



# 2020 | Sustainability Report







# Editing Principles and Assurance

## Internal Auditing

The Corporate Sustainable Development Office (CSD Office), which directly reports to the President, is in charge of collecting international and domestic issues concerning economy, environment and society, while gathering issues keen to stakeholders through multiple channels. CSD Office discerns major themes and discloses relevant management guidelines and performance statistics accordingly via negotiation and systematic analysis. The report is first submitted to the CSR Committee and the Board of Directors for review and finally announced the results to stakeholders through open channels.

## Writing & Editing Guidelines of the Report

Issuing Organization	Guidelines
Global Sustainability Standards Board, GSSB	GRI Standards—Core Option
Taiwan Stock Exchange Corporation (TWSE)	<ul style="list-style-type: none"><li>Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies</li><li>Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies</li></ul>
Sustainability Accounting Standards Board, SASB	Electrical & Electronic Equipment
United Nations	Sustainable Development Goals, SDGs

## External Assurance

The financial data and statistics presented in the financial report are audited, signed off and assured by KMPG. Relevant management systems including ISO 9001, ISO 14001, IECQ-QC080000, ISO 14064, ISO 50001, ISO 45001, ISO 28000, SA 8000 and others are verified and assured by SGS-Taiwan, while TCFD compliance is verified by the British Standards Institution (BSI).

Item	Criteria	Certifying/Verifying Organization
Financial Statistics	Annual Financial Report	KPMG Taiwan
GRI Standards	AA1000 Accountability Principles (2018), Type 1 Moderate	SGS Taiwan Ltd.
SASB	Sustainability Accounting Standards Board, SASB	
ISO Management System	Please refer to "Sustainable Management System and Verification" in p.26 of this report.	
TCFD	Task Force on Climate-related Financial Disclosures, TCFD	British Standards Institution, BSI



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<https://www.acbel.com.tw/en/csr-report-download-certificate>

# Report Management Process

Item	Stage	Responsible Unit
Topic Collection	1. Identifying Stakeholders 2. Collecting focused topics 3. Identifying material topics	CSD Office
Information Compiling	Management approach and performance collection	
Draft Writing	Related information compiling and editing	CSD Office/Related Operating Departments
Review and Report Finalization	Report content review/external assurance	CSR Committee/SGS
Publication	Report submission to the Board of Directors/report publication	CSD Office

This report is available in both Chinese and English. You are welcome to download the report from the "Social Responsibility and Stakeholders" section of our official website.



Download Sustainability Report  
<https://www.acbel.com.tw/en/csr-report-download>

# Contact Information

If you have any suggestions for "2020 Sustainability Report of AcBel Polytech Inc.", please send your valuable comments to us so that we can be more refined. You can contact us via the following methods.

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Official Website of AcBel Polytech Inc.  
<https://www.acbel.com.tw/en>



Social Responsibility and Stakeholders Section  
<https://www.acbel.com.tw/en/article-page/csr-index>



Investors Section  
<https://www.acbel.com.tw/en/article-page/investor-law>

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Key Performances & Recognition from External Institutions in 2020

Economy

Making profits for 14 consecutive years from 2007 to 2020; revenue of 2020 reached NTD 20.983 billion, with a growth rate of 1.94% comparing to 2019; after-tax earnings per share (EPS) is NTD 2.54.



Product Manufacturing

- 1. A total of 457 patents have been obtained from 2006 to 2020.
- 2. No incidents have occurred due to product safety, marketing and labeling, violation of regulations, leakage of customer privacy or customer information in the past three years.



Labor Rights

- 1. Salary in 2020 are up 4.95% from 2019.
- 2. Average operator turnover rate of 2020 was 0.83% lower than 2019.
- 3. No incidents related to child labor employment, forced labor, labor disputes, violations of gender equality and sexual harassment have occurred in the past three years.



Sustainable Awards

Responding to the TCFD recommendations, AcBel passed the TCFD conformity verification by the British Standard Institution (BSI) and became the world's first corporation which obtained conformity compliance Level 5: Excellence.

AcBel has been awarded with Corporate Sustainability Report Award of Taiwan Corporate Sustainable Awards by TAISE for six consecutive years. In 2020, AcBel won "Corporate Sustainability Report Award—IT & IC Manufacturing—Platinum Award," "Best Performance of Specific Category—Growth through Innovative Awards" and "Climate Leadership Awards".

AcBel Electronics (Dongguan Plant) won Validated Audit Process (VAP) Silver Award by Responsible Business Alliance (RBA).

The score of the CDP climate change and water safety questionnaires are B (management level).

Corporate Governance

- 1. Ranked top 6%-20% in 2020 Seventh Corporate Governance Evaluation.
- 2. No anti-competitive practices have occurred in the past three years.



Environment

- 1. No violation of environmental laws have occurred and no fines have been incurred in the past three years.
- 2. All plants have completed ISO 14064:2018 GHG Scope 3 Inventory Verification
- 3. Dongguan, Wuhan and the Philippines Plant have completed ISO 14046:2014 organizational level Water Footprint Inventory Verification
- 4. The amount of GHG Scope 1 & 2 Emissions of plantareas in Taiwan and China in 2020 is 8.82% lower than 2019.



Social Welfare

- 1. Employees in Taiwan spontaneously donated a total of NTD 1,372,800 for social welfare causes in 2020.
- 2. Employees in Taiwan have been devoted to holding educational & caring activities for disadvantaged children in remote areas in 2020, with a total of 169 elementary school students participating in the events.
- 3. A total of 64 employees in Taiwan participated in blood donation activities and donated a total of 107 bags of blood in 2020. A total of 630 bags of blood have been donated from 2018 to 2020.



## President Statement - Turning Crisis into Opportunity



### Global Situation and Challenges

Looking back on the year 2020, the Covid-19 pandemic has resulted in severe global, social and economic disruption. People are forced to drastically change their lifestyle which they used to familiar with and accommodated new ways of working. Moreover, extreme conditions like drought and torrential rains strongly indicate the harsh reality brought by global warming and the crisis that it may cause. Although we have already started to face many obstacles and challenges in the front, we never ceased to move along the path to corporate sustainability.

The world is currently in a critical phase of energy transition. Green energy will be the key to driving economic development in the near future. December, 2020 was also the 5th anniversary of the Paris Agreement that was signed. Asia finally started to follow the lead of the European nations and the concept of “Zero carbon emissions” has been spearheaded. To confront the low-carbon transition, AcBel ascribes to the UN’s Sustainable Development Goals (SDGs) and the Financial Supervisory Commission’s “Corporate Governance 3.0—Sustainable Development Roadmap” as our corporate governance blueprint, to expand on our 3-pronged sustainability strategy regarding the Environment (E), Society (S), and Corporate Governance (G).

### Corporate Governance and Performance

With the efforts of the management team and all employees, we have shown exceptional resilience to the pandemic. The annual revenue of the fiscal year 2020 was NT\$ \$20.983 billion, an increase by 1.94% over the year 2019, and EPS was NT\$2.54. In addition, AcBel’s ranked up to top 6-20% among listed company in Taiwan from corporate governance evaluation results this year which again indicates that we have taken some steps forward with our corporate governance culture, with protecting shareholder’s rights and fair treatment of our shareholders, and that we have also improved on assuring stakeholder’s rights, information transparency and the responsibilities of Board members.

### Our Path towards Green Energy

Our vision here at AcBel has always been “We Power the World with Sustainable/Renewable Energy and High Efficiency Power Supply.” Our core strategy “Smart Energy Integration Services” continues to focus on the development of consumer and industrial energy sources, and with the technology to manufacture avant-garde car energy, aeronautics, internet communications and medical-use energy sources we aspire to be the best partner and be one of the pioneers of sustainable energy.

In response to the announcement that all nuclear energy to be replaced by green energy declared by the Taiwan government, AcBel has designed a sophisticated scheme in regards to energy conservation, energy generation, energy storage and system integration. Our recent developments were of course to expand our solar fields in Taiwan; by 2020 we have already gained market advantages, that is, we have earned the niche in terms of market share of green energy. The total energy contract capacity from all of our solar fields in Taiwan has exceeded 137MW; our short-to-middle-term sustainability goal is to develop power grid with 500MW contract capacity by the year 2023.

### New Trend of Smart Production

In the near future, the construction of Taiwan HQ smart manufacturing building with EEWH (green building certification system in Taiwan) gold-level will be completed at the end of 2021. It’s estimated to contribute about 2.5 billion in gross revenue after the formal launch of mass production in Q1 of 2022.

In addition to increased net revenue and gross profits, the new smart building will implement high-efficiency and low-carbon-emission manufacturing. Along with the utilization of renewable energy, it will help to achieve the Science Based Target (SBT) of carbon reduction and drive low-carbon transformation.

### Outstanding Performance in Corporate Social Responsibility

Back in 2020, we signed to support the initiative of Task Force Climate-related Financial Disclosures and become the first electronics manufacturer in the world to obtain TCFD Conformity Verification Level 5: Excellence. We continue to carry out climate risk and opportunity management to adjust our low-carbon transitional core strategy. We score up to B (Management Level) for Climate Change and Water Safety questionnaire of Carbon Disclosure Project (CDP) in 2020 which is better than the performance of peers. Our efforts on promoting CSR have also received approval from various external organizations. We have received the “Taiwan Corporate Sustainability Awards (TCSA)—Corporate Sustainability Report Award” from TAISE for six years in a row. We won 3 awards in total in 2020, the “Corporate Sustainability Report Award — IT & IC Manufacturing — Platinum Award,” “Best Performance of Specific Category — Growth through Innovative Awards” and “Climate Leadership Awards.” We also disclose ESG information in this report (The 2020 Sustainability Report) with certificates in recognition of complying “Sustainability Accounting Standards Board (SASB)” standard. The content is associated with investors to stay connected globally.

### Strengthening Influence in Pursuing Sustainability

In aspects of sustainable social development, we keep to promote our environmental education in community elementary schools in 2020. We engaged more our stakeholders to involved in issues related to pollution and ecology through public events, including participating in Common Wealth’s “Do one thing for Tamsui River” river-cleaning event at the wetlands in Wugu. We also took part in the “Leopard-cat Rice Project” with our supply chain partners in Tongxiao town, Miaoli, to recover the vibrancy of the ecological pyramid and maintain an everlasting food chain. Through the momentum of company and employees, we could balance robust economic activity with a healthy ecosystem.

In the future, AcBel will continue to uphold our vision of “We Power the World.” With the strength of innovative R&D capabilities, production technology, the excellence of interactions between our employees and our customers or strategic partners, we will continue to enhance our performance on remarkable corporate governance, environmental sustainability, society harmony and sustainable supply chain. We can assure that common values can be shared, the foundations for sustainability are formulated and that we can deepened our influence on sustainability along the entire length of the industrial value chain.

**President** Jerry Hsu



AcBel Qiyan Office in Taipei City



Contact Information for AcBel Production Bases



Taiwan

**Taiwan / Tamsui Plant**  
**AcBel Polytech Inc.**

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Dong Guan

**China / Dongguan Plant**  
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Wuhan

**China / Wuhan Plant**  
**AcBel Electronic (Wuhan) Co., Ltd.**

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Philippines

**Philippines / Philippines Plant**  
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Fax: 6349-502-7253 Ext. 3425



01 Win-Win Sustainable Management



# About AcBel

Although global economy has witnessed the challenges and fluctuations in 2020, the company's goal to pursue sustainable development remains unchanged. AcBel has found its position in the green sustainability trend with creative thinking and innovative actions, prompting the company to be more focused on ESG issues and take actions to care for its employees, where environmental and social awareness and of corporate governance would be paid more attention to in accordance with the impacts of the climate change and local requirements under international trends.

Established in Tamsui District, New Taipei City, Taiwan in 1981, AcBel's core business scope includes research, development, manufacturing and distribution of power supplies. AcBel is currently one of the world top ten manufacturers of switching power supplies. Adopting customer-oriented service principle and strategy, AcBel has set up its global R&D headquarters in Taiwan, and a number of professional R&D teams in China and the USA. With manufacturing plants mainly located in Asia—ranging from Taiwan, China, to the Philippines—and widely established branch offices in the USA, Europe, Taiwan, China, and Japan, AcBel aims to design quality products based on the demands of customers and the markets as to remain competitive.

With the vision of "We Power the World with Sustainable/Renewable Energy and High Efficiency Power Supply," AcBel has actively invested in the R&D of clean and high-efficiency energy products as to reduce energy consumption, as well as developed environmental renewable energy in solar field based on the infra of smart meter and smart grid for building up energy convergence service business model: generate, transform, use and store electricity as well as convergence service. Moving forward, AcBel hopes to transform the energy to driving sustainable virtuous cycle, turning the new page for corporate transformation and reaching the goal of "Becoming the Top 2 power supply provider in the global power supply industry."

► Company Name | AcBel Polytech Inc.

► Date of Establishment | July 29, 1981

► Stock Code | 6282

► Number of Employees | 8,594

► Management Team | Rock Hsu, Chairman  
Jerry Hsu, CEO

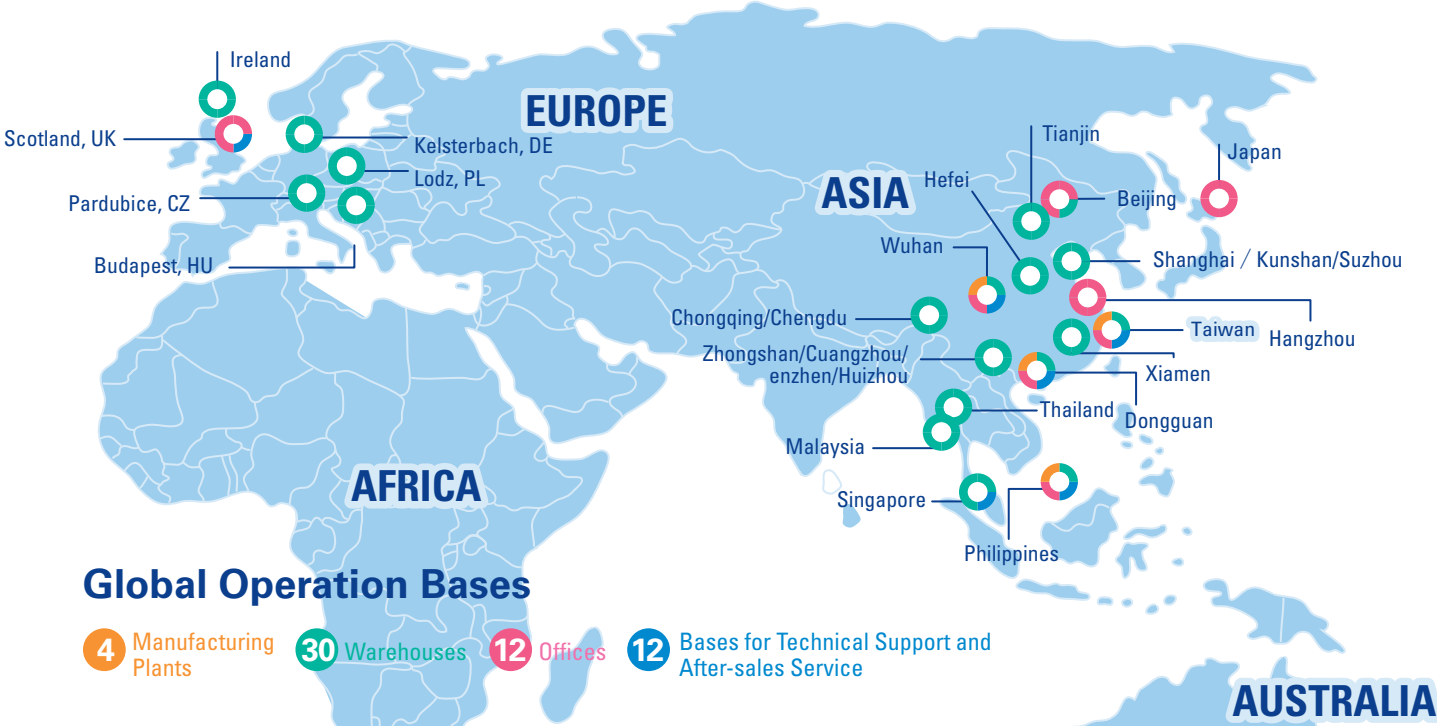
► Amount of Capital | 5.17 Billion NTD

► Revenue | NTD 20.983 Billion

► Headquarter | No. 18, Sec. 2, Zhongyang S. Rd., Beitou Dist., Taipei City 112030, Taiwan (R.O.C.)

