global financial and economic trends, risks, and response strategies.	3
Board Director / Representative of Stakeholders	Jin-Tiao Wu	Legal compliance and practical developments in the digital economy market.	3
		Regulations and practical analysis of fund lending, endorsement guarantees, and disposal of assets.	6
Board Director / Representative of Stakeholders	Wei-Chuan Chang	Domestic and international economic conditions, industry prospects, and potential risks.	3
		Global financial and economic trends, risks, and response strategies.	3
Board Director / Representative of Stakeholders	Fu-Nein Chiang	Domestic and international economic conditions, industry prospects, and potential risks.	3
		Global financial and economic trends, risks, and response strategies.	3
Board Director / Representative of Stakeholders	Ming-Xian Weng	Practical approaches to protecting trade secrets and preventing fraud.	3
		Domestic and international economic conditions, industry prospects, and potential risks.	3
Independent Director	Gene-Tzn Chen	Global financial and economic trends, risks, and response strategies.	3
		Domestic and international economic conditions, industry prospects, and potential risks.	3
Independent Director	Sing-San Pai	Global financial and economic trends, risks, and response strategies.	3
		Domestic and international economic conditions, industry prospects, and potential risks.	3
Independent Director	Horng-Chi Chen	Domestic and international economic conditions, industry prospects, and potential risks.	3
		Global financial and economic trends, risks, and response strategies.	3

Functional Committees

To enhance governance and minimize operational risks, CHEM has set up an audit committee and a compensation committee. These committees are responsible to the board of directors and make proposals for board decision-making. The internal audit department conducts regular risk assessments and reports to the audit committee and the board of directors after consolidating major risk issues.

Audit Committee:

The Audit Committee assists the Board of Directors in overseeing the quality of the company's accounting, auditing, financial reporting processes, and financial controls. It submits evaluation results to the Board of Directors for discussion. CHEM has established an Audit Committee in accordance with the "Audit Committee Organization Regulations," with three independent directors serving as committee members. Mr. Chen, one of the board members, acts as the convener and chairman of the committee. The Audit Committee held three meetings in the year with a 100% attendance rate. The internal audit manager holds closed-door meetings with all independent directors at least once a quarter to report on the internal audit's execution. Additionally, the independent directors meet with the auditor once a year, where the auditor reports on the review results of financial reports and provides legal guidance and exchanges opinions. Effective communication takes place between the independent directors, internal audit manager, and the auditor.

Compensation Committee:

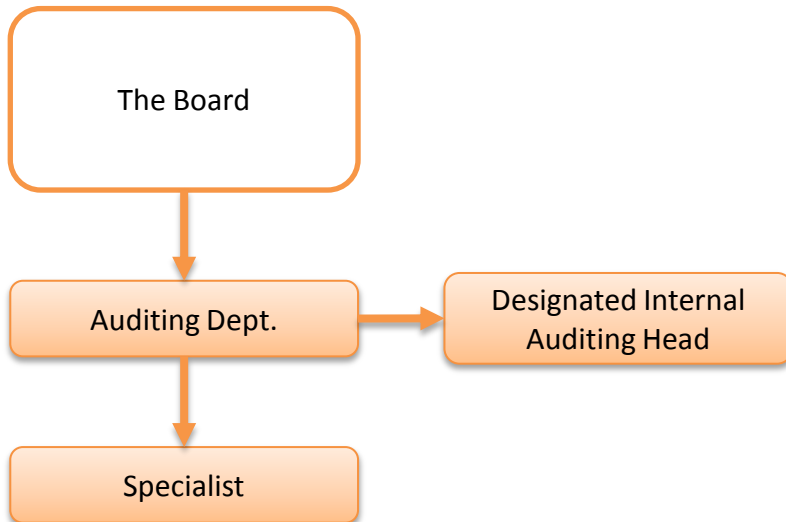
For Compensation Policy, please refer to the Chinese version of this report.

Compensation Committee:

To establish a sound director and executive compensation system and assess the fairness and reasonableness of their compensation in relation to their performance, CHEM has established a Compensation Committee in accordance with the "Compensation Committee Organization Regulations." Currently, all three committee members are independent directors, with Mr. Chen serving as the convener. The main responsibilities of the Compensation Committee are to evaluate the compensation policies and systems for the directors and executives of the company from a professional and objective standpoint. The committee convenes at least twice a year and presents recommendations to the Board of Directors for their decision-making. The Compensation Committee held three meetings in 2022 with a 100% attendance rate. The committee dutifully fulfills its obligations as responsible managers, diligently reviewing and periodically assessing the policies, systems, standards, and structures related to the performance evaluation and compensation of directors and executives. The committee submits its proposed recommendations for discussion by the Board of Directors.

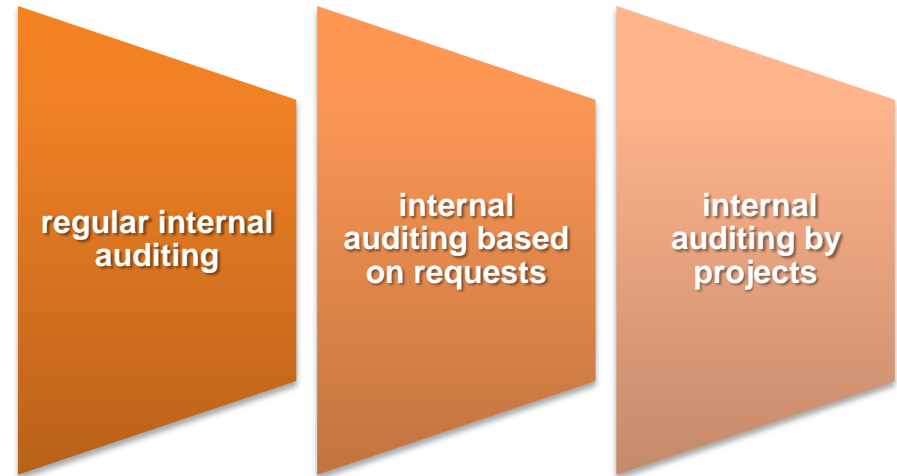
Internal Auditing

internal control and internal auditing, please see the organization chart for internal auditing.



Internal auditing operation

the internal auditing is performed as,



不定期 內部稽核	各項作業之重要性、風險性、交易頻率及作業繁易等考量訂定稽核項目。
專案 內部稽核	由公司高階主管或稽核主管指定稽核主題及時間，稽核人員應於決定時間內進行各項稽核作業之查核。

Integrity in Business Operation

Focus	Regulation Compliance
GRI Indicator Correspondence	GRI 205
Company Policy & Commitment	<p>Honesty, Transparency, Responsibility</p> <p>Honesty and Trust as the foundation for Policy making, governance and risk management protocol</p> <p>Robust corporate governance and risk management protocol</p>
Responsibility & Resources	<p>Short-term Goal</p> <ul style="list-style-type: none"> -promote integrity in business operation -plan for reporting system for effectiveness -achieve the evaluation for <p>Mid-term Goal</p> <ul style="list-style-type: none"> -establish guidelines -establish supervision system -examine the effectiveness <p>Long-term Goal</p> <ul style="list-style-type: none"> -be in compliance of the regulation, principle and practice -promote the enhancement of the integrity management -execute for business operation -assist suppliers for being in compliance of the same goal
Establishment & Supervision	Establishment and Supervision
Evaluation Criteria & Results	<p>-Establish the relevant policy and strategy in accordance with the regulation for Integrity in Business Operation, and is approved by the Board.</p> <p>-Over 156 employees have received relevant training on integrity by 388 hours in total, around 119 new employees have been trained in on-Board training under the same focus. No event of violation in 2022.</p>

Code of Integrity Management

To establish a culture of integrity and ensure sound development, CHEM has formulated the "Code of Conduct" in accordance with the "Code of Conduct for Listed and OTC Companies" and relevant laws and regulations, which has been approved by the board of directors. The Code explicitly prohibits dishonest behaviors, including bribery, illegal political contributions, improper charitable donations or sponsorships, and acceptance of undue benefits. It also emphasizes strict compliance with contracts and other relevant provisions with clients, ensuring that the management and all internal employees conduct business activities in a fair and transparent manner.

To effectively manage and promote the integrity of our company, the Management Department is responsible for developing and implementing relevant programs and regularly reporting to the board of directors. If anyone suspects or discovers any violation of laws or ethical standards, they should report it to their immediate supervisor or the Internal Audit Office, providing relevant information. The company will investigate each report and protect the confidentiality and personal data of the whistleblower to encourage reporting of any illegal or unethical behavior.

In 2022, internal and external education and training on integrity were conducted, including courses on compliance with integrity regulations, accounting systems, and internal controls, with a total participation of 156 individuals, totaling 388 person-hours. Furthermore, to promote and emphasize the concept of ethical integrity, moral and ethical content was incorporated into the training for new employees, enabling them to understand the company's policies and direction regarding moral and ethical conduct. In 2022, a total of 119 individuals participated in these training sessions, with each session lasting 15 minutes.

In 2022, a total of 2 operational locations underwent corruption-related risk assessments, achieving a 100% completion rate. No related legal violations occurred during the year.

For more details in Code of Integrity Management, please refer to the Chinese version for sustainability report, the annual report of the Company or scan the QR code.



Code of
Integrity
Management



Prevention of
insider trading &
Implementation

Risk Management

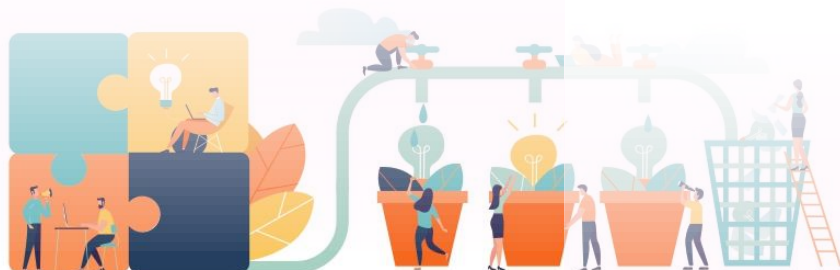
The Company has established “Risk Management, Policy and the Procedures” for risk management and evaluation on a regular basis.

Risk Management and Response
Please refer to the “Risk Management, Policy and the Procedures” from the Company Website.

Risk Management in Segment



本公司網頁內「風險管理政策與程序」網《風險管理政策與程序》。



風險	2. 因工作環境安全與人員防災意識缺乏，導致勞工安全衛生事件風險增加。
氣候變遷與能源風險	1. 氣候變遷導致風災、水患與乾旱的頻率增加，皆可能對供應商與客戶造成影響，間接導致公司產能減少或中斷，造成財務與業務的風險。 2. 隨環保意識抬頭，可能使碳排放成為客戶對本公司的重點檢視項目，將提升業務不確定性與風險。

Information Safety

Management and Policy

The company has established the best practice for safety management for information and data. Confidentiality, integrity and availability are the priority in information management.

Work Items to focus



03 Sustainability

3.1 Supply Chain and Introduction



: Supply Chain and Management

-Management Guidelines and Commitment

CHEM has integrated resources and proven competitiveness for long-term and strategic cooperation with suppliers. Commitment by CHEM has included:

Corporate
Responsibility

Risk Mgmt for
Suppliers

Evaluation for
Sustainability

Intellectual
Property
Protection

No Corruption
Allowed in
Supply Chain

-Management Strategies and Execution

To implement the supplier management policy and commitment, CHEM has established processes for supplier assessment, evaluation, guidance, and training. In the assessment phase, suppliers are evaluated based on product quality, finance, cost, delivery, service, sustainability, and other aspects. In addition to requesting ESG declarations, suppliers are required to provide supporting documents such as ISO 9001 quality management system certification and ISO 14001 environmental management system certification to meet the company's requirements.

In the evaluation phase, suppliers are classified based on their characteristics and risks. After scoring and grading according to the evaluation mechanism, they enter the supplier guidance stage. Based on the evaluation results and recommendations, communication with suppliers is conducted to address deficiencies and improve quality, processes, technology, efficiency, and environmental aspects. High-quality vendors are recognized and offered preferential payment methods, feedback training, and other measures. Suppliers meeting minimum standards receive guidance and training to continuously reduce their risks, while those who do not meet the requirements are eliminated.

Lastly, in order to continuously enhance supplier environmental and safety performance and ensure compliance with relevant regulations, CHEM organizes supplier education and training periodically. Suppliers are invited to participate in outsourced courses related to processes, safety and health, regulatory risks, etc., fostering mutual progress among upstream and downstream manufacturers.



 **Supply Chain and Evaluation**



Environmental Risk Assessment

In the environmental risk assessment phase, in 2022, CHEM added a total of 341 suppliers. The procurement department required new suppliers to complete a "Vendor Survey" to gain initial knowledge about the supplier's operational scale, production testing equipment, and certifications related to quality, environmental protection, and occupational health and safety. A evaluation team consisting of members from procurement, research and development, quality control, and other relevant departments conducted on-site assessments as needed. If there were any changes in the supplier's situation, the "Vendor Survey" data would be rechecked, with a principle of conducting revisions every three years.

Social Risk Assessment

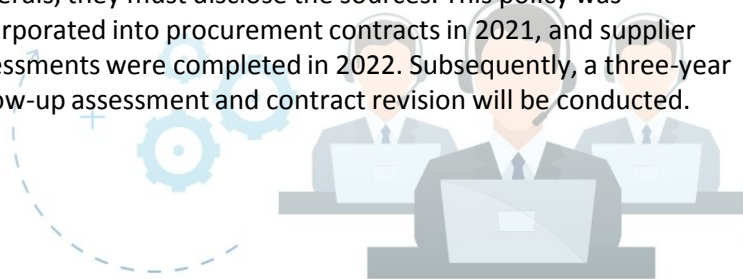
In the social risk assessment phase, CHEM mandates that suppliers should not procure or use conflict minerals and must comply with RBA requirements. The company has established a "Supplier Qualification and Assessment Procedure" and requires suppliers to sign a "Conflict Minerals Declaration" to commit that the minerals, including tin, tantalum, tungsten, and gold used in their supplied products or components (including product accessories, packaging materials, and other related attachments), do not contribute to armed conflict. If suppliers do utilize such minerals, they must disclose the sources. This policy was incorporated into procurement contracts in 2021, and supplier assessments were completed in 2022. Subsequently, a three-year follow-up assessment and contract revision will be conducted.

Supplier Assessment, Evaluation, guidance and Training

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Lastly, in order to continuously enhance supplier environmental and safety performance and ensure compliance with relevant regulations, CHEM organizes supplier education and training periodically. Suppliers are invited to participate in outsourced courses related to processes, safety and health, regulatory risks, etc., fostering mutual progress among upstream and downstream manufacturers.



Supplier Audit

In addition to annual assessments, CHEM conducts on-site or written audits every three years. The company selects suppliers for on-site audits based on four criteria: "single supplier," "supply volume exceeding 50%," "transaction amount exceeding 10 million New Taiwan dollars," and "occupational safety accidents/quality abnormalities." Audit teams composed of various departments conduct on-site audits. If suppliers have issues such as unregulated process operation data or undefined finished product return control, they must respond with corrective measures within one month after the audit, as required by the company.

Regarding ESG audits for suppliers, the company regularly evaluates suppliers through ESG assessments. Suppliers are required to undergo ESG self-assessment questionnaires, on-site inspections, and other methods in addition to ISO environmental/occupational health and safety/other management systems to ensure that their operations comply with the company's supplier policy. If an existing supplier fails the assessment, the company provides guidance and requires the supplier to make improvements within a specified period. If the improvements are not made, the company may reduce orders, seek damages, or disqualify the supplier according to the contractual terms. CHEM conducts supplier quantity statistics and audits based on materials traded in the current year, as shown in the table below.

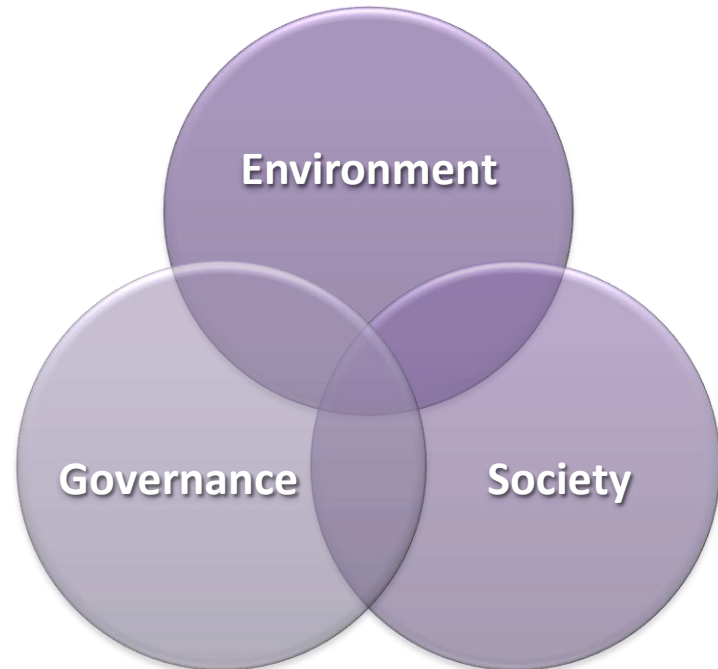
Supplier - ESG Auditing		
item	2021	2022
Number of Suppliers	544	885
Number of Suppliers Self-Evaluated	0	152
Numbers of On-Site Auditing for ESG Supplier	0	7
Overall ESG Auditing Percentage	0.00%	17.97%



Sustainability and Practice

Sustainable Management Practices

To reduce the environmental and social impacts of various operational activities, our company implements multi-dimensional strategies such as local procurement, green procurement, circular economy, research and development of renewable energy, and the prohibition of conflict minerals to build a green supply chain. In 2022, CHEM's expenditure on local procurement accounted for over 78.46% of the total.



The Practice takes 3 domains into account for sustainability in supply chain management. Environmentally, the company chooses vendors certificated with green labels granted by Bureau of Environmental Protection and other officially recognized sources. The company also practices 4R, by reuse, recycle, reduction and replace for the overall performance in environmental protection, carbon reduction in action and circular economics.

Socially, the company evaluates the suppliers with reference promoted by mineral resources or mineral reserves in SEC filings to avoid sources from conflicts and to fulfill the corporate social responsibilities.

From Governance perspective, the Company jointly developed products for renewable energy, “Liquid/Air Cool kW Hydrogen Fuel Cell Project” with National Central University. The Tenders as contractors have to prove with relevant certificates to comply the regulations.



Local Procurement Expenditure Ratio

In response to the surge in demand for electrical products, there was a significant increase in both the total amount of materials purchased and the amount of local procurement. This was done to ensure effective inventory management, meet various demand conditions, and enhance the resilience of the local supply chain.

	Total Spending in materials and parts	Total Spending for Domestic Procurement	Percentage of Domestic Procurement
2021	3.74033 billion	2.76698 billion	73.98%
2022	5.68683 billion	4.4622 billion	78.46%



04 Sustainability



Environmental Protection Policies

永續環境

focus	Energy-saving and Carbon Footprint Reduction
GRI Indicator Correspondence	GRI 305-5
Strategy and Commitment	CHEM’s Goal is to move into the era of zero-pollution, energy-saving and clean, actively executed the green house control and management.
Objectives and Tasks	<p>Short-term objectives -promotes carbon-reduction, changes to energy-saving equipment for AC and/or lightings</p> <p>Long-term objectives -supports the country’s green energy business and relevant industries, promotes safety for energy, green economics and sustainability</p>
Responsibility and Resource	The Company had established renewable energy research center in 2008. The Company has been supporting green energy by solar-energy projects.

focus	Energy-saving and Carbon Footprint Reduction
Evaluation Criteria and Result	<p>The company has obtained ISO 14001 certification for its environmental management system. From 2021 to 2022, the company conducted a simple self-assessment using the Operational Control Act guidelines. The assessment covered the Linko and Nanke plants, with a focus on direct emissions from the combustion of liquefied petroleum gas and diesel (Scope 1), indirect emissions from purchased electricity (Scope 2), and purchased tap water (Scope 3) as a secondary factor. The Nanke plant only included purchased electricity (Scope 2) and purchased tap water (Scope 3) based on actual production items.</p> <p>Regarding energy consumption, the total energy consumption for the Linko and Nanke plants in 2022 was 44,378,952 MJ, a decrease of only 0.76% compared to 2021. However, due to a 2.90% increase in operating revenue, the energy consumption per million units of operating revenue decreased by 3.55%. Statistical data shows that the company has consistently reduced its operational energy intensity over the past three years (2020-2022), indicating an improvement in overall energy efficiency while increasing total operating revenue.</p> <p>In terms of greenhouse gas emissions, the total equivalent greenhouse gas emissions for the Linko and Nanke plants in 2022 were 5,940.5 tCO₂e, a decrease of 0.80% compared to 2021. Similar to energy consumption, the emissions per million units of operating revenue decreased by 3.59% due to a 2.90% increase in operating revenue. The statistical data shows a continuous reduction in the company's operational greenhouse gas emissions intensity over the past three years (2020-2022), indicating a simultaneous increase in total operating revenue and a decrease in emissions intensity.</p> <p>The company installed a 2,500 kWp solar photovoltaic system within the plant area. In 2022, it generated 1,078,440 kWh of electricity through solar power and sold it in full to Taiwan Power Company. Through energy-saving actions, the Linko and Nanke plants saved a total of 244,280 kWh of electricity and 864 cubic meters of water in 2022 compared to 2021, resulting in a reduction of approximately 48,028 metric tons of CO₂e in greenhouse gas emissions.</p> <p>Regarding the establishment of charging infrastructure and services for electric vehicles (EVs), in 2022, CHEM/Department CPO began setting up 32 charging stations at national highway rest areas and DDH Parking Management Group. The total annual charging amount reached 319,483.8 kWh, which is equivalent to a reduction of 160,907.9 liters of gasoline usage or 378 metric tons of CO₂e in greenhouse gas emissions. It is also equivalent to the annual carbon sequestration of 0.98 Daan Forest Park.</p> <p>In 2022, the proposed budget for energy-saving and carbon reduction initiatives amounted to approximately 5.37 million NT dollars, with a total of 31 proposals, accounting for 8.5% of the total. Although the percentage is not high, it is expected to increase gradually with continuous efforts.</p>



iCharging Station for Rest Stops on Highway



iCharging Station Service offset the Carbon Emission

CHEM's solar photovoltaic system



Qi-gu Solar Power Project in Tainan



CHEM, certificated with ISO 14001 for Environment management system



The Certificate

Energy-Saving and Renewable Energy Use for Carbon Emission

The company installed a 2,500 kWp solar photovoltaic system within the plant area.