► Product & Service | Research, development, manufacturing and distribution of power supplies

► Official Website | <https://www.acbel.com.tw/en>



## Facing Climate Change—Creating Sustainable Value Chain

Regarding persistent issues of climate change and environmental protection, AcBel continues to upgrade its R&D dynamic for power products and actively invested in green energy for building up energy convergence service business model. AcBel also integrates suppliers within the value chain for more energy efficient and flexible production, as to reduce the operation impacts caused by global economy fluctuation and other factors.

## Taiwan — Completing Successful Handover & Deploying in Green Energy Field

AcBel's headquarters in Taiwan launched the First Stage Investment Plan in Taiwan—"Golden Opportunity" for greater product manufacturing at the end of 2019, with 29752.2 m2 and EEWH (green building certification system in Taiwan) gold-level smart manufacturing building, which is estimated to commence production for establishing more energy-saving green factory at the end of 2021. In addition, the Second Stage Investment Plan—"Renovation" is also activated with NTD 4.6 billion and is estimated to be completed by 2024 in the hope of greatly increasing its production capacity.

In March 2020, the outgoing and new presidents successfully finished the handover, forging the foundation for AcBel's sustainable development in which the technology and quality of power supply products would continue to be strengthened, and more attention would be paid to areas including high speed transmission, new energy, vehicles, sports & health, low-earth-orbit power, solar power generation, smart grid and green energy related industry.

## China — Streamlining Internal Organization & Increasing Integration of Industrial Edges

China plants have completed revitalizing assets for idle land and factories and streamlined its internal organization through merging the subsidiary, as to increase operation efficiency and realize the goals of reducing operation cost and increasing profits. China plants also aim to enhance flexible production for technical upgrade, promoting smart automation equipment and production system, and making local production and sales gradually adjusted to mainly fulfill the domestic market.

## The Philippines—Increasing Self-Manufacturing Capacity for Key Components & Smart Automation

The Philippine plant has finished factory expansion plan and increased self-manufacturing capacity for key components according to AcBel's production demand. It also promotes smart automation equipment and production system to reduce waste and enhance capacity for greater profits. In response to COVID-19, new economic development model is applied with less GHG emissions produced due to less transportation, and the procurement rate of local suppliers is expected to grow and reach more than 50% as to fulfill the goal of sustainable production.



# 1.1 Business Overview



## Material Topic

### Economic Performance

Global energy resources have become scarce due to human's over development and application, leading to severe environmental pollution. With trade conflict among countries and rapid market changes, corporate operation faces more challenges and hence pursuing resource sustainable development and application as well as more flexible and agile corporate deployment will be the key elements for increasing economic performance.



## The Importance of the Material Topic and Impact Boundary

While increasing energy conversion efficiency through R&D and improving production efficiency with smart and clean manufacturing, AcBel also strives to minimize exploitation of natural resources and use of toxic substances to decrease the impact to the environment. Meanwhile in response to the business opportunities triggered by climate change, AcBel enters the green energy market, balancing economic development with environmental protection as to reach the goal of sustainable development.



## Management Approach and Goals

With the vision of "We Power the World with Sustainable/Renewable Energy and High Efficiency Power Supply," AcBel has actively incorporated highly-competitive technological advantage to develop high efficiency and eco-friendly products. In addition, AcBel has created a green energy convergence service business model: generate, transform, use and store electricity as well as convergence service, and invested in energy market, bringing incremental increase of profits for the company.

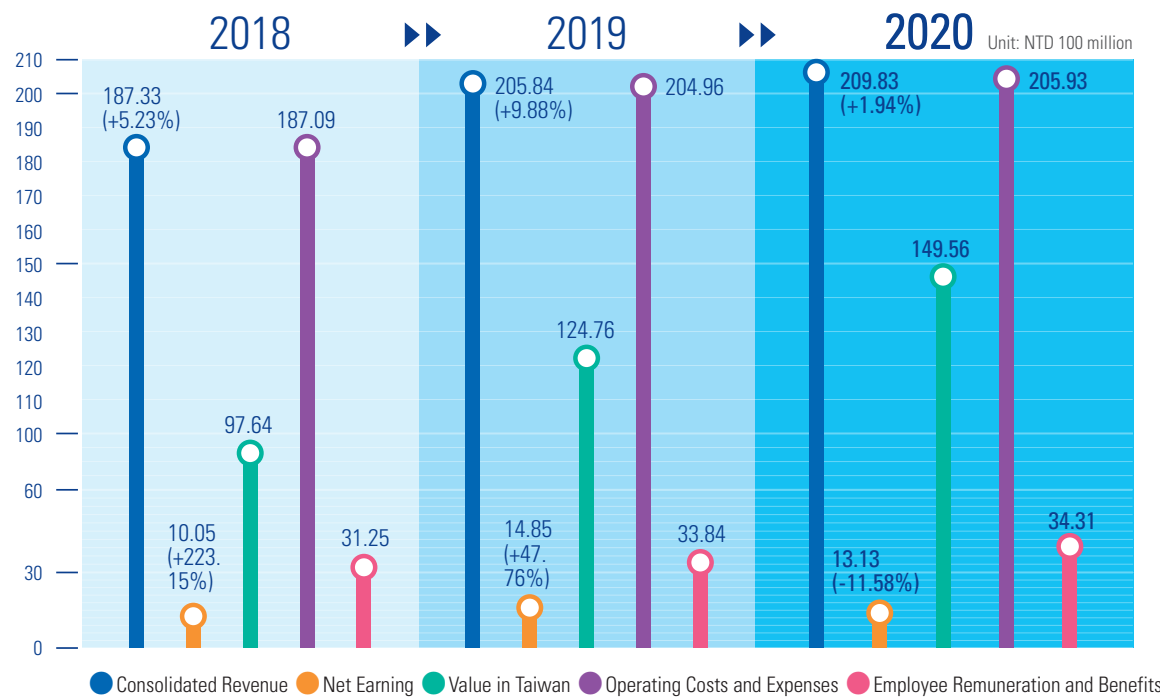
The company yielded annual revenue of 20.983 billion NTD in 2020, up by 1.94% from the previous year, with net income reaching 1.313 billion NTD due to profits from land sale of China plant and EPS \$ 2.54 NTD.

In addition, in response to the government policy of developing smart grid, AcBel acquired the smart meter tender for 316,000 units and so far accumulated the shipments at around 400,000 units. In green energy area, solar power plant has reached 137MWp, with completed installation of 36MWp.

The sales volume of the power supply products in 2020 were approximately 72 million, up by 3% from the previous year. With the increasingly growing prospect for the sales of consumer and industrial power supply units, it is estimated the sales target would reach 77.637 million in 2021. In addition, the new plant construction in Tamsui, Taiwan would be completed by the end of 2021 and is expected to officially commence production in the first quarter of 2022. With full introduction of smart production line, the new plant is expected to contribute to 2.5 billion in gross revenue, largely increasing overall revenue and profit.

Looking into the future, the company plans to strengthen its technology capacity by focusing on forward-looking technological applications, such as internet communications, car power supply, aerospace power, advanced and medical power supply. In addition, AcBel continues to take root in new applications, including clean energy, solar plants, medical equipment and car power supply units related to electric vehicles, so as to realize its goals of fulfilling sustainable development and becoming the new leader for smart and green energy innovation in the power supply industry.

## Financial Performances



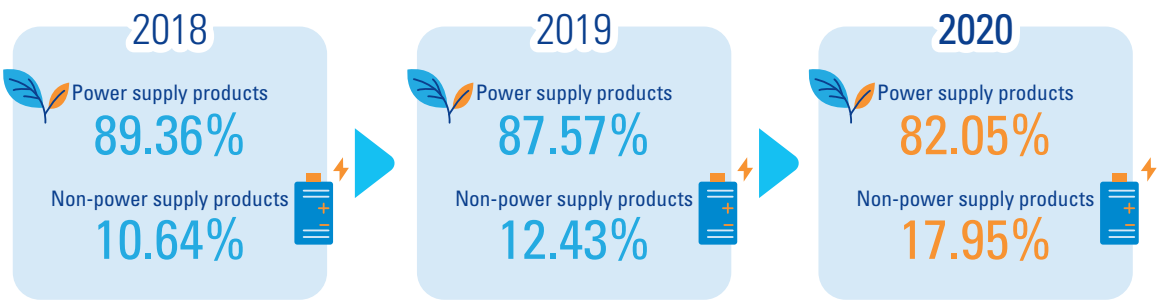
Note: Please refer to p.46 "Dividend Policy" in the report for details of EPS, cash dividend per share, total dividend amount paid to shareholders and other relevant information.

## AcBel's Supply Chain

Item/Category	Computer and Peripheral Equipment	Electric Car	Smart Grid	Solar Energy
AcBel's Role	Up-stream	Middle-steam	Middle-stream (smart meter) Down-stream (energy management)	Down-stream (system installation and application)
Major Products	Industrial and consumer electronics products	Battery swap station for electric car	Smart meter and energy management service	Solar plant installation and application
Customer Type	Computer, network communication, appliances, medical, aerospace, vehicle, etc.	Electric car and electric motorcycle	Power company, solar power vendor and industries which use electricity	Power company and industries which use electricity

Note: For detailed industrial value chain introduction, please see the industrial value chain information platform of Taipei Exchange and Taiwan Stock Exchange  
<https://ic.tpex.org.tw/index.php>

Percentage of Product Sales



Products and Services

Major Products & Services of the Company:

01

Consumer electronics and power supplies for computers and its peripherals

Future direction

Moving toward the development of high efficiency and high density power supply products in accordance with international high efficiency energy certification

02

Data processing equipment power supply

Future direction

Increasing power output of single power module and maximum parallel power output

03

Medical equipment power supply

Future direction

Continuing to develop small sized and high efficient standard power supply

04

Communication power supply

Future direction

Moving toward developing power supply products featured with high density, high efficient and high power

05

Smart Grid

Future direction

Constructing and strengthening smart grid communication, data collection and safe storage system

06

Electric car related energy converter and charger

Future direction

Developing high power charger and high voltage direct current converter

07

Alternative energy related inverters and bidirectional energy storage inverters

Future direction

Developing bidirectional inverter for application from energy storage charging station and electric car with on-board charger to vehicle-to-grid (V2G)/ vehicle-to-home (V2H)

08

Integration service for smart energy

Future direction

Optimizing the development of Energy Management System (EMS)

Major Product Distribution Areas

Unit: NTD Thousand

Year		2018		2019		2020	
Area		Amount	%	Amount	%	Amount	%
Domestic Sales		2,572,276	13.73	3,222,564	15.66	4,591,123	21.88
Export	America	3,090,043	16.50	3,853,396	18.72	3,666,460	17.47
	Europe	1,371,061	7.32	1,313,362	6.38	941,734	4.49
	Asia	11,640,030	62.14	12,059,921	58.59	11,658,711	55.56
	Others	59,253	0.31	134,316	0.65	125,729	0.60
	Sub-Total	16,160,387	86.27	17,360,995	84.34	16,392,634	78.12
	Total	18,732,663	100.00	20,583,559	100.00	20,983,757	100.00

Source: AcBel 2020 Annual Report, p.91.

AcBel 2020 Annual Report  
<https://www.acbel.com.tw/en/annual-report>

Tax Policy

To pursue sustainable development and fulfill corporate social responsibility (CSR), AcBel formulates the following tax policy to carry out tax governance.

- According to local tax regulations, the company regularly makes honest declaration and pay taxes for fulfilling taxpayer's social responsibility.
- AcBel's financial statements disclose tax information as regulated to make sure information transparency.
- Conducting tax planning without shifting profits to tax haven or low-tax countries for tax avoidance.
- Our related party transaction is based on Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations of Organization for Economic Cooperation and Development (OECD) and abided by principles for regular transaction.
- Building mutual trust and honest communication with tax authorities.
- The company's major transaction and policy-making would take tax impact into consideration.

The authority for corporate tax governance is the Finance Department, and related task would be conducted based on the tax laws and regulations as per the location of company's operation. Once approved by internal process for the correctness of tax information, taxes can be submitted.

In support of government measures and tax policies in promoting corporate innovation, research and development and economic development, AcBel is committed to transparent tax information, and authorizes or consults external experts based on our business needs to make sure the compliance of tax regulation and fulfillment of declaration obligation.

The company strives to increase tax related expertise and continue internal talent training to make sure that related personnel are capable of taking care of tax affairs. The dedicated department should communicate with tax authority and authorize or consult external experts for advice, as to make sure the compliance of tax regulation and fulfillment of declaration obligation, lowering or dispelling risks of possible legal sanction due to failure to comply with the tax law, financial loss and reputation damage.




Tax Expenses List


Unit: NTD Thousand

Year Item	2018	2019	2020
Income Tax (Compared to the previous year)	696,066 (+358.24%)	1,276,950 (+83.45%)	927,747 (-27.35%)
Government Taxes (Compared to previous year)	412,552 (+79.61%)	560,047 (+35.75%)	1,873,778 (234.57%)
Tax expenses accounting for the revenue of the current year	5.92%	8.92%	13.35%

Notes:

1. The increase-decrease reason for income tax: income tax was higher due to increased earnings before taxes in 2019; and the decrease in return on assets led to lower related taxes in 2020. The increase in government taxes in 2020 was resulted from the land sale tax of China's plant.
2. Please see the consolidated financial statement and taxes information on Investor Zone-Financial Information on AcBel's website: <https://www.acbel.com.tw/en/financial-reports>





AcBel Financial Reports

<https://www.acbel.com.tw/en/financial-reports>

Tax Management Mechanism

Tax Compliance and Management :

The company fully understands local tax laws and regulation, calculating tax amount correctly, and submits the payment within legal time limit to avoid tax penalty issued by the tax authority. Through cooperation with external accounting firm, AcBel hosts one to two finance and tax seminar to update related regulations and make preparations accordingly in advance.