In Linko Plant



In Nanke Plant



Energy-Saving and Performance Review

Actions	Power-Saving (Unit: kWh)	Reduction of Energy Consumption (Unit: MJ)	Reduction of Carbon Emission (Unit ton CO2e)
400W Old Lights to retire to 150W LED	10,166	36,597	5.29
Heat pump water heater to change to energy-saving liquid-coolers	237,465	854,874	123.72
Accumulation	247,631	891,471	129.01



400W old lights to retire & change to 150W LED



Heat pump water heater to change to energy-saving liquid-coolers



Energy-Saving Goal of the Company

Terms	Objective of the Term	Actions to Take
Short-Term (2022~2025)	<ol style="list-style-type: none"> 1. Electricity-Saving 3% 2. Water-Saving 3% 3. Waste-Reduction 3% 	Active Promotion of the Action Execution.
Mid-Term (2026~2032)	<ol style="list-style-type: none"> 1. To align with the national goal of reducing greenhouse gas emissions by 20% compared to the 2005 baseline by 2030, we will implement corresponding energy-saving and carbon reduction measures. 2. We will review the carbon emission hotspots within the plant and propose corresponding emission reduction plans. 	<ol style="list-style-type: none"> 1. Carbon-Reduction, renewable energy solutions in hydrogen, and others to target the goal of becoming a 100% green energy solution provider. 2. Gradual changes in facilities or equipments of low-efficiency
Long-Term (2033~2050)	<ol style="list-style-type: none"> 1. To align with the national goal of reducing greenhouse gas emissions by 50% compared to the 2005 baseline by 2050, we will implement corresponding measures. 2. We will promote comprehensive green energy generation measures, including the promotion of hydrogen-based power generation. 	<ol style="list-style-type: none"> 1. Increase the investment in renewable energy and hydrogen solution to take as the replacement of traditional fuel solution. 2. Energy-saving, Carbon-reduction and Emission-reduction as the beliefs.

Greenhouse Gas Management

To be in compliance with the regulations, CHEM implements proactive actions for energy-saving and measures of greenhouse gas reduction

Energy Consumption Statistics

In terms of energy consumption over the past three years, the data in the table below shows a continuous decrease in the usage of direct combustion energy sources such as liquefied petroleum gas (LPG) and diesel, as well as purchased electricity and tap water usage for both the Linkou and Nanke factory areas. However, the overall revenue has been consistently increasing. This indicates that despite the increase in production and sales, there has been an improvement in the overall energy efficiency.

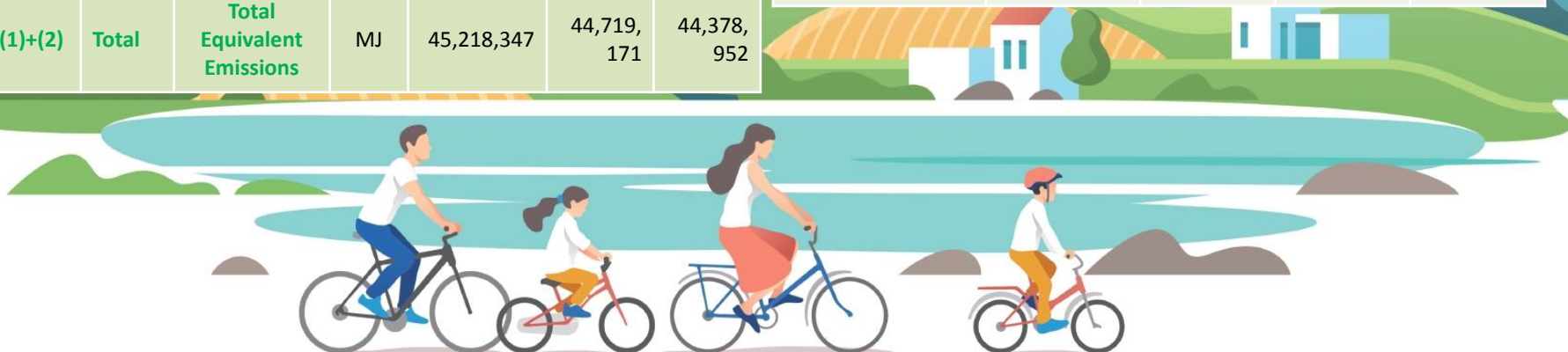
	Item	Unit	2020	2021	2022
Linkou Plant					
Scope1	Liquefied Petroleum Gas (LPG)	Liter	22,930	19,620	19,570
	Diesel	Liter	108,000	126,000	126,000
Scope2	Electricity consumption	kWh	9,728	9,324	9,195
Scope3	Tap water	M ³	22,028	22,028	21,606
Nanke Plant					
Scope2	Electricity consumption	kWh	1,602.64	1,717.92	1,752.80
Scope3	Tap water	M ³	4,869	4,532	4,090



Details and Units for calculation, please refer to the Chinese version of this report to avoid discrepancy.

In the past three years, CHEM's energy consumption intensity has shown a decreasing trend. By dividing the energy consumption by the annual revenue, the energy-to-revenue intensity is calculated. The results indicate that as the revenue increased, the energy intensity per million dollars of revenue decreased each year. Comparing the intensity to the previous year, the decrease ranged from a maximum of 15.56% over the past three years. Specifically, in 2022, the total energy consumption decreased by 0.76% compared to 2021. However, due to a 2.90% increase in revenue, the energy consumption per million dollars of revenue decreased by 3.55%. For further details, please refer to the Chinese version of this report.

		Item	Unit	2020	2021	2022		Item	Unit	2020	2021	2022
Linkou Plant (1)	Scope1	Liquefied Petroleum Gas (LPG)	MJ	635,947	544,147	542,760	Total energy consumption	MJ	45,218,347	44,719,171	44,378,952	
		Diesel	MJ	3,792,096	4,424,112	4,424,112		Annual revenue	NT\$ Million	15,390.789	18,024.761	18,546.885
	Scope2	Electricity consumption	MJ	35,020,800	33,566,400	33,102,000			Energy-to-revenue intensity	MJ/NT\$ Million	2,938	2,481
Nanke Plant (2)	Scope2	Electricity consumption	MJ	5,769,504	6,184,512	6,310,080	Change in intensity compared to the previous year	%		-2.85%	-15.56%	-3.55%
(1)+(2)	Total	Total Equivalent Emissions	MJ	45,218,347	44,719,171	44,378,952						



CHEM's greenhouse gas equivalent emissions over the past three years show a slight decrease of 0.80% in 2022 compared to 2021. However, due to a 2.90% increase in revenue, the greenhouse gas emissions per million dollars of revenue decreased by 3.59%. The statistical data indicates that the company has consistently reduced its operational greenhouse gas emission intensity over the past three years, demonstrating a decrease in emissions relative to the overall revenue growth. For details please refer to the Chinese version of this report.

	Item	Unit	2020	2021	2022
Linkou Plant					
Scope1	Liquefied Petroleum Gas (LPG)	Ton CO2e	40.2384	34.4338	34.3462
	Diesel	Ton CO2e	282.4218	329.4971	329.4971
Scope2	Electricity consumption	Ton CO2e	4,951.6	4,745.9	4,680.3
Scope3	Tap water	Ton CO2e	3.977	3.547	3.479
Nanke Plant					
Scope2	Electricity consumption	Ton CO2e	815.7	874.4	892.2
Scope3	Tap water	Ton CO2e	0.740	0.730	0.658
Linkou Plant+ Nanke Plant					
Total	Total Equivalent Emissions	Ton CO2e	6,094.677	5,988.508	5,940.480
	Revenue-Emission Intensity	tCO2e/Million Dollars	0.39600	0.33224	0.32030
	Change in Intensity compared to the previous year.	%	-2.24%	-16.10%	-3.59%



Pollution Prevention and Practice

focus	Pollution Prevention and Practice
GRI Indicator Correspondence	GRI 307
Strategy and Commitment	CHEM's Goal is to be qualified for the ISO 14001 and to be in compliance with environmental protection regulations.
Objectives and Tasks	<p>Short-term objectives</p> <ul style="list-style-type: none"> -targeting air pollution, and reducing the air pollution -changing and improving the PH measuring, pumping and others <p>Mid-term objectives</p> <ul style="list-style-type: none"> -targeting water pollution and waste water management -incrementally implementing GHS and the system for toxic hazards <p>Long-term objectives</p> <ul style="list-style-type: none"> -targeting waste reduction at the manufacturing and recycling the leftovers or the disposables.
Responsibility and Resource	The Company had assigned technicians and specialists focusing on reduction of air pollution, waste water management and waste cleaning. We recycle or reuse, and improve or enhance in accordance with the regulations and guidelines by authorities
Evaluation Criteria and Result	<ol style="list-style-type: none"> 1. The Company so far has never been in physical damage or suspension caused by pollution issues or concerns. 2. The Company draws samples as regular tests for examination and environmental protection 3. The Company has completed renewal for the waste water pipelines and engines for meeting the standards and requirements. 4. The recyclables and the disposables are regularly scheduled for cleaning up. 5. Noise Control is also in the place for manufacturing process in both plants and/or for engineering projects. Action for improvement is taken place when noises exceed the standards from the guidance.

4.3.1 Water Management

The main water sources for CHEM's primary operating site, Linkou Plant, are groundwater and local tap water. Groundwater accounts for over 70% of the water intake, while tap water accounts for nearly 30%. According to the "Aqueduct Water Risk Atlas" by the World Resources Institute, Taiwan's water resources are classified as Low-Medium (1-2) risk level, indicating no significant water resource pressure or impact on local water intake. In 2022, CHEM consumed a total of 91.396 million liters of water, with an increase of 2.453 million liters compared to the previous year due to the expansion and additional water usage for air conditioning equipment.

In compliance with regulations, CHEM treats both industrial wastewater and domestic sewage within the industrial zone's wastewater treatment plant and conducts regular sampling and analysis in coordination with the management center. In early 2020, the company completed the replacement of chemical dosing pipelines and motor upgrades in the on-site wastewater treatment plant, enhancing its ability to meet wastewater treatment and discharge standards.

To prevent water pollution, CHEM has developed water pollution prevention measures and related documentation in accordance with government announcements, which are submitted for review and approval by the competent authority. The plant has implemented water pollution control facilities as required and discharges wastewater into the industrial zone's pipeline system, ensuring that the discharged water meets local regulatory standards before entering the receiving water body. Additionally, the company has dedicated wastewater treatment personnel who maintain daily records of water intake, water quality characteristics, discharged water volume, chemical usage, electricity consumption, etc. These records are used to establish and review annual energy-saving goals.

Water Consumption by CHEM in recent 3 years (Unit: Million Liter)

Items	2020	2021	2022
Groundwater	73.186 (73.66%)	66.915 (75.23%)	69.79 (76.36%)
Tap water	26.164 (26.34%)	22.028 (24.77%)	21.606 (23.64%)
total	99.35	88.943	91.396

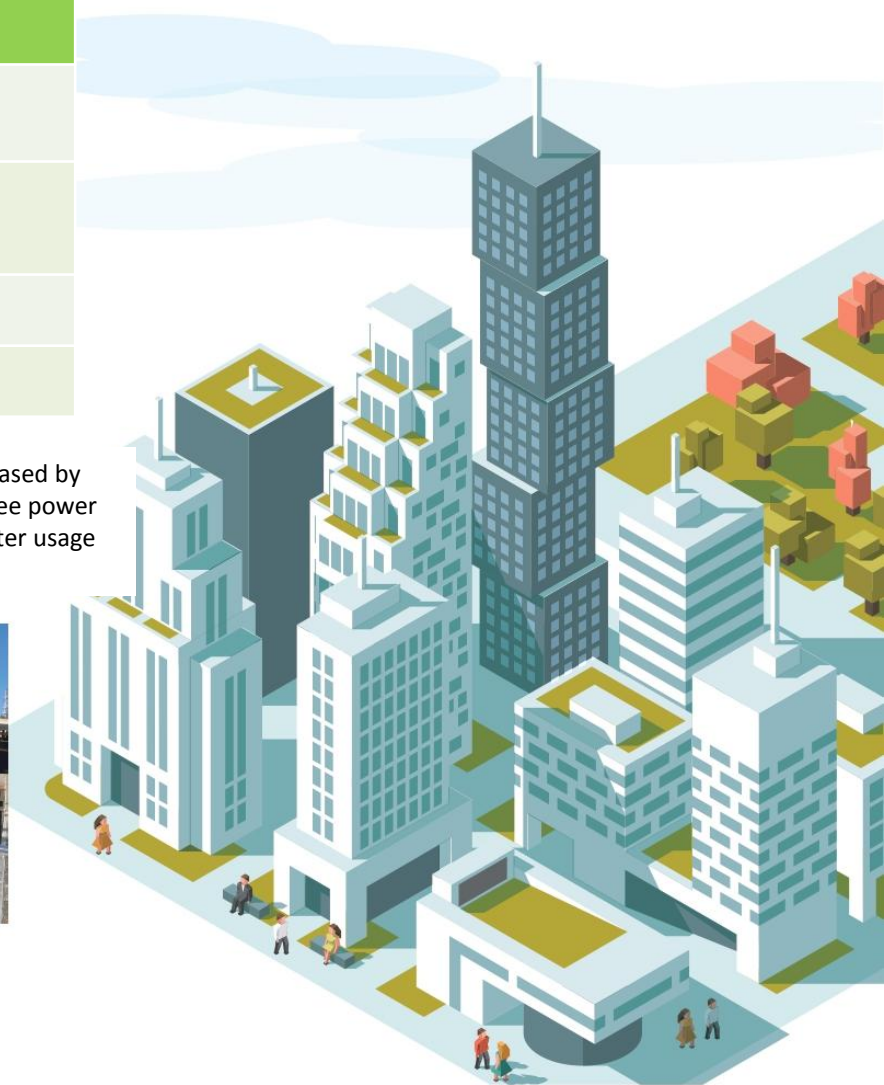
From the statistics in the above table, it can be observed that due to the rapid increase in demand for orders from the Heavy Power Business Group in 2022, Linkou Plant added three power plants within a year to enhance product supply. This resulted in an increase in groundwater usage compared to the previous year. However, if we exclude the water resources used during the construction process, overall water resource usage in 2022 is expected to be lower than in 2021.



- Wastewater Discharge in Linko Plant in Recent 3 years

Year	2020	2021	2022
Wastewater Discharge (million liters)	18.860	17.028	19.196
Wastewater Discharge as a percentage of usage	18.98%	19.14%	21.00%
COD (mg/L)	9.4	39.9	58.4
SS (mg/L)	7.7	33.8	2.6

From the table above, it can be observed that in 2022, the wastewater discharge increased by 2.168 million liters compared to the previous year, primarily due to the addition of three power plants. However, the percentage of wastewater discharge in relation to the overall water usage remains consistent at around 20%, indicating no significant deviation.



Waste Management

Cleaning of Chemical Industrial Waste is entrusted to licensed public waste removal and treatment organizations designated by the competent authority. The legality of license documents and the proper handling of waste flow are confirmed for waste removal and treatment companies. Various waste recycling points are established in each plant and location for the purposes of classification, storage, removal, recycling, and proper waste management. Emphasis is placed on waste reduction at the source and subsequent consideration of reuse. All operations and testing related to the storage, removal, and treatment of industrial waste are recorded and properly preserved for auditing purposes.

To effectively control industrial waste, the company implements waste classification, collection, storage, management, and removal to ensure compliance with environmental regulations. Waste removal, treatment, and reuse operations are conducted in accordance with applicable environmental laws and regulations. Follow-up improvement measures include increasing the frequency of waste removal and reducing the monthly storage volume.

Other relevant management measures include the following:

- In accordance with environmental laws and ISO 14001 environmental management system requirements, the company has a business waste cleaning plan and carries out waste management operations and disposal methods as prescribed by law. Waste removal and treatment are entrusted to government-approved professional firms, and waste flow is reported online in compliance with waste cleaning standards.
- Recyclable items are properly stored in designated areas within the factory premises in accordance with legal requirements. Signboards indicating recycling areas are installed, and qualified firms are regularly contracted for waste removal to comply with waste cleaning regulations.
- Waste removal and treatment contracts are signed with licensed public waste removal and treatment organizations designated by the competent authority to carry out related operations.
- Waste removal and treatment operations are conducted via online transmission in accordance with legal requirements. Final waste treatment status tracking and confirmation are performed within the specified deadlines.
- Suppliers are required to reduce packaging materials, and centralized collection by the original suppliers significantly reduces waste volume.
- In 2022, the total waste amount in Linko Plant was 416.8362 metric tons, with hazardous and non-hazardous industrial waste accounting for 0.0462 metric tons and 416.79 metric tons, respectively.
- Self-disposed transferred industrial waste amounted to 340.945 metric tons, accounting for 81.79% of the total waste. Among them, 340.9 metric tons were recycled and reused wood pallets, and 0.045 metric tons were recycled and reused mercury bulbs.
- Directly disposed industrial waste amounted to 75.8912 metric tons, accounting for 18.21% of the total. Among them, 75.89 metric tons were general industrial waste, and 0.0012 metric tons were directly incinerated medical equipment waste.
- Approximately 1000L of diesel fuel from decommissioned boiler rooms is added to the diesel fuel for use in forklifts.
- The company's environmental management personnel conduct periodic site visits to waste treatment facilities to ensure compliance with relevant regulations.

Waste and Handling in 2022

Type of waste	Production	Transfer	Direct incineration
Toxic industrial waste	0.0462	0.045(97.40%)	0.0012(2.60%)
non-toxic industrial waste	416.79	340.9(81.79%)	75.89(18.21%)
Total Waste	416.8362	340.945(81.79%)	75.8912(18.21%)

Type of waste	Operation	Off-site Handing	Handling Operation	Off-site Handing
Toxic industrial waste	For Reuse	-	Incineration	0.0012
	For Recycle	0.045	Burial	-
	Other types of recycling	-	Others	0.045
non-toxic industrial waste	For Reuse	-	Incineration	75.89
	For Recycle	340.9	Burial	-
	Other types of recycling	-	Others	-
	To.tal Waste	340.945	Total	175.8912



For details of handling process, please refer to the Chinese version of the report.

From the two tables above, it can be observed that in the case of hazardous industrial waste, CHEM's manufacturing processes generate very little hazardous industrial waste, with nearly 97.4% being professionally recycled and reused by qualified vendors. As for non-hazardous waste, approximately 82% is recycled and disposed of by qualified vendors, leaving only around 18% of waste that needs to be incinerated.

Management for Air Quality

To implement air pollution prevention measures, CHEM has developed air pollution control plans for fixed pollution sources designated. The company obtains installation and operation permits from regulatory agencies and operates in accordance with the permit requirements. In 2022, the emissions of air pollutants from CHEM's processes were compliant with regulatory standards. Additionally, the company does not engage in activities such as combustion, grinding, transportation, or other operations that lead to significant particulate emissions, preventing the dispersion of air pollutants. Adequate control measures are implemented for construction projects, storage of powdered materials, transportation of engineering materials, waste disposal, and other activities to prevent the generation of odors. Pollution control equipment is properly maintained to ensure its normal operation.

Regarding air pollution prevention, CHEM continues to invest in research and development to reduce direct emissions and fugitive pollutants from its processes. The company has improved the efficiency of air pollution control equipment to exceed regulatory standards. Since 2020, CHEM has been gradually replacing wet scrubbers with dry activated carbon towers, achieving a 100% conversion rate. In 2021, the installation of two activated carbon adsorption towers was also completed.

The Air Pollution Testing Report (Unit: kg)

Items	2020	2021	2022
NOx	49710	46160	45710
SOx	3910	4450	3610
VOCs	17738.36	19446.6	15248.4

From the two tables above, it can be observed that in the case of air pollution, the accumulation has been gradually decreasing and it shows that CHEM's manufacturing processes has been contributing to the air pollution reduction and the environmental protection.



05

Friendliness in Workplace

Major Focus for Topics	Actions to take in 2022	Results & Performance in 2022
Health & Safety	<ul style="list-style-type: none"> • Cultivating a corporate culture of occupational health and safety risk management. • Establishing a safe workplace and implementing source control measures to eliminate unsafe factors. • Implementing prevention and control measures for COVID-19. 	<ul style="list-style-type: none"> • Consultations with occupational health physicians reached 67 visits. • Health examination coverage reached 99%. • Equipment safety inspections in 2022 for machine procurement should comply with IEC or IEEE standards. • Epidemic prevention measures protected 2,000 families, ensuring 100% health.
Recruitment & Retention	<ul style="list-style-type: none"> • Deepening campus recruitment and talent development for external talents. • Facilitating internal talent mobility and encouraging cross-functional and cross-industry experiences to promote long-term service. 	<ul style="list-style-type: none"> • Staffing increased by 4.07% (vs. 2021). • Reduced personnel turnover rate by 1.04%.
Development & Training	<ul style="list-style-type: none"> • Implementing performance evaluations at the unit level to ensure fairness and impartiality. • Talent training that emphasizes "diverse expertise." • Training that simultaneously focuses on social responsibility. 	<ul style="list-style-type: none"> • Equal promotion opportunities for women and men, promoting gender equality. • Training programs emphasize general education and specialized skills to foster diverse development. • Achieved 100% training plan completion rate, with a 3.15% increase in average training hours per employee (vs. 2021). • Energy-saving, carbon reduction, waste reduction, and emission reduction initiatives are prioritized in all training and proposal incentives.

Human Rights & the Statement

CHEM respects human rights. We uphold the principles of the United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, Responsible Business Alliance, International Labor Organization, and local laws. Fair treatment, respect for individual differences, and compliance with ethical standards are our fundamental principles. We have established the "Supplier Code of Conduct" to ensure that our suppliers and service providers adhere to consistent standards and provide a safe and healthy working environment for all stakeholders.

Action Statement

1	Prohibit human trafficking, forced labor, and child labor.	Prohibit the use of forced labor, child labor, or any form of involuntary employment.
2	Protect the right to freedom of association and collective bargaining.	Respect the rights of all employees to organize, join the union of their choice, engage in collective bargaining, and participate in peaceful assemblies, in accordance with local laws.
3	Equal employment opportunities, fair treatment, and non-discrimination.	CHEM promotes diversity and equal opportunities, and does not discriminate in recruitment, hiring, or treatment based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, membership in social groups, or marital status.
4	Oppose inhumane treatment and harassment.	Prohibit harsh and inhumane treatment of employees, including any form of sexual harassment, sexual assault, physical or mental coercion, or verbal abuse, and no threats of engaging in such behaviors are allowed. The company provides channels for employees to report human rights, labor, and sexual harassment issues, with the HR department handling complaints and supervising responsible units to ensure timely resolution and improvement plans. In cases of sexual harassment, a Sexual Harassment Complaint Handling Committee reviews the cases for validity and decides on appropriate disciplinary measures based on the severity of the situation.
5	Provide a safe and healthy working environment.	Follow international environmental and safety management systems to create a healthy and safe working environment and reduce occupational hazards.
6	Comply with customer requirements.	Regularly review and evaluate customer requirements, relevant systems, and practices, and make timely adjustments and updates to management methods.