Tax Compliance and Risk Management :

The Finance Department appoints dedicated person to conduct tax calculation and to submit payment, while making sure the tasks are in line with tax procedures and regulations through internal review. The company also regularly cooperates with the Audit Office for internal audit and control, making sure the fulfillment of tax law and regulation compliance.

Open and Transparent Tax Information :

External accounting firm would conduct financial audit regularly each quarter and host the review meeting for improvement. The company adopts financial statement attestation released by the accounting firm each year and discloses related information through open channels, such as company's website and the annual report after collecting tax governance status based on each plant.

Tax-related Whistle-blowing Mechanism:

The company has set up an online whistle-blowing mailbox on its official website, providing internal and external stakeholders to report illegal taxation or unethical incidents, which will be dealt with by dedicated personnel anonymously. In 2020, there is no single event reported.


















AcBel Online Whistleblowing Mailbox



<https://www.acbel.com.tw/en/contact>





1.2 Sustainable Development Commitment and Significance




With corporate commitment to the employees and value chain as well as sustainable development goals (SDG) of the United Nations, AcBel values corporate social responsibility from three perspectives including economy, environment and society, and focuses on ESG, i.e. Environment, Social, and Governance, to construct a well-rounded sustainable promotion framework by integrating company's core visions and ideals as well as a range of short-term, mid-term and long-term strategies and action plans.





CSR Core	Five Theme	Strategy Program	SDGs	GRI Topic Corresponding to the Report	Corresponding Chapter
Economy	G - Company Governance	Ethics & Integrity Law & Regulation Compliance Risk Management Internal Control System Economic Performance Information Security	 	Economic Performance (201) Anti-corruption (205) Anti-competition Behavior (206) Environmental Compliance (307) Customer Privacy (418) Socioeconomic Compliance (419)	Ch2 Co-management- Corporate Governance
	E - Environmental Sustainability	Energy Management Water Resource Waste Chemical	   	Energy Management (302) Water and Effluents (303) Emissions (305) Waste (306)	Ch4 Communion- Environmental Friendliness
	S - Social Engagement	Realizing Environmental Education Caring Local Caring the Disadvantaged	 	N/A	Ch7 Co-prosperity- Social Participation
Society	Employee Caring	Respect Human Rights Occupation Health and Safety Work-Life Balance Talent Cultivation	 	Market Presence (202) Employment (401) Labor/Management Relations (402) Occupational Health and Safety (403) Training & Education (404) Diversity & Equal Opportunity (405) Non-discrimination (406) Child Labor (408) Forced & Compulsory Labor (409) Human Rights Assessment (412)	Ch6 Harmony- Employee Relationship Management
	Value Chain Relationship	Customer Commitment Supply Chain Management Innovative R&D Green Manufacturing Quality Management	  	Procurement Practices (204) Materials (301) Supplier Environmental Assessment (308) Supplier Social Assessment (414) Customer Health and Safety (416) Marketing And Labeling (417) Customer Privacy (418)	Ch5 Sharing- Partnership  Ch3 Mutual Benefit- R&D and Innovation




Topic	Main Strategy	SDGs
G - Company Governance	<p>Good corporate governance is the foundation for sustainable development of the company. AcBel adheres to integrity management, complying with government's laws and regulations, putting all stakeholders including shareholders and investors the first and creating the best profits for all.</p> <p>The management highly values governance culture, sets up complete and strict organization and system to fulfill the responsibility of each level of management and conducts internal control and internal audit system as to implement supervision mechanism and risk management.</p>	<div></div>
Strategic Goal and Action Plan		
Short-term goals	<ol style="list-style-type: none"><li>1. Conduct effective risk management to increase the coping capacity when faced with risks as to maintain the company operation and create the benefits for the stakeholders.</li><li>2. All employees, regardless of positions, have received trainings in ethical management as well as compliance awareness and signed Ethical Management Agreement with no exception.</li><li>3. Based on government authority's requirement, optimize corporate governance practice, improving performance in the "Corporate Governance Evaluation".</li><li>4. Continue to fulfilling the goal of conducting lean management and introduction of smart automation system to increase product quality and production efficiency, while expand smart aggregation services and focus more on green energy area to maintain the stable profit growth of the company.</li><li>5. At the end of 2019, AcBel's headquarters in Taiwan invested in 6.5 NTD billion for the Two-Stage Investment Plan— Golden Opportunity &amp; Renovation, while the First Stage investment is expected to be completed and would be ready to produce in the first quarter of 2022. By the time of completion and with full introduction of smart production line, it is expected to increase 2.5 billion NTD production value and more than 300 job opportunities for engineers, creating more revenue and profits.</li></ol>	
Action plan	<ol style="list-style-type: none"><li>1. Integrating climate change impact into risk management, and use Task Force on Climate-related Financial Disclosures (TCFD) as the foundation to identify all possible risks brought by climate change. Based on the identification, evaluate and decide the coping strategy and management measure, and realize the sustainable governance through internal auditing.</li><li>2. Reinforce corporate governance, echoing the strategy of introducing performance evaluation of the board of directors proposed by government authority, and promote board members to conduct self-evaluation and peer review, as to facilitate the job duty of the board members and efficiency of the board of directors.</li><li>3. Continue to maintain a sound and transparent ethical corporate management process. Every employee, regardless of their position in the company, should complete trainings on ethical corporate management and compliance awareness, and sign the Ethical Management Agreement.</li><li>4. Increase talent investment and product efficiency and optimize automation equipment and its utilization rate in each plant to control cost and boost customer satisfaction. Expand the power generation volume of solar plants and hopefully reach the goal of 500 MWp in three years.</li></ol>	
Mid and long-term goals and action plans	<ol style="list-style-type: none"><li>1. Understand potential risks to the company's operation and organization flexibility, and conduct disaster simulation rehearsals by introduction of ISO 22301 business continuity management system verification to reduce possible operation loss.</li><li>2. Aiming to "become the Top 2 power supply provider in the global power supply industry," AcBel stays at the cutting edge of market trends, reinforcing its innovative R&amp;D capability and focusing on green energy field to increase revenues and profits, as to ensure the company's sustainable strength.</li><li>3. Expand the deployment of solar plants for green energy and satisfy a large number of corporates' requirement for green energy, with the goal of reaching 500MW for grid-connected power generation. Connect more power generation platforms to form electricity generation and selling alliance, making the renewable energy to become the mainstream of green energy market.</li></ol>	
Achievements in 2020		
<div><div>⊙</div><div>Ranked Top 6%-20% in 2020 Seventh Corporate Governance Evaluation.</div></div> <div><div>⊙</div><div>No events involving violation of human rights and labor dispute occurred in 2020. Employees 100% completed related training.</div></div> <div><div>⊙</div><div>More than 135MW construction plan of the solar power plant has been successively put in place in 2020, accumulating 27.28MW of installed capacity. The power generation volume is 30,757,814, capable of providing electricity consumption for around 8,500 households for one year.</div></div>		

Topic	Main Strategy	SDGs
E - Environmental Sustainability	<p>AcBel's operation activities and internal management are complied with related environmental laws and regulations formulated by the government, as the company values the safety of all employees in the workspace. We reduce the environment impact during operation process and shoulder the responsibility of environmental sustainability in the process of economic development.</p> <p>Through the introduction of Task Force on Climate-Related Financial Disclosures (TCFD), we integrate environmental sustainability into business management strategy and give a response to Science Based Targets initiative (SBTi) to set up science based target (SBT) for lowering GHG emissions, with an aim to become low-carbon corporate by promoting energy saving, carbon emission reduction and resources recycling.</p>	<div></div>
Strategic Goal and Action Plan		
Short-term goals	<ol style="list-style-type: none"><li>1. Increase R&amp;D momentum to develop high efficient green products in line with international regulations and green material required by the customer as well as integrate green manufacturing process to reach the goal of environmental sustainability.</li><li>2. With the introduction of ISO environment and energy management system, complete environment and energy risk management can be realized and hence environment and energy consumption status can be effectively controlled.</li><li>3. The First Stage Investment Plan—"Golden Opportunity" aims to construct a green smart manufacturing building, with the introduction of modern smart manufacturing process and digital control system to optimize the energy consumption.</li></ol>	
Action plan	<ol style="list-style-type: none"><li>1. Increase power conversion efficiency through product design and boost procurement ratio for green material of 100% halogen free and lead free as to join hands with customer and suppliers to produce quality green products.</li><li>2. Overseas plants introduce ISO 50001 energy management system and conduct Plan-Do-Check-Action (PDCA) mechanism for continuous improvement for energy application. Through reducing energy cost and GHG emissions, we successfully realize the goals of sustainable operation and environment protection.</li><li>3. The new manufacturing base adopts green architecture standards (EEWH) with gold-level to fulfill the needs for energy saving and lowering energy consumption and GHG emissions. The building is expected to be completed by early 2022 and initiated mass production.</li><li>4. Take stock and optimize the internal disclosure on climate change and financial status, while map out climate action plan in terms of corporate governance, strategy, risk management &amp; indicator and goal setting with third party audit to make sure the accomplishment of each indicator.</li></ol>	
Mid and long-term goals and action plans	<ol style="list-style-type: none"><li>1. Continuing to enhance the disclosure quality of TCFD and Carbon Disclosure Project (CDP), and setting science-based carbon-reduction goals echoing Science Based Targets initiative (SBTi), as AcBel expects to finish the goal review of SBT and will make public announcement on SBT commitment by 2023 to move toward zero carbon future.</li><li>2. Implement "Energy Sustainability 2030" Plan, with GHG emissions, hazardous waste and domestic water consumption largely reduced in 2030, i.e. 35% lower than the baseline of 2014.</li><li>3. Reinforce green procurement standards and require supply chain partners to comply with energy saving, recyclable and no-toxic regulations, as to increase sustainable management capability for the supply chain environment and work together to develop low carbon economy.</li></ol>	
Achievements in 2020		
<ul style="list-style-type: none"><li>○ Products were 100% met with hazardous substance free regulations and customer specification.</li><li>○ Each plant has finished ISO 14064:2018 GHG Scope 3 verification.</li><li>○ Dongguan, Wuhan and Philippine plants have finished ISO 14046 organizational water footprint verification.</li><li>○ The first ever representative of electronics industry to pass the TCFD verification worldwide.</li><li>○ The score of the CDP climate change and water safety questionnaires are B (management level).</li><li>○ "Sustainable Green Energy 2020" achievement: Total GHG of Scope 1 and Scope 2 emissions decreased by 8.82% in 2020 from the previous year as well as decreased by 14,585.14 tonnes in 2020, 30.11% lower than the baseline in 2014.</li></ul>		

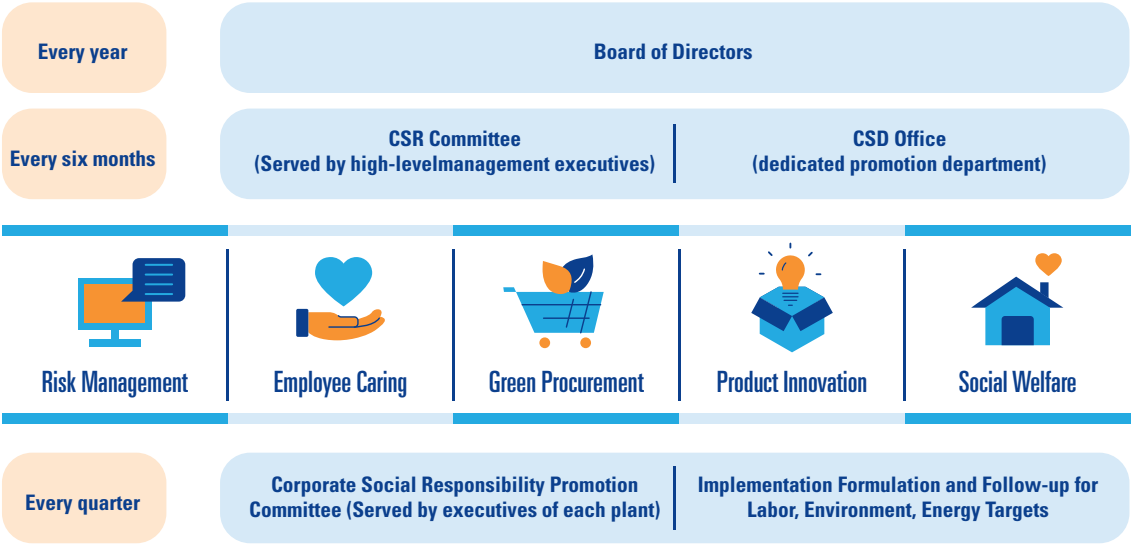
Topic	Main Strategy	SDGs
S - Social Engagement	<p>Uphold the idea of the success of the corporate lying in the support of society, and the spirit of giving back based on the principle of "taken from the community, giving back to society," AcBel applies company resources and cooperate with charity groups and to take care of local disadvantaged minority.</p> <p>Based on the core value of sustainable development and using it as the basis for making social participation strategy, AcBel applies matured energy R&amp;D expertise and invests in environmental education promotion, as well as continues to care for local environmental pollution and ecological crisis in order to protect natural resources.</p>	<div></div>
Strategic Goal and Action Plan		
Short-term goals	<ol style="list-style-type: none"><li>1. Encourage employees to care for disadvantaged groups, connecting the resources of Hsu Chau-ing Social Welfare &amp; Charity Foundation and conducting environmental education learning program at local schools to develop environmental friendliness awareness for children.</li><li>2. Invest in company resources to connect environmental groups and local organizations to pay attention to environmental pollutions and ecological crisis, with an aim to arouse people's care for the living environment.</li></ol>	
Action plan	<ol style="list-style-type: none"><li>1. Cooperate with elementary schools in local community to organize environmental protection learning summer camp and leave environmental protection impression on children's minds through educational site visit and handmade practice.</li><li>2. Actively participate in government's environmental protection programs and regularly host beach clean-up activities.</li><li>3. Support environmental protection groups and initiatives, and call for employees' care for local environmental protection issues.</li></ol>	
Mid and long-term goals and action plans	<p>Strengthen care for local environmental pollution, ecological crisis and energy consumption, etc., deepening interaction and cooperation with local community as well as connecting charity groups to look after disadvantaged groups and integrate value chain partners to expand synergy for social participation.</p>	
Achievements in 2020		
<div><ul style="list-style-type: none"><li>○ Echoed "Do One Thing for Tamsui River" Initiative organized by CommonWealth Magazine and join roll up sleeves and clean the river activity at Wugu Wetland with around 200 kg garbage cleaned and constructed beach area for wild birds.</li><li>○ Joined beach adoption activity organized by Environmental Protection Administration, Executive Yuan to adopt 450 meter of Zhouzi Bay Coastline, Tamsui District and host beach clean-up activity twice.</li><li>○ Cooperating with Hsu Chau-ing Social Welfare &amp; Charity Foundation to organize "Dreams Come True Program" and "Joint Fundraising Campaign", with participation of 684 employees and fundraising of 1,372,817 NTD dollars fundraised to support disadvantaged children learning talents.</li><li>○ Sponsoring New Taipei City Tamsui Symphonic Art Festival series since 2020.</li><li>○ Cooperated with Tamsui Elementary School, Jhongtai Elementary School, and Yuying Elementary School in Tamsui District, New Taipei City to organized Green Energy &amp; Carbon Reduction Learning Summer Camp with the participation of 95 children.</li></ul></div> <div><div>Tamsui River Convention - "Do One Thing for Tamsui River Initiative"</div><div><a href="https://csr.cw.com.tw/amp/article/41418">https://csr.cw.com.tw/amp/article/41418</a></div><div></div></div>		