Structures of Human Resource

year	type		Male				Female				Total	
			Taiwanese		Non-Taiwanese		Taiwanese		Non-Taiwanese		# of employees	%
			#	%	#	%	#	%	#	%		
2021	Contracted	Permanent	1,232	73.42%	1	0.06%	304	18.12%	0	.00%	1,537	91.60%
		Temporary	51	3.04%	76	4.53%	6	0.35%	8	0.48%	141	8.40%
		Number of Contracted Employees in Total	1,283	76.46%	77	4.59%	310	18.47%	8	0.48%	1,678	100.00%
	Full / Part time	FT	1,279	76.22%	77	4.59%	310	18.47%	8	0.48%	1,674	99.76%
		PT	4	0.24%	0	0.00%	0	0.00%	0	0.00%	4	0.24%
		Number of full/part time Employees in Total	1,283	76.46%	77	4.59%	310	18.47%	8	0.48%	1,678	100.00%
	Type	Direct	579	34.51%	76	4.53%	53	3.15%	8	0.48%	716	42.67%
		Indirect	704	41.95%	1	0.06%	257	15.32%	0	0.00%	962	57.33%
		Number of Direct/Indirect Employees in Total	1,283	76.46%	77	4.59%	310	18.47%	8	0.48%	1,678	100.00%
2022	Contracted	Permanent	1,252	71.71%	4	0.23%	328	18.79%	0	0.00%	1,584	90.72%
		Temporary	35	2.00%	115	6.59%	5	0.29%	7	0.40%	162	9.28%
		Number of Contracted Employees in Total	1,287	73.71%	119	6.82%	333	19.07%	7	0.40%	1,746	100.00%
	Full/Part time	FT	1,275	73.02%	119	6.82%	332	19.01%	7	0.40%	1,733	99.26%
		PT	12	0.69%	0	0.00%	1	0.06%	0	0.00%	13	0.74%
		Number of full/part time Employees in Total	1,287	73.71%	119	6.82%	333	19.07%	7	0.40%	1,746	100.00%
	Type	Direct	575	32.93%	117	6.70%	61	3.49%	6	0.34%	759	43.47%
		Indirect	712	40.78%	2	0.11%	272	15.58%	1	0.06%	987	56.53%
		Number of Direct/Indirect Employees in Total	1,287	73.71%	119	6.82%	333	19.07%	7	0.40%	1,746	100.00%

Employee Acquisition and Turnover Rate

Year	type	age	Male		Female		total	
			#	%	#	%	#	%
2021	New Employees	18-30	95	35.98%	24	41.38%	119	36.96%
		31-50	69	11.71%	14	9.15%	83	11.19%
		51 and Above	36	7.10%	6	5.61%	42	6.84%
	Total of New Employees		200	14.86%	44	13.84%	244	14.66%
	Leaving Employees	18-30	48	18.18%	11	18.97%	59	18.32%
		31-50	62	10.53%	16	10.46%	78	10.51%
		51 and Above	79	15.58%	8	7.48%	87	14.17%
Total of Leaving Employees		189	14.04%	35	11.01%	224	13.46%	
2022	New Employees	18-30	119	41.32%	25	47.17%	144	42.23%
		31-50	104	16.43%	29	15.85%	133	16.30%
		51 and Above	43	8.87%	5	4.81%	48	8.15%
	Total of New Employees		266	18.92%	59	17.35%	325	18.61%
	Leaving Employees	18-30	55	19.10%	15	28.30%	70	20.53%
		31-50	76	12.01%	14	7.65%	90	11.03%
		51 and Above	45	9.28%	10	9.62%	55	9.34%
Total of Leaving Employees		176	12.52%	39	11.47%	215	12.31%	

Welfare for Employees

CHEM conducted comprehensive salary adjustments in 2020, 2021, and 2022 to improve employee living standards. With a strong focus on employee well-being and equal pay, CHEM offers competitive compensation and implements a fair salary and benefits system. The company's commitment to equality is reflected in the 1:1 ratio of basic salary and rewards between male and female employees in 2022.

	Gender	2020	2021	2022
Average Monthly Salary of Entry-Level Employees at CHEM	Male	32,354	32,368	34,395
	Female	31,127	31,694	34,632
Minimal Monthly Wage or Salary of Local Entry-Level Employees	Male	1.359	1.349	1.362
	Female	1.308	1.321	1.372

Employers & Employees

CHEM prioritizes effective communication and cooperation between labor and management, ensuring harmonious labor relations. Through regular meetings, both parties engage in negotiations to address various labor-related matters and improve working conditions. The collective agreement, signed periodically, governs the rights and welfare of employees, and the recent agreement covers the majority of the workforce.

Year	2020	2021	2022
Average Salary of Non-Managers in CHEM	747K	809K	870K
Median in Salary	659K	702K	769K



CHEM's Human Rights Policy: Prohibits discriminatory hiring practices, forced labor, and the employment of child labor.

CHEM upholds labor rights and adheres to a Human Rights Policy that prohibits discriminatory practices, forced labor, and child labor. The company prioritizes equal and dignified treatment for all employees, maintains a safe work environment, and implements responsible business practices. There were no major risks or incidents related to child labor or forced labor, and employees' rights to freedom of association and collective bargaining were respected.

In late 2021, certain departments of CHEM, such as Factory 2 in Linko and Nanke Factory, began planning the implementation of the Responsible Business Alliance (RBA) Code of Conduct and underwent an audit by CMA in 2022 to ensure compliance with RBA standards. This initiative aims to safeguard workers' rights, promote employee health and safety, and establish management systems that align with environmental and ethical standards.

In 2022, both CHEM and its suppliers had no significant risks or incidents related to child labor or forced labor. There were no violations of employees' rights to freedom of association and collective bargaining, nor were there any major labor disputes.

CHEM's comprehensive welfare benefits, Employee Assistance Program with support

In order to provide employees with a safe and healthy work environment, CHEM strives to create a place where employees can truly enjoy their work. Through the "Employee Assistance Program," CHEM assists in resolving work-related, personal, and health-related issues that may affect employees' work performance. This program has been implemented since 2016 and offers a variety of support measures in areas such as health, medical, legal, tax, financial, and childcare, establishing a caring work environment that enhances overall work and life quality, and increases employee loyalty and cohesion.

2022 vs. 2021

+203,848,718 (+12.9 %)

2022

1,783,543,081

2021

1,633,288,243

2020

1,617,573,867

CHEM prioritizes the well-being of its employees by providing comprehensive welfare benefits, establishing an Employee Assistance Program, and creating a supportive and caring work environment. The company offers a wide range of benefits and support measures, including health insurance, maternity and parental leave, and various subsidies. It also focuses on employees' personal growth and family life, offering additional assistance and amenities such as lactation rooms and recreational facilities. Through these initiatives, CHEM enhances employee loyalty and work-life balance, ensuring a safe and healthy workplace.

Highlights of Employee Welfare Benefits

Work-life Balance

Gift-money
Vouchers
Travel reimbursement

Family Care

Flexible working hours
Child-Care
Scholarship Available for Application

Scholarship and Tuition Support (NT\$)

Type	Graduate School / College	Senior High School	Junior High School
Scholarship	3,200	2,400	1,600
Tuition and Support	800	600	500

Health and Actions-Taking

Vaccine-Taking Leave
Exercise and Promotion
In-between work Exercise



Health and Actions-Taking

- In-Company Trainer and Exercise Sessions
- Online Yoga Session



舒展&舒壓

活動筋骨 + 舒緩身體壓力

繁忙工作加上持續久坐所帶來的
身體負擔有哪些呢？
常見不良姿勢影響了身體哪些
部位承擔沉重的壓力進而影響
健康呢？
一起來認識正確舒展與舒解久
站或久坐及不良姿勢身體需要
承擔的壓力。



基礎暖身運動是一套非常好的練習，
能達到整體的伸展及鍛鍊身體的肌肉、關節，
亦可以藉著一些動作按摩內臟。
基礎暖身運動的練習能增強身體活力和生命能量。

課程：

- 1 暖身、四肢關節伸展
- 2 髖關節、下肢關節活動、伸展
- 3 肩、胸關節活動、伸展
- 4 平衡、四肢協調
- 5 髖關節、下肢關節活動、伸展
- 6 肩、胸關節活動、伸展
- 7 平衡、四肢協調
- 8 髖關節、下肢關節活動、伸展
- 9 肩、胸關節活動、伸展
- 10 平衡、四肢協調

2022.07.23 ~ 09.24
每周六
20:00 ~ 21:00

線上課程

報名請洽醫務室：
分機：2358

中興電工與你一起
邁健康美好的未來

教練簡介：
專長：瑜珈、運動按摩、中式推拿

證照：
AFAA-WT
紅十字會CPR+AED
勞動部傳統復推拿技術士
ISCA運動按摩技術員
經歷：
現職國立體育大學 舒壓室 指導老師
正林壽推保健中心 傳統整復推拿師
林口長庚紀念醫院員工健康促進計劃 瑜珈團體老師
易利站運動中心 運動保健員、瑜珈團體老師

票價：
全動獎：500元
滿半：200元
恕不遲到不早退

愉悅身心
舒緩、平衡



Health and Actions-Taking

Weight-Watcher and Diet Control



減重成果發表

我減了 16點2公斤
我減了 10點6公斤
我減了 8公斤

N01 操作技研室 謝嘉倫
N02 數研中心 謝嘉倫
N03 氣球師 謝嘉倫

活動期間：
111年7月18日至11月30日
報名人數：90人
符合資格人數：85人
達2%人數：32人

全體總計共減
166.3KG



Clubs with Varieties

- Clubs for employees: badminton club, tennis club, hiking club, pool club, and other varieties for choices.

Charity Club for Underprivileged Group



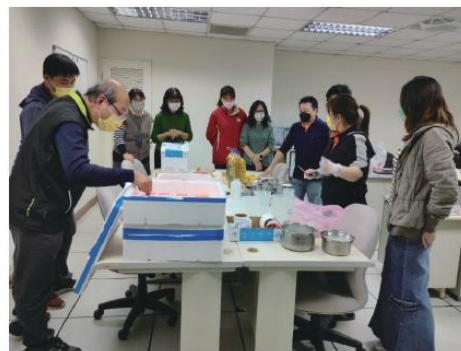
Hiking Club | Outdoor Activities



Women's Club | Baking Events



Women's Club | Handmade-Soap Event



Clubs with Varieties



Sports Club & Activities



Talents and Hiring

- personal connection through employees
- Employees dorms availability

Retirement and Pensions

- be in accordance to the regulations, Trust fund arranged and 6% from salary month to be added for pension plans.