Topic	Main Strategy	SDGs
Employee Caring	<p>With the core value of respect, accountability and sympathy to build harmonious and coadjutant team, AcBel allows each employee to unleash their expertise, meanwhile based on the four frameworks of "building friendly workspace, attracting outstanding talents, optimizing career development and salary and welfare", the company creates a happy workspace with a balance of work and life for employees, making AcBel the landmark corporate of achieving sustainable excellence.</p>	<div></div>
Strategic Goal and Action Plan		
Short-term goals	<ol style="list-style-type: none"><li>1. Build a safe and healthy work environment with "zero pollution and zero occupational injuries" as well as in compliance international labor standards and rights and make sure the effectiveness of management system through third party verification.</li><li>2. Strengthen diverse talents cultivation development system and increase employee caring measures to not only satisfy the career and mental and physical requirement of employees but also reach the goal of balancing work and life.</li></ol>	
Action plan	<ol style="list-style-type: none"><li>1. In line with the four major programs promoted by the government, AcBel regularly conducts risk assessment of occupational health and safety to identify, reduce or dispel any potential hazard at the workplace.</li><li>2. Through the third party to verify management system, the company makes sure the effectiveness of safe and healthy workplace management while prevent and reduce the occurrence of occupational accident.</li><li>3. Optimize employee salary and welfare to elevate competitiveness of talent market, and build a friendly and happy working environment to attract outstanding talents and increase retention rate of stellar employees.</li></ol>	
Mid and long-term goals and action plans	<ol style="list-style-type: none"><li>1. Boost the company's profitability and increase employee's salary and welfare, sharing the profits.</li><li>2. Build employees' core competency and strengthen employee and organization efficiency. Through performance management platform, the bilateral communication channel between management level and employees can be facilitated while formulate talent performance authentication mechanism to realize the fairness of remuneration.</li><li>3. Extend the awareness of workplace risk identification to the supplier and contractors as to construct the working environment with zero accident and zero occupational injuries, assuring the safety of every partner in the value chain.</li></ol>	
Achievements in 2020		
<div><ul style="list-style-type: none"><li>○ Annual environmental testing and declaration is conducted on a regular basis and 100% is in compliance with environmental regulations and standards.</li><li>○ The free health checkup rate of employees in Taiwan exceeded 94.22%, and 151 employees health and medical service consultations were conducted.</li><li>○ No violations of gender equality or sexual harassment have occurred in 2020.</li><li>○ 4.95% salary adjustment for regular employees and 4.03% for management level in Taiwan.</li><li>○ No child labor employment in any form has ever occurred.</li><li>○ Female employees and young workers are not assigned to work in dangerous areas or perform highly hazardous work.</li><li>○ Ethnic minorities and disabled employees accounted for 11.66% of the total employees, up by 0.5% from the previous year.</li><li>○ Locals held 100% of senior executive positions in Taiwan; overseas locals held 36.51% of senior executive positions.</li></ul></div>		



Topic	Main Strategy	SDGs
Value Chain Relationship	<p>Analyze market and product trend, expand existing product line, deepen customer relationship, and set root in green energy field as to satisfy customer's requirement for quality product and service with innovative R&amp;D and production technology.</p> <p>Conduct centralized management of key suppliers, strengthen parts risk control management and elevate overall value chain competitiveness with well-rounded supplier assessment system and deepened strategic partnership.</p>	<div></div>
Strategic Goal and Action Plan		
Short-term goals	Apply the company's R&D and manufacturing advantage to promote parts standardization, connect with key suppliers to fulfill customer's requirement for expanded shipment capacity while maintain quality product and service to keep profitability momentum. In addition, require suppliers to be 100% compliant to RoHS lead free and halogen free and the regulation of never use conflict minerals.	
Action plan	<ol style="list-style-type: none"><li>1. Analyze market and customer's product requirement, and increase innovative R&amp;D capacity and manufacturing technology through cross-industry and academic cooperation to reach the profitability goal.</li><li>2. Strengthen integration and management of key suppliers to make sure material supply on time and conduct lean inventory management as well as increase local supplier ratio, assure the stability of raw material supply, and reduce carbon emission of transportation.</li></ol>	
Mid and long-term goals and action plans	Stay at the edge of energy market trend, conduct customer-oriented relation management and provide quality product and service for customer while strengthen the requirement for sustainable supply chain management to expand overall value chain sustainability.	
Achievements in 2020		
<ul style="list-style-type: none"><li>○ There is no violation of product safety, mislabeling, breach of law, revelation of customer privacy or customer data leakage, etc.</li><li>○ Overall score for consumer satisfaction survey is 86.4.</li><li>○ Compliant to RoHS lead free and halogen free, and 100% green procurement.</li></ul>		

Organization Structure of Sustainable Management



Sustainable Management Structure and Operation

AcBel complies with government’s regulations and authority’s requirement to set up CSR Committee, which is teamed up by high-level management executives with five functional organizations based on different job titles and duties. The committee is responsible for promoting related ESG sustainable endeavors of the company and integrates them into daily operation, with regular report of measure and performance to the board of directors, contributing to corporate governance and fulfillment of social and environment responsibility.

Organization		Meeting Frequency	Roles and Responsibilities
Board of the Directors		Aperiodic (Six times in 2020)	Based on company's operation status and future development, regularly advises and supervises the corporate sustainable strategy and performance.
Corporate Social Responsibility Committee		Every Six Months	The Executive Committee is teamed up by high-level management executives of the headquar- ters as the top decision maker for sustainable development, and it also forms a bilateral communication channel to increase execution efficiency. Applies external factors from value chain perspective, such as laws, market, economy, energy, etc. and internal resources including company vision, development direction, etc. and optimally facilitates the goal and strategy setting for corporate sustainable development.
Corporate Social Responsibility Promotion Committee		Quarterly	Teamed up by high-level management executives of each plant for cultivating sustainable corporate culture, the committee maps out annual corporate sustainable plan, strategic guidelines and the follow-up and review for the results. The committee also formulates related goals, following up and reviewing the progress in terms of labors, environment, energy, etc. each quarter.
Working Group	Risk Management	● Mapping out coping strategies based on sustainable topics ● Cross-functional communication and resource integration and coordination	The group evaluates the external and internal factors of the value chain, and looks into risks including climate change, international status quo, the changes of laws and regulations, etc. Through identification, analysis, evaluation and risk management, it adequately controls the interest and loss to reach the goal of hedging.
	Product Innovation		In response to the increasing awareness of energy saving and opportunities triggered by climate change, the group increases product efficiency and develop green energy service while boosts manufacturing process competitiveness with smart and flexible manufacturing.
	Green Procurement		The group connects value chain partners to promote local and green parts procurement, which reduces environmental impact and increases the competitiveness of overall industrial value chain.
	Employee Caring		The group fulfills labor equality, strives to maintain the mental and physical health of employees and provides safe and healthy working environment to reach workers' work-life balance.
	Social Welfare		The group realizes ideals of giving back to the society by applying company's resources to connect local community, caring local environmental protection and helping the disadvantage group or individuals
Corporate Sustainable Development Office		● Performance Management ● Results Disclosure	CSD Office serves as the dedicated department for the promotion of corporate sustainable development. It collects the sustainable development trend at home and abroad as the reference for sustainable development planning. The office submits the progress results each quarter and reports sustainability effects to the board of directors and CSR Committee as well as makes related disclosures to stakeholders.

Sustainable Management System and Verification

Category	Standard	Verified Status			
		T	D	W	P
Quality	ISO 9001:2015 Quality Management System	✓	✓	✓	✓
	IATF 16949:2016 Automotive Industry Quality Management System	✓	✓		
	ISO 13485:2016 Medical Devices Quality Management System	✓	✓		✓
	ISO/IEC 17025:2005 Laboratory Quality Management System	✓			
Environment	ISO 14001:2015 Environmental Management System	✓	✓	✓	✓
	IECQ-QC080000:2017 Hazardous Substance Process Management System	✓	✓	✓	✓
	ISO 14064-1:2018 Greenhouse Gas Inventory	✓	✓	✓	✓
	ISO 14046 :2014 Water Footprint Inventory	✓	✓	✓	✓
Energy	ISO 50001:2011 Energy Management System	✓			
Occupational Health and Safe Management	ISO 45001:2018 Occupational Health and Safety Management System	✓	✓	✓	✓
Supply Chain Safety	ISO 28000:2007 Supply Chain Safety Management System	✓			
	AEO Authorized Economic Operator / Excellent Accredited Corporate	✓	✓		
Responsible Business Alliance (RBA) Validated Assessment Program	SA 8000:2014 (Social Accountability 8000 standard)	✓			
	Responsible Business Alliance(RBA) Validated Assessment Program	✓	✓	✓	✓

- Notes:
1. All management systems in the table above are accredited by a third party and are valid at the moment.
  2. The effective period of ISO 14001:2015 Environmental Management System: 18 January 2022 (Tamsui plant, Dongguan Plant and Wuhan Plant), 18 July 2023 (Philippines Plant); effective period of ISO 50001:2011 Energy Management System: 19 August 2021 (Tamsui Plant)



Download AcBel's CSR Report Certificate  
<https://www.acbel.com.tw/en/csr-report-download-certificate>

1.3 Stakeholder Identification and Material Topics Analysis

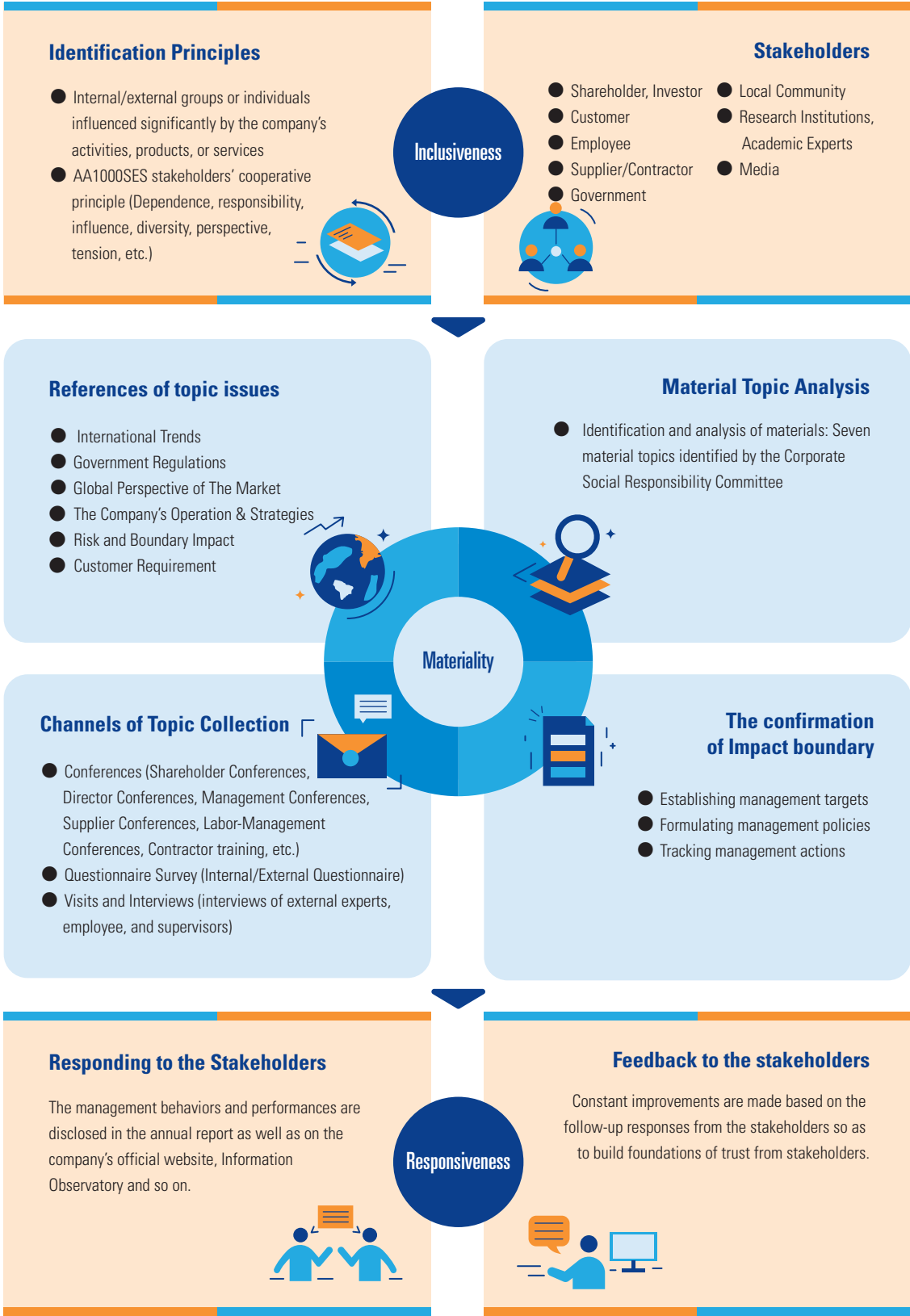
Stakeholders Identification

AcBel complies with four major principles: stakeholder inclusiveness, sustainability context, materiality and completeness based on Global Reporting Initiative (GRI) Standards through four steps of identification, prioritization, validation and review. We systematically select the sustainability material the stakeholders pay attention to and apply the results as the disclosure foundation for this report, as well as take the feedback as AcBel's sustainable guidelines and execution plan in response to the needs and expectation of the stakeholders.

We define stakeholders as internal/external groups or individuals that are significantly affected by company activities, products and services based on Stakeholder theory and AA1000 SES (AA1000 Stakeholder Engagement Standard) and identify 8 types of stakeholders, in which seven types are consistent with those of 2019 with media newly added in 2020.

Stage	Identification	Prioritization	Validation	Review
Compliance Principles	Sustainability context, stakeholder inclusiveness	Materiality, stakeholder inclusiveness	Completeness, stakeholder inclusiveness	Sustainability context, stakeholder inclusiveness
Measure	Identify stakeholder Collect and consolidate different sustainable topics through different channels	Investigation and results analysis based on sustainable topic	Selection and confirmation for each focused topic	Identify and disclosure each sustainable topic
Content	● 8 types of stakeholders ● 35 sustainable topics	● 684 questionnaires on level of attention from stakeholders ● 37 internal questionnaires on evaluating sustainable development impact from high-level management team	● 7 major topics consolidated by CSD office which adjusted the content based on suggestions and later reported to CSR committee and board of directors ● Mapping out coping strategies, performance explanation and management guidelines based on topics	● The 11th annual report published, with continuous communication with stakeholders and collecting the opinions of each type of stakeholder

Major Topic Identification Process



2020 Material Topics Matrix





The Material Topic Category in 2020



Note: The numbers in the parenthesis following material topics are the corresponding number for GRI standards.

After comparing the material topics in 2019 with those in 2020, major changes are:

- (1) Taiwan's headquarters carried out the separation of factory and operation office in 2020, and hence the impact boundary included new office building in Qiyan. There were no major changes in operating production plants and there was no significant difference in the production processes and product categories of each plant area; therefore, the impact boundary remains the same as the previous year.
- (2) Except for turning material topics of "Waste (306)" and "Labor/Management Relations (402)" from last year to the secondary issues, there are no significant changes in the material topics of 2020.
- With the increasing awareness of human right, employees increasingly value the safety of workspace. The stakeholders are more focused on Occupational Health and Safety this year, in which how the company protects labors' safety and creates a healthy and safe workspace would be continuously paid attention to.
- Secondary issues that may have impacts in the future are Labor/Management Relations, Waste, Environmental Compliance, etc. This report will disclose related management of secondary material topics and other general topics. The corresponding chapter of each topic can be referred to in the non-material topics index.

Priority Level	Topics	Significance to the Company/ Key Risk and Opportunity	Strategy and Goal
1	Economic Performance	To be in line with market trend and customer requirements, we apply advanced technology to provide the complete and up-to-date solutions for customers. With the spirit of reciprocity, we and supply chain partners work together to maximize the economic benefits and create the best possible profits for the investors.	In addition to optimizing the quality of the existing power supply products, AcBel actively embarks on power supply unit design and manufacturing in new areas and increase flexible manufacturing capacity in response to shipments requirements. Through industrial and academic cooperation and cross-industry partnership, AcBel also enters the market of electric car and green energy, boosting overall profits of the company.
2	Employment	Talents are the most important assets of the company, and hence providing diverse and friendly workspace, increasing employees' competency and deepening human capital are what we should do to enhance corporate competitiveness.	AcBel is committed to building well-organized communication channels, protecting employees' equality, planning diverse remuneration and benefits, developing employee's competency and creating harmonious atmosphere, in order to attract outstanding talents and create happy workplace.
3	Energy	We show the support for international initiatives and national policies with actions, in which we identify the risk and opportunity brought by climate change, preparing ourselves for climate impact, and reducing the risk of financial impact as to make sure the effectiveness of energy management.	With the introduction of Climate-Related Financial Disclosures (TCFD) and ISO 50001 energy management system, we formulate mid-term and long-term energy saving plans and make sure the goal of energy saving to be realized with PDCA cycle. We also include energy efficiency in our business strategy, in order to increase the energy efficiency and reduce possible impact caused by the climate change.
4	Market Presence	Cultivating local talents, applying localized management strategy and providing suitable working environment and reasonable remuneration for employees are the key elements to enhance the company's sustainable development.	The company shares profits with employees and provides remunerations & benefits which are superior to law to satisfy employees' requirement of life and family care, allowing the employees and the company to grow together. To be in line with new technology and cross-domain operation development strategy, AcBel actively recruits and cultivates outstanding local talents.
5	Emissions	In response to challenges of the climate change, our common goal is to mitigate and reduce the impact of GHG effect. To fulfill CSR and actively engage in GHG emissions management, we conduct local procurement for raw material and increase energy conversion efficiency of the products in order to reduce the GHG emissions.	AcBel accomplishes optimized energy utilization in product life cycle through the company's technology and manufacturing capability and also cooperate with supply chain partners to increase local procurement ratio for materials as well as reduce energy consumption via transportation. With GHG emissions inventory and disclosure of CDP questionnaires, we effectively control the GHG emissions status.

Priority Level	Topics	Significance to the Company /Key Risk and Opportunity	Strategy and Goal
6	Occupational Health and Safety	Building a healthy and safe working environment for employees is the top priority and responsibility for the company, and therefore we can protect the health and safety of the partners in the supply chain.	Through risk identification and control as well as mitigating occupational hazards, we apply regular audit, control and correction measure, employee health tracking, enhancement of educational training, etc. to reduce and eliminate any damage and risk.
7	Materials	We carry out source control of raw material to reduce the impact to the environment during production and hence co-creating green and friendly circular economy supply chain.	Coordinating with partners in the value chain for circular manufacturing and producing raw materials which meet international material standards, while reducing the use of energy and environmental impact and moving toward positive circular value chain development.

## 1.4 Communication Channels with Stakeholders

Through the company's real-time and diverse channels of communication to exchange views on sustainable development, we respond to material topics with related guidelines and performance, elevating interaction and transparency of information disclosure. In terms of internal communication, various workshops or seminars are held to increase and internalize SDGs awareness of our employees, thus building sustainable and innovative thinking pattern within AcBel.

We will continue to improve in a responsible manner for issues that have not yet reached the expectations of stakeholders, and regularly submit communication report to the Board of Directors, so as to meet the company's goal of sustainable development.

### Concern Topic Communication Result with Important Stakeholders



#### Shareholders and Investors

##### The Significance of Stakeholders to the Company

Investors are the pillar for corporate's stable growth. Investors understand company governance and investment rewards will benefit mutual communication, gaining sustainable support from the investors.

##### Main Communication Channels and Frequencies

1. Regular Shareholder Conferences and Investor Conferences. (hosting meeting once in 2020 and three investor conferences)
2. Company official website (aperiodic)
3. Disclosure Financial and Company Governance Information on Company Website
4. CSR Website and Sustainability Report (Aperiodic/Annual)
5. Market Observation Post System
6. Participation in Forums Hosted by Other Entities (Aperiodic)

##### The Changes of Concern Topic Comparing to the Previous Year

Economic Aspect	Environmental Aspect
<ul style="list-style-type: none"><li>• Economic Performance</li><li>• Market Presence</li><li>• Corporate Governance</li><li>• Dividend Policy</li><li>• Industrial Competitiveness</li></ul>	<ul style="list-style-type: none"><li>• Business Development and Performance</li><li>• Anti-Corruption</li><li>• Anti-Competitive Behavior</li><li>• Risk Management</li><li>• Environmental Compliance</li></ul>
	<ul style="list-style-type: none"><li>• Materials</li><li>• Energy</li><li>• Emissions</li></ul>
	<b>Social aspect</b> <ul style="list-style-type: none"><li>• Employment</li></ul>

In addition to major focus on economic aspect last year, more attention is paid to environment aspect, such as energy management and carbon emissions.

##### Chapter for Management Approach

Economic Aspect	Social Aspect
<ul style="list-style-type: none"><li>▶ 1.1 Business Overview</li><li>▶ 2.2 Board of Directors and Shareholder Committee</li><li>▶ 2.6 Integrity in Management and Legal Compliance</li><li>▶ 6.2 Salary and Benefits</li></ul>	<ul style="list-style-type: none"><li>▶ 6.1 Human Resource Management</li></ul>
	<b>Environmental Aspect</b> <ul style="list-style-type: none"><li>▶ 4.2 Greenhouse Gas and Energy Management</li><li>▶ 5.2 Sustainable Supply Chain Management</li></ul>

##### Communication Results/Key Performance Highlight

- ▶ Revenue continues to grow higher, reaching 20.983 NTD billion, up by 1.94% from previous year, with EPS increased to 2.54 in 2020.
- ▶ Ranking top 6%-20% in 2020 Seventh Corporate Governance Evaluation.



#### Customer

##### The Significance of Stakeholders to the Company

AcBel highly values customer's requirement and strives to meet customer's expectation through continuous innovation and providing green products and services, joining hands to create brand value.

##### Main Communication Channels and Frequencies

1. Customer Satisfaction Survey (Twice a Year)
2. Email, Meeting, QBR and Audit (aperiodic)
3. Company official website (aperiodic)
4. CSR Website and Sustainability Report (aperiodic/Annual)
5. RBA-Online Platform(Aperiodic)
6. Customer database filing platform (aperiodic)
7. Customer audit and business meetings (aperiodic)

##### The Changes of Concern Topic Comparing to the Previous Year

Economic Aspect	Environmental Aspect	Social Aspect
<ul style="list-style-type: none"><li>• Economic Performance</li><li>• Market Presence</li></ul>	<ul style="list-style-type: none"><li>• Energy</li><li>• Water and Effluents</li><li>• Emissions</li><li>• Waste</li></ul>	<ul style="list-style-type: none"><li>• Employment</li></ul>

New addition of waste management in environment aspect.

##### Chapter for Management Approach

Economic Aspect	Social Aspect
<ul style="list-style-type: none"><li>▶ 1.1 Business Overview</li></ul>	<ul style="list-style-type: none"><li>▶ 6.1 Human Resource Management</li></ul>
<b>Environmental Aspect</b> <ul style="list-style-type: none"><li>▶ 4.2 Greenhouse Gas and</li><li>▶ 4.5 Water resource management</li><li>▶ 5.2 Sustainable Supply Chain Management</li></ul>	

##### Communication Results/Key Performance Highlight

- ▶ No corruption case was reported or found in 2020.
- ▶ Ranking top 6%-20% in 2020 Seventh Corporate Governance Evaluation.
- ▶ Revenue of 2020 reached NTD 20.983 billion, up by 1.94% compared with 2019.
- ▶ Customer satisfaction improved to 86.4% in 2020.



## Employees

### ► The Significance of Stakeholders to the Company

Talent and innovation are the core competitiveness for company's sustainable development. AcBel provides safe, healthy and friendly working environment, creating corporate culture and happy workspace, striving together for sustainable development.

### ► Main Communication Channels and Frequencies

1. Employee Welfare Committee(Quarterly)
2. Labor-Management Conference (Quarterly), Employee Representative Conference, Occupational Health and Safety Committee (aperiodic)
3. Digital signage (aperiodic)
4. CSR educational training, and SDGs workshop (at least once a year)
5. E-Newspaper (Weekly, 93 issues in 2020)
6. CSR Website and Sustainability Report (Annual)
7. Social media (aperiodic)

### ► The Changes of Concern Topic Comparing to the Previous Year

#### Economic Aspect      Social Aspect

- Economic Performance
- Market Presence
- Employment
- Labor/Management Relations
- Occupational Health and Safety

New addition of Occupational Health and Safety in social aspect.

### ► Chapter for Management Approach

#### Economic Aspect

- 1.1 Business Overview
- 6.2 Salary and Benefits

#### Social Aspect

- 6.1 Human Resource Management
- 6.5 Health and Safety Management

### ► Communication Results/Key Performance Highlight

- Employees' average salary increased up by 2.64% YoY.
- 4.95% salary adjustment for regular employees and 4.03% for management in Tamsui Plant in 2020.
- Five management and labor meetings were held in Taiwan, with 7,429 employees in Taiwan and Dongguan plants completing interviews.



## Supplier/Contractor

### ► The Significance of Stakeholders to the Company

The suppliers and contractors are AcBel's key strategic partners who we cooperation in the areas of honest operation, quality improvement, environmental safety and health management, reaching the goal of sustainable development for the supply chain.

### ► Main Communication Channels and Frequencies

1. Supplier Assessment and On-site Audit (aperiodic)
2. Supplier Conference (Once a Year)
3. Supplier Platform (aperiodic)
4. CSR Website and Sustainability Report (annual)

### ► The Changes of Concern Topic Comparing to the Previous Year

#### Economic Aspect

- Economic Performance
- Market Presence

#### Environmental Aspect

- Emissions

#### Social Aspect

- Employment
- Occupational Health and Safety

In environment aspect, AcBel pays more attention on GHG emissions. In addition, it puts more emphasis on social aspect, especially occupation health and safety.

### ► Chapter for Management Approach

#### Economic Aspect

- 1.1 Business Overview
- 6.2 Salary and Benefits

#### Social Aspect

- 6.1 Human Resource Management
- 6.5 Health and Safety Management

#### Environmental Aspect

- 4.2 Greenhouse Gas & Energy Management

### ► Communication Results/Key Performance Highlight

- Reach the standard of RoHS with lead free and halogen free, and 100% green procurement in 2020.
- Completing on-site auditing of 115 suppliers in 2020.



## Government Authority

### ► The Significance of Stakeholders to the Company

Following government regulations and cooperating with government policies, through bilateral communication channels for information exchange as to contribute to the company's operation development.

### ► Main Communication Channels and Frequencies

1. Information Requested by the Government (aperiodic)
2. Legal Regulation Check (aperiodic)
3. Social Participation in related Unions/Associations (Aperiodic)
4. Company official website (aperiodic)
5. On-site visits (aperiodic)
6. CSR Website and Sustainability Report (annual)

### ► The Changes of Concern Topic Comparing to the Previous Year

#### Economic Aspect

- Indirect Economic Performance

#### Environmental Aspect

- Energy
- Emissions

#### Social Aspect

- Employment
- Training and education

In contrast to paying more attention to issues like supplier environment, social aspect, socioeconomic compliance and workplace gender equality before, this year the government authority shifts more attention to the status of training and education.

### ► Chapter for Management Approach

#### Economic Aspect

- 2.4 Risk Assessment and Management
- 2.6 Integrity in Management and Legal Compliance

#### Social Aspect

- 6.1 Human Resource Management
- 6.3 Education and Training

#### Environment Aspect

- 4.2 Greenhouse Gas & Energy Management

### ► Communication Results/Key Performance Highlight

- No violation of environmental laws has occurred, and no pertinent fines have been incurred in the past three years.



## Local Community

### ► The Significance of Stakeholders to the Company

The company practices social citizenship through participating in community activities, engaging in promoting CSR and building the foundation for local sustainable development.

### ► Main Communication Channels and Frequencies

1. Email and Telephone Correspondence (aperiodic)
2. Community Charity Activity(aperiodic)
3. CSR Website and Sustainability Report (annual)
4. Social media and media

### ► The Changes of Concern Topic Comparing to the Previous Year

#### Economic Aspect

- Market Presence
- Indirect economic impact

#### Environmental Aspect

- Energy management
- Waste

#### Social Aspect

- Employment

In environment aspect, the local community shifts more attention to energy and waste management.

### ► Chapter for Management Approach

#### Economic Aspect

- 2.4 Risk Assessment and Management
- 2.6 Integrity in Management and Legal Compliance
- 6.2 Salary and Benefits

#### Environmental Aspect

- 4.2 Greenhouse Gas & Energy Management

#### Social Aspect

- 6.1 Human Resource Management

### ► Communication Results/Key Performance Highlight

- Total GHG emissions decreased by 14,585.14 tonnes in 2020, 30.11% lower than the baseline in 2014.
- Total 169 students joined the event which helps disadvantaged children's learning in rural areas



## Research institutes, academic experts

### The Significance of Stakeholders to the Company

Experts and scholars are the knowledge leaders, who can help the company enhance its competitiveness and carry out sustainable development.

### Main Communication Channels and Frequencies

1. On-site visits(aperiodic)
2. Questionnaire survey(aperiodic)
3. Company official website (aperiodic)
4. CSR related seminars (aperiodic)
5. CSR website and Sustainability Report (annual)

### The Changes of Concern Topic Comparing to the Previous Year

Economic Aspect	Environmental Aspect
<ul style="list-style-type: none"> <li>Economic Performance</li> </ul>	<ul style="list-style-type: none"> <li>Energy</li> <li>Water and Effluents</li> <li>Emissions</li> <li>Waste</li> </ul>

AcBel pays more attention on GHG emissions and waste management policies of environmental aspects.