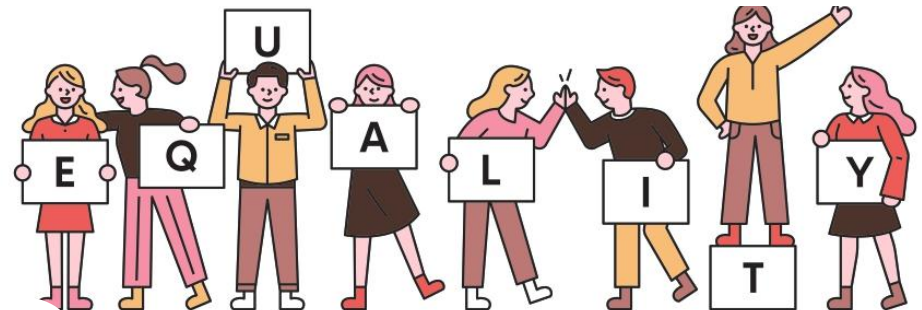
Reimbursement and Compensation

- lunchbox, medical expenses, birth gift money, compensation to the death and the family.

Gender Equality & Maternity Care Policies

Over its 65-year history, CHEM has prioritized employee rights and benefits through an evolving salary and welfare system. In alignment with SDG Goal 5, the company ensures gender equality in terms of compensation, benefits, employment, and promotion. Approximately 30% of top executives are women, including the General Manager.

Furthermore, CHEM implements maternity protection policies by offering individual health consultations, risk assessments, and facilities such as priority parking spaces for pregnant women and lactation rooms available for female employees during pregnancy and postpartum.



The statistics of employees on parental leave are as follows:

Year	2021			2022		
	M	F	Total	M	F	Total
Gender / Total	M	F	Total	M	F	Total
Number of eligible employees for parental leave	54	16	70	56	18	74
Number of employees who actually applied for parental leave in the current year	3	6	9	2	4	6
Number of employees expected to return from parental leave in the current year	2	1	3	3	2	5
Number of employees who actually returned from parental leave in the current year	2	1	3	3	2	5
Return rate from parental leave in the current year	100%	100%	100%	100%	100%	100%
Number of employees who actually returned to work after applying for parental leave in the previous year	1	2	3	2	1	3
Number of employees who continued working for one year after returning from parental leave in the previous year	1	2	3	2	0	2
Retention rate for employees on parental leave in the current year	100%	100%	100%	100%	0%	67%

Learning and Development

Focus	Learning and Training for Development
GRI Indicator Correspondence	GRI 404
Strategy and Commitment	CHEM's Goal is to create the friendly workplace for employee's career path and to build effective training path for career development.
Objectives and Tasks	<p>Short-term objectives -enhance the capacity and productivity for big-picture innovative and thinking.</p> <p>Long-term Objectives -Training with diversification given for talents to enhance the competitiveness.</p>
Responsibility	Specialists are assigned to support training and learning activities, training workshops and/or lectures are also available.
Resources Invested	<ul style="list-style-type: none"> - In 2022, the average training hours per employee were 12.91 hours, with male employees averaging 14.34 hours and female employees averaging 6.99 hours. - Language learning subsidies are provided to encourage employees to enhance language skills related to their work. A total of 920,552 NT dollars has been allocated for degree subsidies in the past 5 years.
Evaluation & Result	<ul style="list-style-type: none"> - Newly hired employees receive training conducted by the HR department, including company introduction, employee guidelines, and reading of quality and environmental policies. - Before starting their job positions, new employees receive appropriate education and training on safety and health guidelines according to relevant procedures or operational standards within each department. - On-the-job training for employees includes management skills training, departmental skills training, and self-development training, offering diverse courses based on individual needs. - Employees who pass the "National Technician Higher Examination" and "National Technician Skill Certification" are rewarded with incentives.

Performance Evaluation

Through the performance evaluation system, CHEM enhances the performance of both the organization and individuals. It rewards the efforts of employees in a timely and appropriate manner, boosting morale. CHEM combines the company and unit performance to determine performance bonuses for each unit. Assessment criteria, such as individual KPIs, quantitative and qualitative achievements of organizational functions, execution capability, and innovation, are used to evaluate the annual work performance of employees and issue individual bonuses. By using assessment results as a basis for reward differentiation and promotion considerations, employees are effectively motivated to achieve team and company operational goals.

Numbers of Employee to join for the Performance Evaluation in 2022		Employees actually joined	Total Number of Employees	%
Gender	M	1,386	1,406	98.58%
	F	335	340	98.53%
Type	Direct	749	759	98.68%
	Indirect	972	987	98.48%

Training Resources

CHEM provides training resources. In terms of employee training, there are dedicated staff responsible for pre-employment and on-the-job training, and various training activities are held periodically.

On-the-job training for employees includes three categories: management skills training, departmental functional training, and self-development training. Language learning subsidies are also available to encourage employees to enhance their language skills relevant to their work. Support is provided for employees pursuing academic degrees and participating in national technical examinations or certifications related to their job responsibilities. Technical certification incentives are offered, with a total subsidy of over 920,552 NT dollars in the past five years.

Year	Types	Total Hours of Training		Average Hours of Training	
		M	F	M	F
2021	Non-Management	12,877	2,845	11.06	9.95
	Management	556	104	2.85	3.15
2022	Employees	19,244	2,215	15.77	7.26
	General Management	913.5	163	4.91	4.66

06 Occupational Safety and Health Watch

focus	Occupational Safety and Health Management
GRI Indicator Correspondence	GRI 403
Strategy and Commitment	CHEM's Goal is in compliance with ISO14001 and ISO 45001. The Company had also established the guidelines for employees' rights under incremental improvement.
Objectives and Tasks	<p>Short-term objectives -guidelines and protocols as the foothold established, emergency and drills for danger prevention executed, visits and check-in visits around plants are performed on a regular basis</p> <p>Long-term objectives -standards for protocols, improvement and enhancement -strengthening the communication and support among teams and departments</p>
Responsibility and Resource	The Company provides occupational medical staff consultation service. Protection gears and regular health check are provided to long-term night-shift workers. Health checks are scheduled biennially
Evaluation Criteria and Result	<ul style="list-style-type: none"> ■ISO 14001 approved ■ISO 45001 (was OHSAS 18001) approved ■Regular overall maintenance and examination for high-risk machines and operation included. ■Self-management and measures for Safety and Health Management to reduce the possibility of risks and dangers on site is included. ■Evaluation and management of suppliers/vendors is to be in compliance with relevant policies, regulations and protocols, to ensure the safety, risk management, environmental protection and human rights.

For full details in description of objectives and certifications, please refer to the Chinese version of this report.

Occupational Health and Safety Management System

In order to maintain employee safety and prevent occupational accidents, our company will maintain the effectiveness of the ISO 45001 Occupational Health and Safety Management System in 2022. The scope of the occupational health and safety management system covers the Linko Factory and Nanke Factory of CHEM, regulating relevant workers and production activities.

Additionally, in accordance with the Occupational Safety and Health Act and related regulations, we have established the "Occupational Safety and Health Work Guidelines" and "Occupational Safety and Health Management Plan." Each department has established occupational safety and health units, management personnel, and first aid personnel in compliance with the law. Safety and health education and training are conducted annually.

▼ Workers covered by the Occupational Health and Safety Management System

Site	Employees		Non-Employees	
	#	%	#	%
Linko Factory	1520	100%	0	0
Nanke Factory	108	100%	0	0



The certification - ISO 45001 Occupational Health and Safety Management System



財團法人台灣商品檢測驗證中心
地址：33383 桃園市龜山區文德路29巷8號

頁數：1/共1頁

Occupational Safety and Health Committee

To protect the rights and interests of employees, CHEM has established an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Management Regulations. The committee consists of a total of 22 members, including 2 medical personnel, 2 engineering and technical personnel related to occupational safety and health, and 13 supervisors, overseers, and commanding officers from various departments. Among them, there are 5 worker representatives, accounting for more than one-third of the committee.

The responsibilities of the Occupational Safety and Health Committee include planning, implementing, evaluating, and improving occupational safety and health environment to enhance the level of safety and health management and achieve safety management goals. Regular committee meetings are held on a monthly/yearly basis. During the meetings, there are discussions on promoting compliance, identifying and eliminating hazards, conducting risk assessments, accident investigations and audits, and establishing and managing audit standards for contractors and suppliers.

Please refer to the Chinese version of the report to see the Distribution of Responsibilities in the Occupational Safety and Health Committee

Hazard Identification and Risk Assessment

The Company and the team has implemented a procedure called "Hazard Identification and Risk Assessment" to identify and assess safety and health hazards in its operations. The procedure covers various aspects such as operational activities, employees, facilities, and workplace environments. Its goal is to reduce the risk of occupational safety and health hazards for employees and workers by setting objectives, implementing controls, and providing education and training. The procedure also includes informing contractors about workplace hazards. This comprehensive approach aims to enhance safety and health management and minimize risks.

Please refer to the Chinese version of this report to see the flow chart of Procedure for Hazard Identification and Risk Assessment.



Execution Method

The identification of hazards and the implementation of risk assessment will be carried out by the identification and assessment team, dividing the operations into respective unit jurisdictions. The "Hazard Identification and Risk Assessment Form" will record the operation process, job tasks, work conditions (routine and non-routine activities), use of raw materials, types of machinery and equipment, potential hazards, personnel and equipment impact levels, current controls, and other relevant information as the basis for implementing safety and health risk assessment.

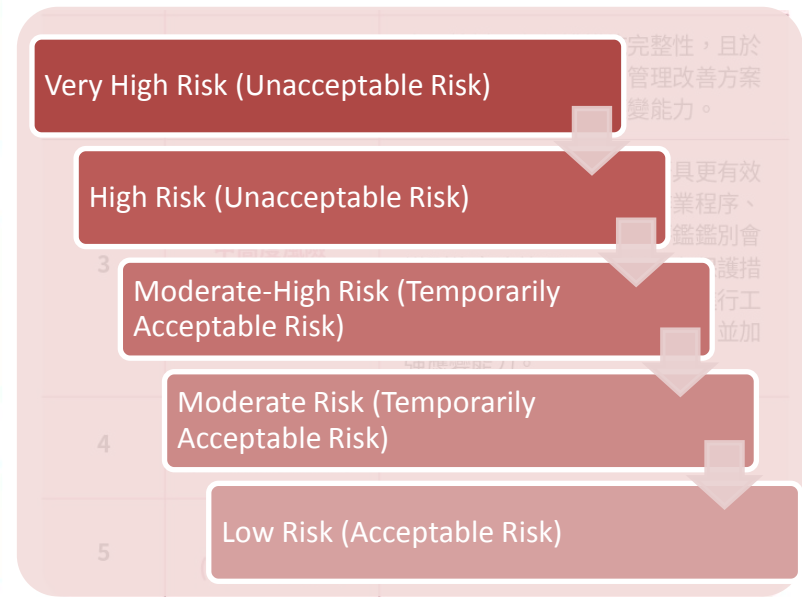
Improvement plans based on risk and opportunity identification must be documented in the "Safety and Health Management Plan Form," which includes specific execution methods, responsible units, and scheduled improvement timelines. The content of the "Safety and Health Management Plan Form" requires approval from supervisory levels and endorsement from the General Manager. The responsible units must faithfully implement the approved management plan to carry out improvement work.



Please refer to the Chinese version for the details of the flow chart.