### Chapter for Management Approach

Economic Aspect	Environmental Aspect
<ul style="list-style-type: none"> <li>1.1 Business Overview</li> </ul>	<ul style="list-style-type: none"> <li>4.2 Greenhouse Gas &amp; Energy Management</li> <li>4.3 Waste Management</li> <li>4.5 Water management</li> </ul>

### Communication Results/Key Performance Highlight

- Tamsui Plant, Dongguan Plant and Wuhan Plant passed ISO 14064 assessment in 2020. Philippine plants will also join the assessment in 2021 with scope 3 to be included in the assessment items.
- Tamsui Plant introduces organizational water footprint assessment in 2020, and China and Philippine plants will be included in 2021.

## Media

### The Significance of Stakeholders to the Company

Media is the supervisor and strategic partner for public relations, and hence taking advantage of media can shape and increase visibility of company brand and influence.

### Main Communication Channels and Frequencies

1. Press release (aperiodic)
2. Media interview (aperiodic)
3. Topic interview (aperiodic)
4. Press conference (aperiodic)

### The Changes of Concern Topic Comparing to the Previous Year

Economic Aspect	Environmental Aspect	Social Aspect
<ul style="list-style-type: none"> <li>Anti-Corruption</li> </ul>	<ul style="list-style-type: none"> <li>Energy</li> <li>Emissions</li> <li>Conflict Minerals</li> </ul>	<ul style="list-style-type: none"> <li>Employment</li> </ul>

The media was included as a stakeholder for the first time in 2020, and the concern topics were also disclosed for the first time.

### Chapter for Management Approach

Economic Aspect	Social Aspect
<ul style="list-style-type: none"> <li>2.6 Ethical Management and Legal Compliance</li> </ul>	<ul style="list-style-type: none"> <li>6.1 Human Resource Management</li> </ul>

#### Environmental Aspect

- 4.2 Greenhouse Gas & Energy Management
- 5.2 Sustainable Supply Chain Management

### Communication Results/Key Performance Highlight

- The company's sustainability results disclosed through the media to comply with the "Right to know" and to satisfy interests of stakeholders.

## Sustainability Management Information

### Official website

<https://www.acbel.com.tw/en>



### Financial report

<https://www.acbel.com.tw/en/financial-reports>



### Social responsibility and stakeholder area

<https://www.acbel.com.tw/en/article-page/csr-index>



### Annual report

<https://www.acbel.com.tw/en/annual-report>



### Shareholder area

<https://www.acbel.com.tw/en/article-page/stock-quotes>



### Spokesperson Email

[spokesperson@acbel.com](mailto:spokesperson@acbel.com)



Stakeholder Contact Window and Website

Category	Contact phone number: 886-2-2621-7672	Website
Corporate Governance	Ext. 32541 Mr. Yeh Assistant Vice President, Chief Governance Officer & Acting spokesman	<a href="https://www.acbel.com.tw/en/contact">https://www.acbel.com.tw/en/contact</a> 
Corporate Sustainability	Ext. 32364 Mr. Zheng (Corporate Sustainable Development Office) Ext. 32405 Mr. Lin	
Disclosure of illegal conduct	Ext. 32606 Mr. Zhao (Senior Manager of Audit Office) Ext. 32607 Ms. Hsieh	
Shareholders	Ext. 32537 Ms. Hsiao Assistant Vice President & Spokesman (Legal Dept.) Ext. 32541 Mr. Yeh Assistant Vice President, Chief Governance Officer & Acting spokesman	
Investors	Ext. 32536 Mr. Lin (Financial Dept.)	
Employees	Ext. 32939 Ms. Lai (Manager of HR Dept.)	
Suppliers	Ext. 32588 Mr. Yeh (Procurement Dept.)	



02 Win-Win  
Co-Management Corporate Governance

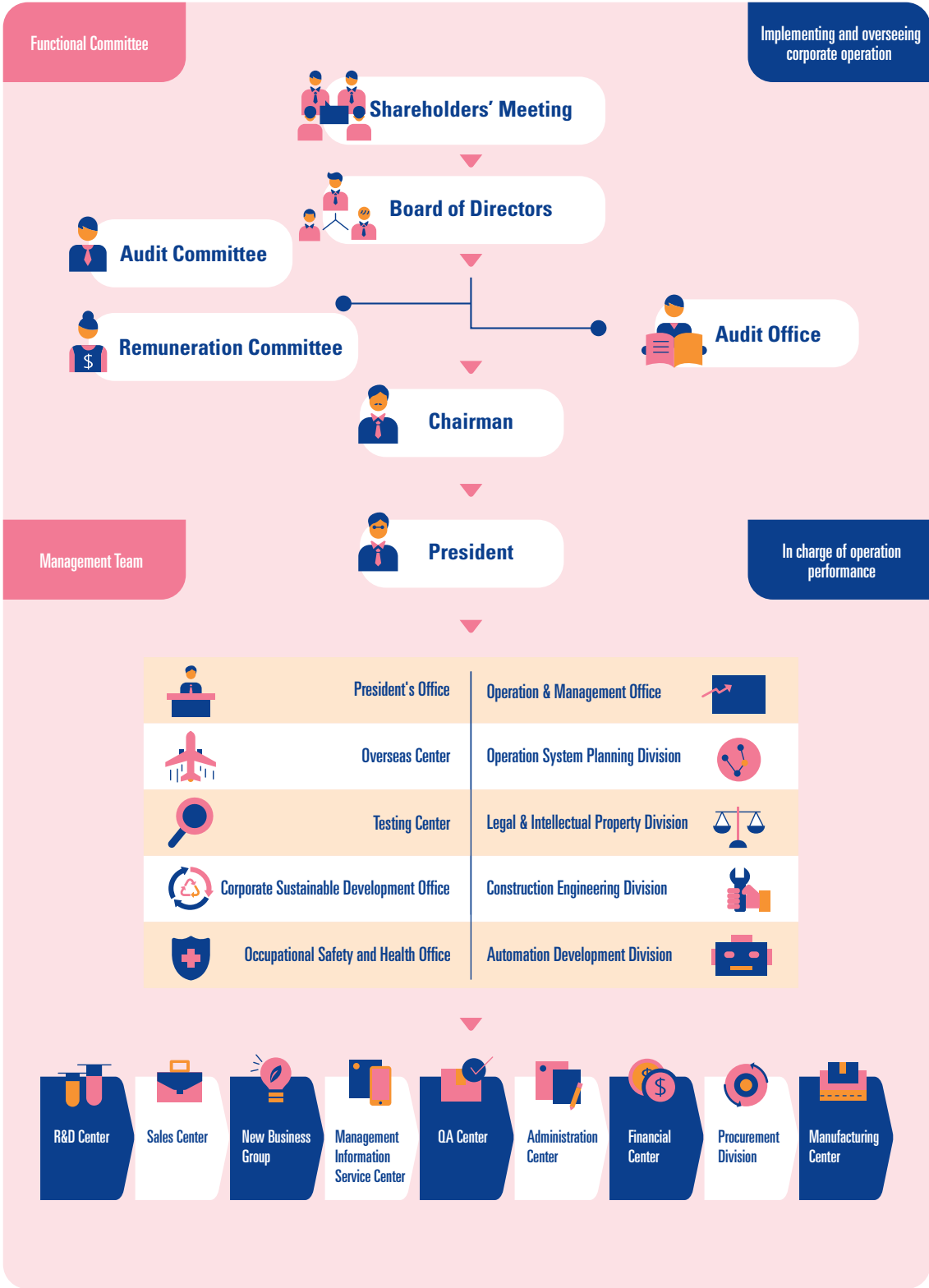
Co-management · Corporate Governance

The foundation of a corporation's sustainable operation is built on a solid governance mechanism. In this regard, AcBel follows the principle of integrity management and fully complies with pertinent "Corporate Governance" requirement of the government authorities. In addition, AcBel implements relevant corporate governance measures based on five main axes of "strengthening the functions of the board of directors," "improving information transparency" and "strengthening communication with stakeholders," "complying with international standards" and "deepening the culture of sustainable governance."

Topic	Corporate Governance Requirement	Contents
Regulation Compliance	Compliance with international standards	AcBel has established a dedicated department to be in charge of regularly collecting international sustainability norms and incorporates them into the corporate governance plan. Moreover, it formulates relevant corporate governance regulations in accordance with the competent authority as the company's internal governance compliance rules, and regularly conducts legal identification to ensure that relevant management norms comply with government regulations and international sustainability trends.
Responsibility Division	Strengthening the functions of the board of directors; deepening the culture of sustainable governance	The board members come from diversified professional disciplines and possess relevant experiences and backgrounds. Also, the "Remuneration Committee" and "Audit Committee" are established to give optimization suggestions to the company's management team for corporate governance and regularly track pertinent operation results.
Performance Evaluation	Strengthening the functions of the board of directors; deepening the culture of sustainable governance	AcBel participates in the "Corporate Governance Evaluation of TWSE/GTSM Listed Companies" by the competent authority every year and formulates strategies to optimize corporate governance. It also sets up the "Rules for Performance Evaluation of Board of Directors," which regularly conducts internal evaluations of the performance of the board of directors, board members, and various functional committees on a yearly basis. In addition, the performance evaluation of the board of directors is conducted at least once every three years by a team of external experts and scholars. The performance evaluation result is then reported to the board of directors for further consideration.
Information Disclosure	Improving information transparency	AcBel convenes a board meeting at least once a quarter to review the company's operating performance and discuss important operating strategies. Important resolutions from the board of directors are also immediately announced on the public information observatory and the company's website so that investors and stakeholders can immediately obtain important information about the company.
Communication & Interaction	Strengthening communication with stakeholders	AcBel holds regular shareholder meetings regularly to communicate directly with shareholders and investors on corporate governance matters as well as to publish compiled annual reports and corporate social responsibility (CSR) reports on the company's official website. In addition, AcBel transparently announces the "Stakeholder Contact Channel" method to facilitate bilateral communication between the stakeholders and the company.

2.1 Company Governance Organization

AcBel's board of directors is in charge of operation supervision while the operation management team is dedicated to operation performance. The board of directors and the management team cooperate and work jointly in pursuit of sustainable corporate operation. The company formulates relevant operation guidelines in accordance with related government laws and regulations, builds corresponding departmental organizations for operation needs, abides by international community's human rights ethics, strives to alleviate climate changes, and strengthens the foundation for sustainable corporate operation. Moreover, AcBel is consistently devoted to maximizing shareholders' interests and for this we consider all stakeholders' opinions to forge a sustainable society with fairness and justice so as to fulfill our responsibility as a corporate citizen.



Note:  
Please refer to pages 5-7 for departmental responsibility and pages 17-18 for work experiences and educational backgrounds of managers in 2020 AcBel Annual Report.



Corporate Governance

The 15th Board Meeting of the 19th session of the Board of Directors has approved Michael Yeh from the Financial Center as "Chief Governance Officer" on November 10, 2020. Yeh is considered qualified in this position for his more than ten years’ management experiences in finance, stock affairs or convening meetings. The responsibility of the Chief Governance Officer is to jointly work with the departments of Operation Management, Finance, Administrative Management and Corporate Sustainability to operate related corporate governance affairs, including identifying and assessing climate risks, formulating adjustment and countermeasures, and shaping corresponding climate strategies to seize business opportunities. The supervising progress and results are then regularly reported to the board of directors as reference for formulating low-carbon development strategy.

Corporate Governance & Operation Regulations

Corporate Governance & Operation Regulations			
Shareholders	Board of Directors/Functional Committee	Company Regulations	
Rules of Procedure for Shareholders Meetings	Regulations of Governing Procedures for Board of Directors Meetings	Articles of the Company	Internal Control System of the Company
	Procedures for Election of Directors	Corporate Governing Organization Structure	Rules of Governing Financial and Business Matters between Corporation and Affiliated Enterprises
	Rules of Governing Scope and Powers of Independent Directors	Corporate Governance Code of Practice	Procedures for Handling Internal Material Events
	Remuneration Committee Charters	Code of Practice for Corporate Social Responsibility	Procedures for Suspending and Resuming Trading
	Audit Committee Charters	Code of Ethic & Integrity Operation	Procedures for Lending Funds to Other Parties
	Rules for Performance Evaluation of Board of Directors	Procedures for Ethical Management and Guidelines for Conduct	Procedures for Endorsements and Guarantees
		Ethical Code of Conduct	Regulations for Governing Acquisition and Disposal of Assets
		Codes of Ethical Conduct for Employees	Procedures for Auditing

2.2 Board of Directors & Shareholders’ Meeting

Board of Directors

The board of directors is the company's highest governance unit and the organization for major business decision-making. With a view to pursuing maximal interests for shareholders and protecting the rights and interests of all interested parties, its primary responsibility is to supervise the operation of the company in accordance with laws and company regulations, ensure that the company complies with various laws, articles of association, and shareholders’ meeting resolutions of exercising its powers, and provide professional strategies and directions to the management team. The chairman of the board does not concurrently hold any position in the company's senior management. The company's operation and management are taken care of by professional managers to ensure the achievement of operational performance targets.

Board Members/Board Operation

The board of directors (BOD) consists of 11 directors, including 3 independent directors. The nomination and selection of board members are in accordance with the company's articles of association, adopting a candidate nomination system, complying with the "Procedures for Election of Directors" and "Corporate Governance Code of Practice," and transparently as well as openly selecting members with the necessary knowledge, skills and accomplishments to perform the above-mentioned duties, ensuring the diversity and independence of directors. Information about board members’ background information, academic experience, advanced studies, meeting attendance and shareholding, other company’s employment, spouse or second-class relative’s employment, and other information that may cause conflicts of interest have been actively announced in AcBel’s Annual Report, official website, and market observation post system. Please refer to pages 8-19 of the 2020 Annual Report for aforementioned information. In 2020, six BOD meetings were held to discuss corporate governance operation issues and the discussion results were announced as regulated. In case the BOD meetings discussions concern the interest of directors, they should be handled in accordance with pertinent recusal measures or regulations to ensure the smoothness and functionality of corporate governance. Please refer to pages 25-27 for meeting details and updates on executions of “interest-avoiding” measures in 2020 AcBel Annual Report.



2020 AcBel Annual Report  
<https://www.acbel.com.tw/en/annual-report>

Board Performance Evaluation

In order to implement corporate governance and enhance the functions of the BOD, self-evaluation or peer-review inside the BOD has been implemented since 2020 to improve operational efficiency. The "Rules for Performance Evaluation of Board of Directors" was adopted by the BOD on November 10, 2020. The performance of the BOD, board members, and functional committees (Audit Committee and Remuneration Committee) are evaluated internally, and external professional independent organizations or external teams of experts and scholars perform an evaluation every three years. The results of the aforementioned evaluations must be reported to the BOD, and the directors’ corporate governance and social responsibility performance will be linked with salary and remuneration to enhance the overall board of directors’ guidance and supervision functions. The most recent evaluation period was from January 1, 2020 to December 31, 2020, and the evaluation results were presented in 5 levels, where 1 represented extremely poor and 5 represented extremely excellent.

Evaluation Items	Performance Measurements	Assessment Items	Average Score	Overall Evaluation
Performance Evaluation of the BOD	Five Aspects	39 Indicators	4.94 Points	The BOD has done its responsibilities to guide and supervise the company's strategy, major business and risk management, and establish appropriate internal control and risk management responsibilities. The overall operation is flawless and in line with corporate governance.
Performance Evaluation of Board Members	Six Aspects	23 Indicators	4.90 Points	The directors have positive comments on the efficiency and effectiveness of each indicator's operation.
Self-Evaluation of Performance Evaluation of Functional Committees (Audit Committee & Remuneration Committee)	Auditing: Five Aspects Remuneration: Four Aspects	Auditing: 22 Indicators Remuneration: 22 Indicators	Auditing: 4.86 Points Remuneration: 4.84 Points	The overall operation of the functional committees is flawless, which is in line with corporate governance and effectively enhances the functions of the BOD.