Control Measures

Based on the "Safety and Health Hazard Identification and Risk Assessment Form," CHEM conducts safety and health risk assessments as the basis for policy and objective development. In the form, relevant data is filled in the fields of operation exposure frequency, occurrence probability, potential consequences, and severity of outcomes. The risk level is automatically determined through computer calculations, and the risk rating is obtained by referring to the risk rating matrix chart. Finally, based on the risk rating, corresponding risk control measures are developed according to the risk control measures table.



Incident Report and Investigation

CHEM has established an "Incident Reporting, Handling, and Investigation Management Procedure" to regulate the process of incident reporting and investigation. Through incident investigations, the company aims to identify the causes of accidents, potential risks in the work environment, and types of injuries that may occur. This information serves as a basis for implementing preventive and improvement measures to reduce the likelihood of recurring accidents.

Occupational Injuries

The main types of occupational injuries for CHEM employees and contractors include falls, entanglement, collisions, cuts and abrasions, falls from heights, sprains, and crushing injuries. Among these, falls are identified as a significant occupational hazard that poses a high risk of severe injuries. In the event of an occupational injury, operations are immediately halted, preliminary measures are taken, and operators are instructed to be cautious of the machine's condition, minimizing the risks to the lowest extent possible. The following data encompasses all workers. In the event of an occupational accident, the company follows the following notification process:

Occupational Injuries on-Site



Occupational Accidents on-Site



Details of description, please refer to the Chinese version of this report.



Occupational injury situation of employees in the past three years:

	2020	2021	2022
Working Hours	3,385,586	2,912,517	3,331,406
Minor Injuries	5	3	3
Minor Injuries Percentage	1.4768	1.03	0.9005
Serious Injuries	1	0	0
Serious Injuries Percentage	0.2954	0	0
Death Incidents	0	0	0
Death Rate	0	0	0
Number of Recordable Injuries	6	3	3
Percentage of Recordable Injuries	1.7722	1.03	0.9005

- Occupational accident statistics do not include "commuting accidents" during travel to and from work.
- The working hours for contractors are estimated based on an average of 8 hours per day. The calculation formula is: (monthly number of workers on-site × monthly working days) × 8 for the entire year's data estimation.
- The rate of minor occupational injuries is the number of minor occupational injuries per 200,000 work hours. The calculation formula is: number of minor occupational injuries × 200,000 / total work hours.
- The serious occupational injury rate (Disabling Frequency Rate, FR) is the number of serious occupational injuries (excluding fatalities) per 200,000 work hours. The calculation formula is: number of serious occupational injuries × 200,000 / total work hours. Serious occupational injuries refer to injuries that result in disability or inability to recover to the pre-injury state of health within 6 months.
- The Total Recordable Injury Frequency Rate (TRIFR) refers to the number of recordable occupational injuries per 200,000 work hours. The calculation formula is: number of recordable occupational injuries (including minor occupational injuries, serious occupational injuries, and fatalities) × 200,000 / total work hours.
- The rate per 200,000 work hours represents the number of occupational injuries per 100 full-time workers within one year, assuming that full-time workers work 2,000 hours per year (suitable for organizations with fewer than 500 people).
- The rate per 1,000,000 work hours represents the number of occupational injuries per 500 full-time workers within one year, assuming that full-time workers work 2,000 hours per year (suitable for organizations with more than 500 people).

Workers covered by the Occupational Health and Safety Management System

Management System / Protocol	type	Number of people	%	remarks
Regulation of Occupational Safety and Health	Internal Auditing	2	0.0013	
	Workforce Inspection	3	0.0020	
ISO 45001	Internal Auditing	4	0.0026	
	External Inspection	3	0.0020	Area of Scope: Linko Factory / Nanke Factory



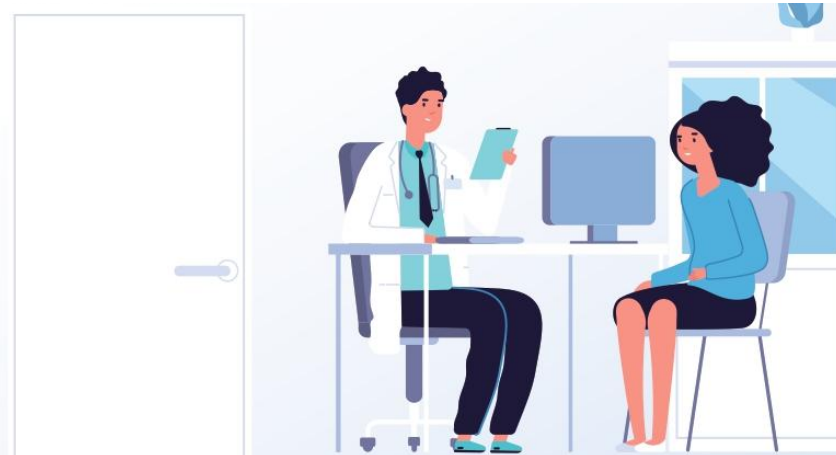
Occupational Health Check Health Check for Employees

To protect the physical and mental health of employees, the company has a medical room and conducts special health checks for relevant personnel based on annual environmental monitoring results. CHEM provides its employees, their dependents, and contractors with health check-ups that exceed regulatory requirements every two years. The check-ups include multiple ultrasound examinations, bone density tests, eye pressure tests, blood cancer screenings, and screenings for the four major cancers, among other items. Employees aged 65 and above and those in specific job categories receive annual health checks.

To prevent the main occupational hazard, "noise-induced hearing loss," all employees undergo auditory testing using audiometers. High-decibel noise areas are marked at their entrances, indicating that hearing protection must be worn before entry. Workers involved in noisy tasks have yearly hearing comparisons, receive health education, and are provided with a variety of suitable hearing protection options after on-site visits to assess work hazards and protective equipment usage.



Due to the prolonged duration of the COVID-19 pandemic, many people are experiencing anxiety and various related issues. To address this, the company has arranged for a psychologist to assist employees. Those in need can receive one-on-one counseling and autonomous nervous system testing in a private space.



● Consultation sessions with medical professionals



自律神經檢測
自律神經儀器檢測 (HRV)
&
心理師諮詢

陳基榮 資深心理師
台北慈濟醫院失智臨床心理師
沐晨職能治療所 特約長照心理師
地方法院 勞動調解委員
前馬王公醫院 人力資源主管
前國軍北投(818)醫院 臨床心理師
臨床心理師證書
美國DEAP專業訓練認證

徐苑庭 諮商心理師
社團法人台灣力人關係協會
個管心理師
• 和一診所 特約心理師
• E聯小屋 康復導師 陸安瑜 引導師
• 馬倫醫院 實習心理師
• E聯小屋 康復導師 陸安瑜 引導師
• 美國瑜珈聯盟 RYT200 原始瑜珈導師

中興電工
Chung-Hsin Electric & Machinery Mfg. Corp.



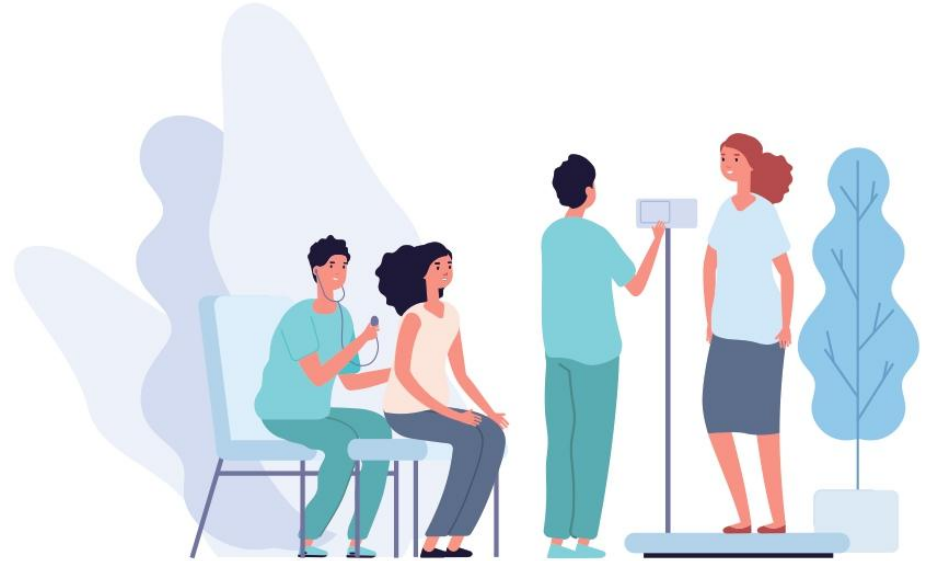
維他命
正確服用諮詢

藥劑師/營養師 執業中

水性?
油性?
飯前?
飯後?
睡前?
需要多少
劑量才夠?

中興電工

Consultation service with medical professionals available for employees to further understand the health check and the readings of data from the health check report. Online or physical consultation for medical and dietary information with nutrition is also available upon the needs .



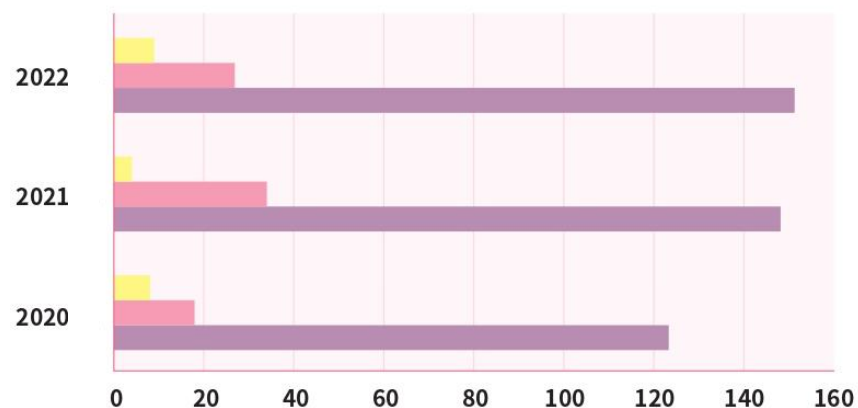
Encouraging family members and business partners to participate in group health check-ups

The Company not only cares for the well-being of its employees but also upholds its commitment to "caring for employees and their families" and "collaborating with partners as one family." Employees' family members and cooperating partners are welcome to join the health check-ups, and if any abnormalities are found, the medical office provides telephonic assistance and medical care to maintain privacy. The Company actively promotes participation in the health checks, and the number of participants has grown from less than 100 initially to over 300 annually. In 2022, more than 500 family members and business partners have participated in the health check-up activities. Notably, some participants have identified diseases during the check-up, leading to timely medical intervention and successful recovery. The Company often receives calls and letters from employees and their families expressing gratitude for the health check-up program. The Company also provides certain assistance in acquiring medical aids or equipment for monitoring the health condition.



- Employees for Health Management- Level 4
- Employees for Health Management- Level 3
- Numbers of Employees needing Special Checks

	2020	2021	2022
Numbers of Employees needing Special Checks	124	146	152
Employees for Health Management- Level 3	18	14	27
Employees for Health Management- Level 4	8	3	9



Occupational Medical On-site Service

The Company provides occupational specialist physicians' on-site service three times a month. Currently, two occupational medicine specialists are hired to conduct specific examinations, health education for level-two personnel, and various occupational health-related services. They patiently and expertly assist employees in identifying common symptoms or sports injuries and provide guidance on seeking appropriate medical departments or methods for self-rehabilitation.



Protective Equipment Evaluation and Training

To effectively eliminate the risk of hearing impairment caused by noise-related tasks, CHEM not only provides more than four types of earplugs, earmuffs, and other protective gear for workers based on their job and physiological needs, but also organizes hazard awareness sessions and demonstrations of various protective equipment on a plant-wide basis. Additionally, for foreign workers, specific translation courses are provided based on their own native languages, ensuring the health, safety, and rights of all employees.



Gadgets Provided To effectively eliminate the risk of hearing impairment caused by noise-related tasks

25dB 24dB

33dB 28dB

3M 27~32dB

※海棉材質隔音會較高3-6分貝

Promotion for Employees & On-site Workers' Health

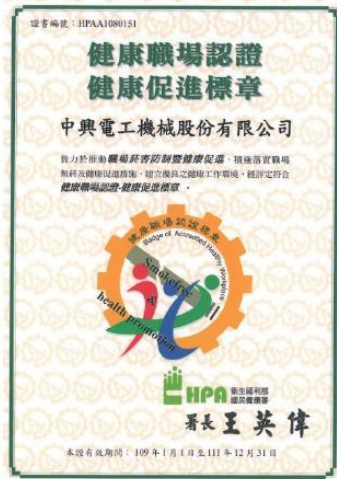
The company emphasizes work-life balance and integrates internal and external professional resources to care for employees' physical and mental health. They practice "walking management" and actively show concern for employee well-being through a listening hotline and external safety personnel.

“Walking-in Management for Instant Care”

The Occupational Nurses practice "walking-in management" within the company premises and promptly address health-hazardous factors by collaborating with relevant staff and conducting hazard awareness courses. They also provide intervention and support to colleagues facing emotional distress.

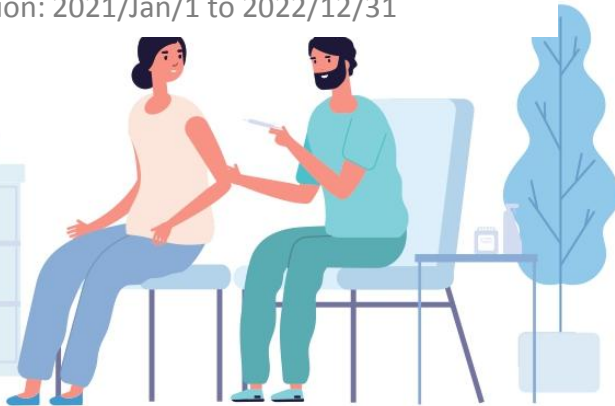


Healthier Workplace and Promotional Movement:



Since 2014, CHEM has continuously received the Health Workplace Certifications.

Effective Duration: 2021/Jan/1 to 2022/12/31



1. CHEM actively promotes smoking cessation and weight management activities and has received recognition as a "Health Workplace" with the Health Promotion Logo.
2. The company has been providing flu vaccinations for several years, and the vaccination rate among employees has significantly increased with strong support and encouragement.
3. In 2020, CHEM was awarded the "Flu Epidemic Prevention Silver Medal Award" by the Taiwan Vaccine Promotion Association for its vaccination efforts.
4. CHEM expanded its vaccination program to include various vaccines related to COVID-19 and other major diseases, offering employees broader protection.



07 Charity Work

Focus	Charities and Participation for Social Activities
GRI Indicator Correspondence	GRI 203
Strategy and Commitment	CHEM’s Goal is to evaluate the influence for community and to gain the recognition from community. CHEM’s move is to participate or to initiate activities such as commercial events, donation, volunteering events and/or other professional events with local organization, charities, local government to improve overall long-term development in communities.
Objectives and Tasks	<p>Short-term objectives -to increase the level of participation and leverage the influence</p> <p>Mid-term objectives -to actively promote the establishment of solar photovoltaic power plants and participate in wind power EPC public projects, serving as a strong force for the government's green energy policies. We invest in research and development of carbon reduction and safety products, promoting the spirit of mutual support and community. We strive to be a pillar of support for those in need and our main goal is to support economic development and enhance public welfare.</p>
Responsibility and Resource	<p>-The Board had authorized the management to execute and to report</p> <p>-CHEM’s Trust Fund for CHEM’s Charity Foundation is established for reinforcement and urgent needs.</p>
Evaluation Criteria and Result	<p>-the Company’s Trust Fund for CHEM’s Charity Foundation assists with instant financial and mental support.</p> <p>-Regular financial aids from NT\$3000-to NT\$20,000 to ones in need to get through the hardship.</p> <p>-Regular visits to orphanage and children’s home by supporting with aids in tuition, lunch fee and daily necessities. (Hung-Wha Children’s Home, Da-dun Children’s home etc.)</p> <p>-College and Industry Cooperation Project – Learning and Hands-on Experience projects and/or internship opportunities for college graduates</p> <p>-Overall donation from the Company Trust Fund for CHEM’s Charity Foundation had already reached NT\$3,11,400 to charities in remote village in Taoyuen, Northern Taiwan in 2022.</p> <p>-Long-term support for under-privileged families and teenagers with after-school support and training courses to reduce the inequality of resources.</p>

Social responsibility is an important mission of CHEM's operations. We engage in various aspects of charity and public welfare, such as social initiatives, industry-academia cooperation, scholarships for outstanding students, internship opportunities, donations for nearby elementary schools, and regular blood donation drives.

1. Social Initiatives:

Since its establishment, CHEM has been committed to giving back to society. During significant events like the 921 earthquake, the Typhoon on August 8, and the COVID-19 pandemic, our company actively participated, hoping to contribute to a better society. Reflecting on our 50th anniversary, we recognize the social issues arising from societal changes, such as the increasing number of single-parent and underprivileged families and growing wealth disparity. With a spirit of empathy, we established the "CHEM Charity Fund" to fulfill our social responsibility and provide timely assistance to those in need. In addition, our charity team, which has been established for over 30 years, regularly visits and cares for childcare centers and nursing homes, in addition to donating to social welfare organizations.

The main areas of focus for the "CHEM - Charity Fund" include the following:

(1) Subsidies for Major Illnesses and Disasters: The current focus of the fund's subsidies is to assist families who have faced significant financial challenges due to major illnesses. In addition to financial assistance, the foundation also provides ongoing support by staying updated on their living conditions and determining if further assistance is required.

(2) Living Assistance: This assistance primarily targets families facing financial hardships by providing regular financial aid. The fund currently supports families with relatives experiencing severe illnesses that result in substantial medical expenses, as well as families facing financial difficulties due to the death of a breadwinner. Monthly fixed subsidies ranging from NT\$3,000 to NT\$20,000 are provided to help these families overcome their difficulties.

(3) Other Subsidies: In addition to providing assistance to families in crisis or individuals with disabilities, support is also extended to vulnerable families and children through organizations like World Vision and the Family Support Foundation. Regular visits and donations are made to Hsin Hwa Home, Children's Village, and Datong Child Home. Financial aid is provided for school fees, lunch expenses, and daily necessities for children from underprivileged families. The fund also sponsors underprivileged children, supporting their happy and safe upbringing. Furthermore, the company organizes donation drives for second-hand clothing, shoes, books, and Lunar New Year meals, providing resources to those in need.





Building Good Neighborly Relations

CHEM adheres to the principle of "neighborly love and harmony within the community" and actively participates in local activities to promote good neighborly relations. This includes encouraging the employment of residents from neighboring communities, opening company events to residents' participation, and providing sponsorship for activities organized by community associations and educational institutions. Through these efforts, we aim to coexist and prosper together with the local community.



(1) Da Gang Junior High School, Guishan District, Taoyuan City: The company assists disadvantaged students at the school by providing academic tutoring and cultivating vocational skills. After-school classes such as "Beauty and Hairdressing Class," "Spoken English Class," and "Academic Enhancement Class" are offered to guide adolescents in transforming their lives and enhancing self-realization.

(2) Zhuqiao Junior High School, Qi-gu District, Tainan City: Located in a coastal fishing village area of Tainan, Zhuqiao Junior High School faces the challenges of population outflow and aging. With a student population of less than 100, the school has limited learning resources compared to urban schools. Starting from 2019, CHEM established a solar photovoltaic green energy project in Qi-gu District, which not only created employment opportunities but also highlighted the educational resource gaps and deficiencies resulting from the urban-rural divide. To address this, the company allocated funds to support the school in opening evening academic enhancement classes, introducing a "Self-directed AI Smart Learning Platform" curriculum, and establishing teaching facilities such as a Hami Technology Greenhouse. These efforts aim to bridge the urban-rural divide and mitigate the low academic achievement among disadvantaged youth in the area.



Evening After-School Support



Beauty & Hairdressing Class



3. Nurturing outstanding students through scholarships and providing internship opportunities

Since 2005, we have been awarding scholarships to hardworking and aspiring young students. The scholarship amount ranges from NT\$20,000 to NT\$40,000 per semester for undergraduate students and NT\$50,000 to NT\$100,000 for master's degree students. Every year since 2005, students have been applying for and receiving these grants to support their education.

Furthermore, due to the current shortage of manpower in the domestic power industry, we have established scholarships to assist outstanding and economically disadvantaged electrical and mechanical engineering students in completing their studies. We also collaborate with various universities such as Taipei University of Technology, Longhua University of Science and Technology and other universities for industry-academia cooperation and internships. In 2007, we partnered with Taipei University of Technology to offer a high-quality power supply industry master's program, aiming to contribute to the cultivation of the next generation of excellent power professionals.

Internship in CHEM



To avoid discrepancy, please refer to the Chinese version for the name of the collaborative projects and the corresponding universities and durations.

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1	臺北科技大學	源與冷凍空調工程系 / 機械工程系)	2014.07.14~2021.06.30
		產學訓合作訓練三方協議書 (能源與冷凍空調工程系)	2016.06.23
		就業工作實務訓練合約書 (能源與冷凍空調工程系 / 機械工程系)	2020.07.01~2022.06.30
2	龍華科技大學	職場體驗同意書 (機械工程系)	2021.7.5~2022.8.31
		產學合作合約書 (機械工程系)	2023.7.3~2024.6.30
		產學訓合作訓練三方協議書 (電機工程系)	2022.03.21~2024.06.15
3	中正大學	前瞻製造系統頂尖研究中心合作意向書	2012.6.1~2015.5.31 2017.1.1~2019.12.31

		校外實習合約書 (電機工程系)	2023.1.9~2023.6.8
2	虎尾科技大學	學生暑期校外實習合約書 (動力機械工程系)	2015.7.1~2015.8.31
3	龍華科技大學	學生校外實習合約書 (機械工程系、電機工程系、工業管理系、資訊管理系)	2012.7.2~2023.6.30
4	遠東科技大學	校外實習合約 (機械工程系)	2017.7.3~2017.8.31
5	健行科技大學	校外實習合約	2018.7.1~2019.6.15
6	長庚大學	建教合作合約書 (電機工程系)	2016.7.4~2019.8.23
7	東南科技大學	產學合作合約書 (冷凍空調系)	2019.7.1~2023.6.30
8	臺北城市科技大學	學生校外實習合約書 (電機系)	2022.7.1~2023.6.30



5. Blood Donation Events with CHEM's Long-term Commitment over 20 years



The background features a blue gradient sky with large, stylized white clouds. At the bottom, there is a cityscape silhouette in light blue, including several skyscrapers, a modern building with solar panels, and green trees. On the left side of the cityscape, there are three white wind turbines. The overall theme is clean energy and sustainable urban development.

中興電工

2022 永續報告書

Sustainability Report