Note: For the evaluation report, please refer to the company's official website→Corporate Governance Section/Board of Directors and Functional Committees/Board Performance Evaluation



AcBel Corporate Governance Section  
<https://www.acbel.com.tw/governance>

## Succession Plans

AcBel's succession plan includes board members and members from core management team. In addition to exceptional work abilities, the candidates considered qualified as future leaders of AcBel also need to demonstrate correct work values and admirable personality traits such as integrity and honesty. The candidate should also follow AcBel's corporate operation principles of "Innovation, Harmony and Transcendence" for optimizing interests for customers, employees and shareholders.

## Board Members

In terms of succession plan, AcBel seeks candidates for future board members from its upper management team. As for independent directors, the company mainly selects candidates who have work experience in business, legal affairs, finance, accounting or company business as required by relevant laws and regulations. Candidates from the industry, government or academia who are familiar with and adept at the company's operation and business are considered most qualified as future leader of AcBel.

## Core Management Team Education Sprouting

The succession plan of the core management team is in accordance with the company's innovative ideas and prospects for the operation of the company. On March 20, 2020, the 10th meeting of the 19th session of BOD approved Mr. Hsu's succession as the company's president. His marketing expertise, combined with the professional experience as senior executives in various departments, is expected to lead the company toward the direction of innovative operation and management. The first phase of succession has been completed.

Employees from the middle management of the company are candidates for core management team. They have completed position and job descriptions, and appointed their job agents for training in four aspects of management capabilities, professional capabilities, personal development plans and job rotation. In addition to outsourced training, the training methods are also used through job rotation and the experience inheritance of high-level supervisors so that the trainees can integrate the trainings and use them to cultivate their decision-making ability as well as judgment capabilities. This mechanism allows us to select and cultivate the most suitable candidates for members of core management team.

01



### BOD Responsibility

The highest governance unit of the company and the organization for major business decision-making, the BOD supervises the company's operating performance and ensure that corporate governance follows laws and regulations. It will continue to strengthen the functions of board members and optimize the effectiveness of corporate governance.

02



### Members

All of the 11 board members (including 3 independent directors) have knowledge, skills and accomplishments in compliance with laws and regulations. All members are males, with 40-50 years old accounted for 9.09%, 51-65 years old accounted for 9.09%, and 65 years old and above accounted for 81.82%.

03



### Meeting Frequency

In 2020, six BOD meetings were held to discuss issues on corporate operation strategies and governance operation.

04



### Remuneration

Four expenses including remuneration, pension, director compensation and business execution costs accounted for 1.78% of net income after tax in the financial report.

Notes:

1. The current BOD session is 19th, and its members was selected through the candidate nomination system in June, 2018, for a term of three years. Information about each board member's education, experiences and remuneration can be found on pages 8-24 in 2020 AcBel Annual Report. The chairman is the highest leader selected by the BOD, leading the company in operating direction and strategies on behalf of the BOD, but he is not a member of the management team.
2. All board members have relevant industry background and management capacity in compliance of relevant laws. In order to realize the goal of sustainable corporate operation, the BOD members are appointed mainly based on their professional expertise and complementarities as the primary qualification criteria, followed by other factors such as gender and age. Please refer to pages 8-9 and pages 15-16 in 2020 AcBel Annual Report for details of the board members and the implementation of diversity policy.
3. The members of the BOD proactively participate in the training in accordance with the requirements of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" along with practical management needs as to enhance functions including corporate governance, integrity management, and new knowledge of science and technology. AcBel also announces the training status in public information observation section. Please refer to pages 39-40 in 2020 AcBel Annual Report for details of the board members' training status.
4. Please refer to pages 22-31 in 2020 AcBel Annual Report for details regarding corporate governance and operation as well as proposal contents.



2020 AcBel Annual Report  
<https://www.acbel.com.tw/en/annual-report>

## Shareholders' Meeting

AcBel attaches great importance to the interaction and communication channels between investors. Through shareholders' meeting, we promote the company's operational decision-making to have a long-term perspective, while optimizing social and environmental actions to promote the sustainable development of the company.

In 2020, one session of Shareholders' Meeting and three sessions of Investor Meeting were held. More information about major resolutions, post-conference follow-up actions, and the list of major shareholders can be referred to on pages 66-68 and pages 75-76 of 2020 AcBel Annual Report. In order to improve the transparency of information disclosure, an English version of the 2020 annual report will be issued for the first time in 2021, and the English version of the shareholders' meeting manual will be provided for interested parties to consult.

April 25, 2021; Unit: People, Stock

Shareholder Composition Amount	Government Institutions	Financial Institutions	Other Legal Persons	Individuals	Foreign individuals & Foreign institutions	Total
Shareholding Percentage	0.00%	3.47%	28.34%	59.77%	8.42%	100.00%

## Shareholders' Rights

In order to enhance the transparency of corporate governance and achieve the goal of improving corporate governance, a dedicated department has been set up to communicate with shareholders, treat each shareholder fairly, allow shareholders' rights and interests to be treated reasonably in accordance with laws and regulations. In addition, AcBel actively practices shareholder activism as well as shares operating profits with shareholders and the right to participate in company management, such as dividends, voting rights, the right to know, the right to vote, etc.

Dividend Policy

AcBel's dividend policy is determined in accordance with the government's company law and the company's articles of association, and is determined according to factors such as the company's capital and financial structure, operating conditions, surplus and the nature and cycle of the industry, and implemented based on stock dividends or cash dividends.

Although the power supply industry which AcBel is current in is a mature industry, there is still more room for growth and development in the power supply products and new energy markets. The company has to consider factors such as industry, finance, business and operation, and refer to the dividend distribution in the past years. According to the company's articles of association, if there is a surplus in the annual final accounts, the tax should be paid first and the accumulated losses should be made up for. Then, 10% of the surplus is drawn as the statutory surplus reserve, but this is not the limit when the statutory surplus reserve has reached the company's paid-in capital.

In addition, AcBel authorizes the Board of Directors, with over two thirds presence of BOD and the majority votes of present BOD, to decide the amount of dividends and bonus, capital surplus or all or part of legal reserve given out in cash, and the results will be reported in the stakeholder's meeting.

The distribution of cash dividends on earnings for 2020 was determined On May 7, 2021 by the board of directors, which approved shareholder dividends totaling NT\$619,945,554, all paid in cash, with an increase of NT\$51,662,129 (approximately 9.09% in percentage) over the previous year. The cash dividend per share was NT\$1.2, a slight increase of NT\$0.1 from the previous year.

Remuneration of Employees & Board Members

According to laws, regulations and the company's articles of association, if the company's pre-tax profits of the current year deduct the distribution of employee remuneration and the benefits before the director's remuneration, no less than 2% shall be allocated for employee compensation and no more than 2% for director reward if there is still profit.

AcBel's overall profit in 2020 was increased. In March 2021, the BOD passed a resolution of NT\$60,928,889 for employee compensation and NT\$15,820,421 for board members. Both of compensation were paid in cash, with an increase of NT\$14,855,287 (approximately 24% in percentage) compared with the previous year.

Unit: NT Dollars

Years	2018	2019	2020
Earnings per share (EPS)	1.95	2.87	2.54
Dividend per share (DPS)	1.00	1.10	1.20
Dividend Payout Ratio	51.28%	38.33%	47.24%
Dividend Yield	4.54%	5.37%	4.13%
Total dividend payment to shareholders (one hundred million)	5.17	5.68	6.20
Annual earning distribution to shareholders (one hundred million)	5.17	5.68	6.20
Cash dividend per share	1.0	1.1	1.2
Return On Equity (%)	12.55	17.73	13.62

- Notes:
- 1. Annual yield rate is based on the stock price calculated one day before the next year's board meeting.
  - 2. Please refer to Pages 75-79 in 2020 AcBel Annual Report for stakeholder structure and dividend policies.
  - 3. Please refer to AcBel's Official Website→Corporate Governance Section/Organizational Operation Regulations/Articles of Association for the complete list of our articles of association.





AcBel Corporate Governance Section  
<https://www.acbel.com.tw/governance>

2.3 Functional Committee


Remuneration Committee/Audit committee


In order to effectively perform the functions improve the quality of decision-making of the BOD, Remuneration Committee and Audit Committee are established under the BOD according to their powers and functions, responsible for the discussion of important issues such as corporate governance, economy, environment, and society.

The functional committees are composed of three independent directors. In order to make the decisions and recommendations of the committees forward-looking, objective and comprehensive, effectively implement the mechanism of independent supervision and checks and balances and ensure that the resolutions and actions of the board of directors, all proposals are submitted the reported to the BOD for discussion; if there are interested parties involved in the directors themselves or their representatives, pertinent recusal will be executed in accordance with the law. Some proposals are also submitted to the shareholders meeting for reports and discussions in order to meet the best interests of the interested parties.

In 2020, the discussion topics of the functional committees ranged from risk evaluation, audit planning, business expansion, employee's salary and the remuneration of directors and supervisors, etc., and the meeting minutes were all accepted by the board of directors. Further details about the committee members and specific operation status of the committee are covered on pages 29-30 and pages 44-46 of 2020 AcBel Annual Report.

Functional Committee	Remuneration Committee	Audit Committee
Composition	All independent directors (three persons)	
Major Function and Responsibility	Assessing and approving the remuneration standard of directors and managers, and fostering the connection between individual and relevant performance of corporate sustainable development in order to achieve reasonable remuneration.	Monitoring the execution quality and integrity in terms of accounting, auditing, financial report process and financial control.
Meeting Frequency/ Attendance Rate in 2020	4 times / 83.33%	5 times / 93.33%





2020 AcBel Annual Report  
<https://www.acbel.com.tw/en/annual-report>



## 2.4 Risk Management System

In response to the occurrence of different risks, AcBel implements sustainable operations and sustainable development. "Corporate Resilience" has been incorporated into the thinking framework of the company's leadership management and decision-making. Considering that the building of Corporate Resilience requires capabilities such as prediction, preparation, response and adaptation to continuous changes in the environment as well as effective management of sudden operational risks and the ability to maintain flexibility and resilience in adversity, the company has established a risk management system to improve the organizational resilience of the enterprise.

### Risk Assessment and Management

AcBel adopts "Risk Management Policies and Procedures" adopted by the BOD as the highest guideline of risk management. The company regularly evaluates, identifies and analyzes risks may face in advance every year according to the "probability of risk occurrence" and "severity of risk impact or influence upon operating results" are used to identify various risks. Risks are ranked according to their levels, and pre-control measures and continuous monitoring and improvement procedures are adopted to reduce or eliminate potential risks that may affect the achievement of the company's operational goals. By regularly reporting risk evaluation results and various corresponding response measures to the BOD at least once a year, the board members will provide risk guidance to reduce the potential risks that may have adverse effects on operations.



### Risk Management Committee

AcBel has set up a risk management committee with the president as the chairman to coordinate the company's risk management affairs. Its members cover 14 first-level departments and 4 production bases. The risk management committee holds regular meetings every year and conducts discussions regarding the identification, evaluation and discussion of potential risks and emerging risks related to the operation of the company in three major aspects of economy, environment, and society in accordance with the principle of materiality.



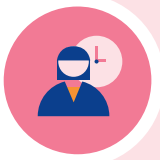
#### Board of Directors

As a risk strategy supervisor, the BOD supervises and guides various risk strategies for the company's management team, so as to strengthen internal management functions and improve risk management effectiveness.



#### President

As the accountable person, the president will make rulings on the risk evaluation and related response measures discussed by the committee and be responsible for operational risk management.



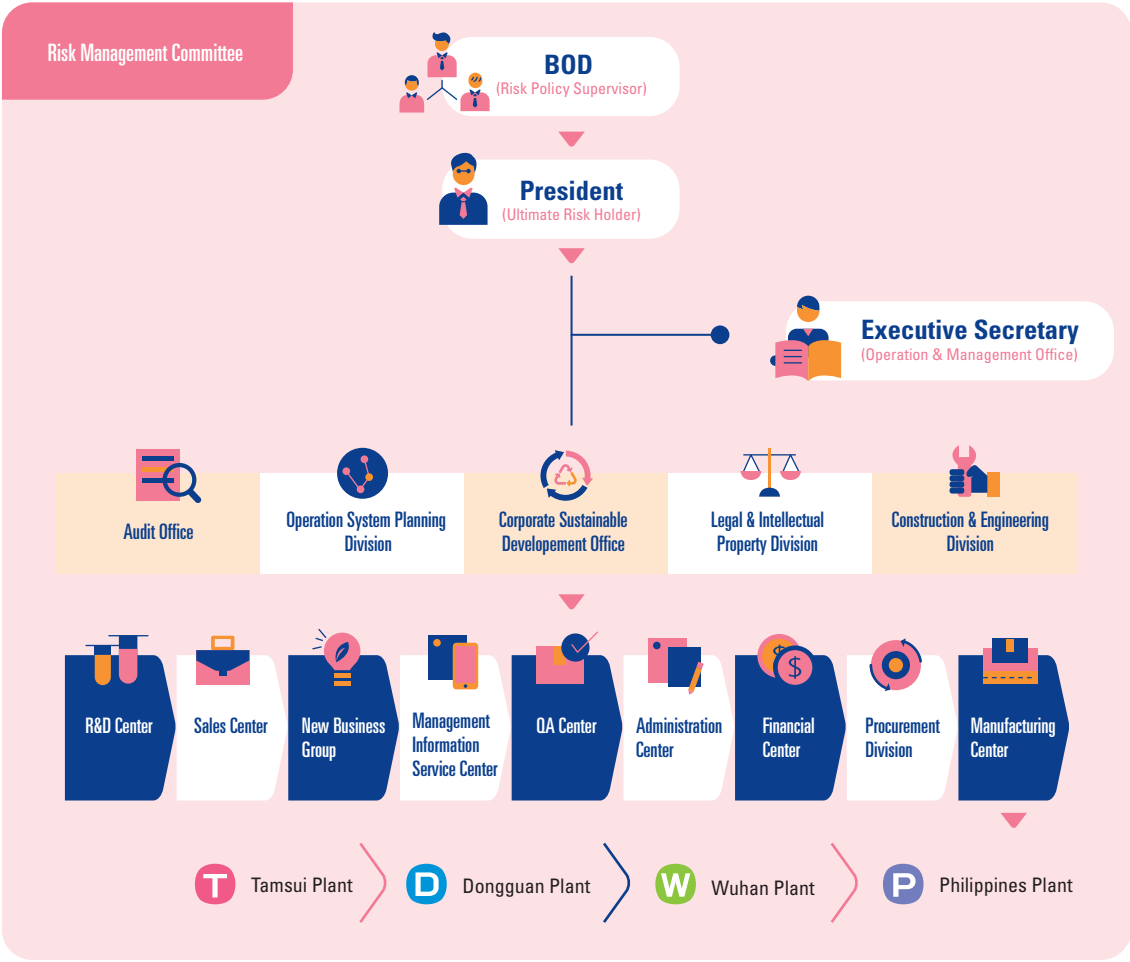
#### Executive Secretary (Operation & Management Office)

The Operation & Management Office as the Executive Secretary mainly follows the company's risk management policies and procedures to regularly call committee meetings to consolidate, control, track and evaluate the effectiveness of risk management implementation.

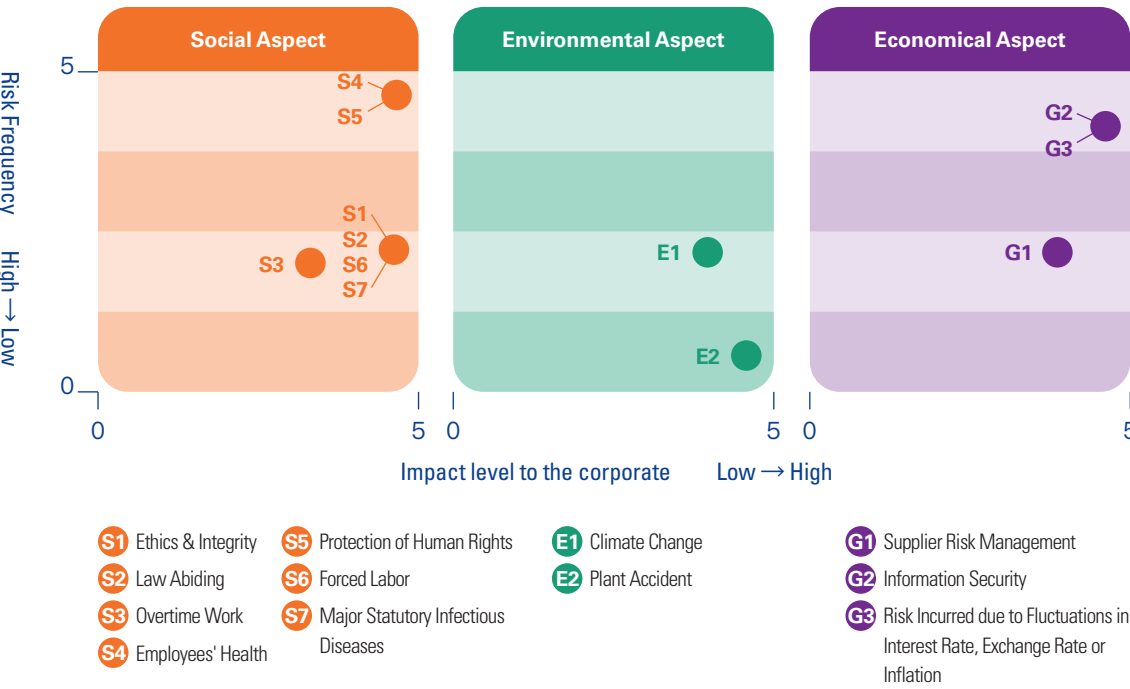


#### Responsible Departments

As risk holders, the responsible departments consist of senior executives from 14 departments including R&D, Business, New Energy, Information Service, Quality Assurance, Administration, Procurement, Finance, Manufacturing, Legal and Intellectual Property, Auditing, Sustainable Development, Operation System Planning, Construction Engineering, etc. and 4 production bases. They identify various operational risks that may be faced by their respective department's business and formulate follow-up management plans to mitigate the impact of risks on the organization's operations. Regular meetings are held to allow senior executives from each department and business unit level to discuss and participate as to establish a corporate culture with risk management awareness.



Risk Issues Impact Matrix



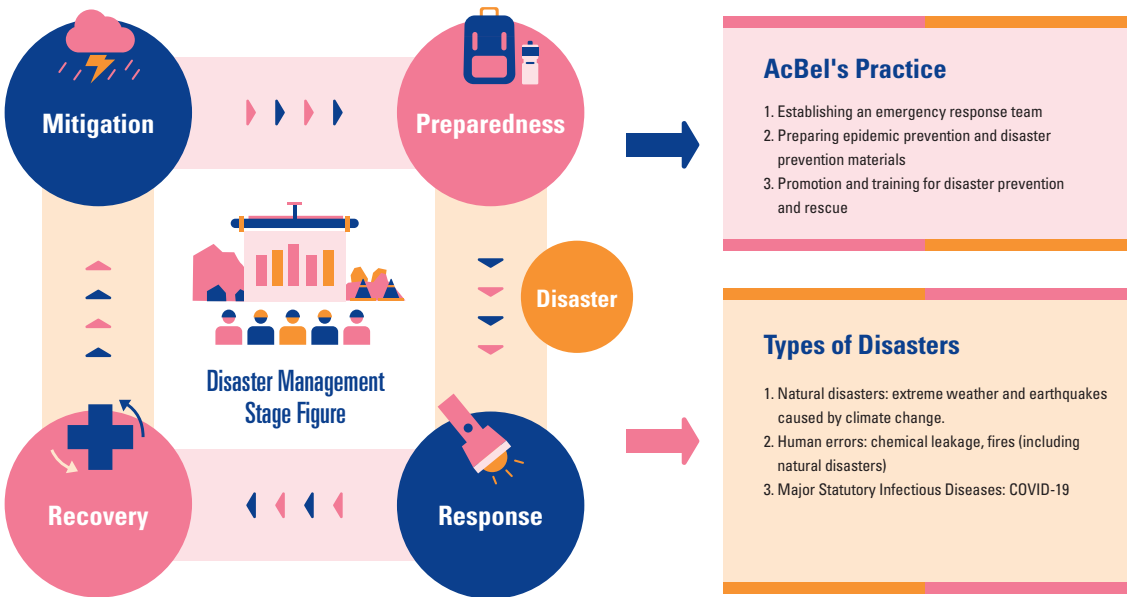
## Risk Types

Aspect	Risk Types	Impact	Coping Strategy	Opportunity
Social Aspect	<ul style="list-style-type: none"> <li>⊙ Ethics &amp; Integrity</li> <li>⊙ Law Abiding</li> <li>⊙ Overtime Work</li> <li>⊙ Employees' Health</li> <li>⊙ Protection of Human Rights</li> <li>⊙ Forced Labor</li> <li>⊙ Major Statutory Infectious Diseases</li> </ul>	When this kind of risk occurs, law and regulation will be violated. In severe cases, it will even affect the health of personnel, and even lead the negative perception and evaluation of the value chain partners of the company.	<ul style="list-style-type: none"> <li>⊙ Strengthening the identification of laws and regulations and internal audit management to avoid violation of international conventions and government laws &amp; regulations.</li> <li>⊙ Implementing workplace sanitation, improving employee health management systems, launching epidemic prevention drills, and strengthening maintenance work to improve response variables.</li> </ul>	<ul style="list-style-type: none"> <li>⊙ Abiding by international conventions and government laws and regulations, creating a high-quality and safe workplace, and demonstrating the company's determination to fulfill its social citizenship responsibilities.</li> <li>⊙ Strengthening the flexible manufacturing capabilities of each production base and expanding the benefits of the overall value chain.</li> </ul>
Environmental Aspect	<ul style="list-style-type: none"> <li>⊙ Climate Change</li> <li>⊙ Plant Accident</li> </ul>	When this kind of risk occurs, operations will be affected. The risk may even cause production suspension, losses of laborers and property damage.	<ul style="list-style-type: none"> <li>⊙ Focusing on international climate change issues, setting the company's overall carbon reduction goals, and promoting various low-carbon strategies.</li> <li>⊙ Strengthening daily disaster prevention inspection operations, implementing daily disaster drills, and reducing the occurrence of plant disasters.</li> <li>⊙ Improving the operation continuity and crisis management plan. In case of a crisis, operation can be continued, and losses can be avoided.</li> </ul>	<ul style="list-style-type: none"> <li>⊙ Investing in the field of green energy, increasing the use of renewable energy, and reducing the generation of carbon emissions.</li> <li>⊙ Promoting green manufacturing, continuing to adopt the best technology, improving energy efficiency, and reducing GHG emissions.</li> </ul>
Economical Aspect	⊙ Supplier Risk Management	When a supplier has a hazardous risk, it will be unable to provide insufficient or even interrupting services or supply, making the company unable to provide products or services to customers.	<ul style="list-style-type: none"> <li>⊙ Integrating the company's R&amp;D capabilities and increasing the proportion of shared parts used through standardized design.</li> <li>⊙ Centralizing strategic suppliers, reducing the number of suppliers, and optimizing supply chain demand management while the supply and quality requirements are ensured to be intact.</li> </ul>	⊙ Establishing a supply chain risk management mechanism to reduce the company's sustainability risks from the overall supply chain.
	⊙ Information Security	When an information risk occurs, the loss of internal/external information will affect company's overall operation and lead to damage and losses to corporate operation.	<ul style="list-style-type: none"> <li>⊙ Establishing a dedicated department to strengthen the information security management system, such as: dedicated management, system backup, anti-virus encryption, and enhancing the protection and response capabilities of cyberattacks.</li> <li>⊙ Implementing information security education and training, increasing awareness of crisis identification, and reducing the probability of unknown external intrusions.</li> </ul>	⊙ Implementing information security work and becoming a reliable and safe smart enterprise for value chain partners.
	⊙ Risk Incurred due to Fluctuations in Interest Rate, Exchange Rate or Inflation	When this kind of risk occurs, the capital movement and profit of the company will be affected.	<ul style="list-style-type: none"> <li>⊙ Avoiding the loss caused by exchange rate fluctuations by adopting USD as quoted currency for outgoing and incoming shipment in the interest of natural hedge.</li> <li>⊙ Authorizing the financial department to seek lowering the risk of exchange rate fluctuations by elastic use of risk-avoiding derivatives such as Forward Exchange Agreement, Options, etc.</li> </ul>	Utilizing effective management to mitigate impact on cash flow or value of assets of the company due to interest rate and exchange rate fluctuations.

Note: The emerging risks evaluated in 2020 included "Social Aspects: Protection of Human Rights, Forced Labor, Major Statutory Infectious Diseases" and "Economic Aspects: Information Security." For related strategies, please refer to the relevant chapters of this report.

Disaster Management & Response

Disaster Management is a continuous and dynamic planning and management process for dangerous situations that reduces the uncertainty of dangerous situations and the possibility of disasters. The process of disaster occurrence can be divided into four stages: Mitigation, Preparedness, Response, and Recovery.






In order to effectively carry out disaster management, AcBel has formulated a "Disaster Recovery Management Procedure" as the company's disaster prevention and recover principle, considering the types and impacts of potential disasters according to the geographical location, climatic conditions, transportation, folk customs, and supply chain distribution of each operating site. Each plant site stresses implementation of daily drills so that when disasters occur, they can be effectively controlled and dealt with from the very beginning. In 2020, there were 2 emergency response drills in each plant site to increase the personnel's familiarity of emergency response, and no actual major disasters have occurred.

COVID-19 Contingency Measures

From the beginning of 2020, the outbreak of COVID-19 epidemic has had a huge impact on the overall operating environment. AcBel's three production bases in Dongguan, Wuhan, and the Philippines, under the epidemic prevention blockade or quarantine measures, almost caused efficiency declining of production and reduced employee income due to the interruption of the supply chain. However, Taiwan, where the epidemic situation had been stable in mid-May 2021, also broke out large-scale community infection incidents.

In response to changes in the epidemic situation, AcBel's operating bases have launched the "Epidemic Prevention and Response Mechanism" in accordance with the "Disaster Recovery Management Procedure." From February 2020 to the present, the top executives of the plants have served as the convener to organize an "Epidemic Response Team." Through day-to-day joint video conferences across plants, the team can grasp the current status of issues such as personnel health management, epidemic prevention material supply, supply chain labor and material scheduling, product manufacturing, and transportation delivery dates at operating bases, and to ensure the company's normal operating mode through mutual support between operating bases.

COVID-19 Response Management Measures	
 Personnel Management	<ol style="list-style-type: none"><li>1. In combination with the company's information department, strengthening the expansion of remote office equipment resources and the group exercise measures for employees to work remotely as to ensure that the company operates normally.</li><li>2. Enhancing employees' awareness of epidemic prevention, strengthening the office environment and personnel disinfection measures, and adopting diversion and group work when the epidemic is serious to reduce the risk of personnel infection.</li><li>3. Implementing entrance and exit diversion, setting up body temperature measurement and disinfection equipment. Reducing business visits by employees, customers and suppliers; managing personal footprint information through a computerized information system every day to ensure the safety of personnel paths.</li><li>4. Strengthening the addition of disinfection and anti-epidemic equipment in public areas, such as: diversion meals, anti-epidemic partition plates, special isolation area and purchase of personal protective equipment so that employees can come to work at the company with peace of mind.</li><li>5. In response to the needs of employees for vaccination, self-health isolation or family care, necessary paid leave will be provided so that employees can safely prevent the epidemic and ensure personal health and safety.</li></ol>
 Production Management	<ol style="list-style-type: none"><li>1. Communicating with customers regularly, reporting the company's epidemic prevention measures as well as production capacity, and adjust the shipping method and time.</li><li>2. Making flexible adjustments to production capacity across plants, including supply chain material procurement and off-site production adjustments.</li><li>3. Discussing and adjusting the mobile scheduling of epidemic prevention materials and production in each factory through regular high-level meetings.</li></ol>
 Cargo Management	Materials and products must be disinfected before entering and exiting the plants.

Climate changes bring about gradual and predictable long-term impacts. Governments or companies in various countries have developed measures to cope with the risks of climate change, including: GHG emissions reduction, green energy development, etc. However, the impact of COVID-19 is immediate, sudden, and highly uncertain. To make the epidemic slow down and let AcBel resume normal operations, in addition to relying on the government's epidemic prevention measures, vaccine research and development and delivery, the company must also continue to strengthen epidemic prevention measures and provide employees with necessary support, so that employees can have no worries when facing the epidemic and return to normal life as soon as possible.

Information Security Management Mechanism




In order to implement information security governance and ensure the information of AcBel and its employees, customers and suppliers and other stakeholders, the company has established an "Information Security Management Committee" to review the company's information security management policies, supervise the operation of information security management, promote information security management operations, and regularly report to the BOD on the status of information security governance. By doing so, we can improve information security policies and specific management plans, enhance employees' information security protection functions, and continue to optimize information software and hardware equipment to build a highly secure information security environment.

Information Security Policy

AcBel's "Information Security Policy" is to establish a safe and reliable information system service, and comply with the requirements of relevant laws and regulations, maintain continuous business operations, ensure the maximum value of the company's information, and effectively prevent information from being stolen, altered, and destroyed or omissions to protect the confidentiality, integrity and availability of the information.




Information Security Strategies

Strategy	Mechanism	Plan
 Information Security Management	<ul style="list-style-type: none"><li>● Law abiding</li><li>● Establishing information security organization</li><li>● Improving management system</li><li>● Review and execution of information security verification</li></ul>	<ol style="list-style-type: none"><li>(1) Setting up data using guidelines</li><li>(2) Continuing operation plan</li><li>(3) Optimizing information security evaluation and execution procedure</li></ol>
 Technology Utilization	<ul style="list-style-type: none"><li>● Integrating information security resources</li><li>● Internal/external data collection</li><li>● Threat prediction through statistics analysis</li></ul>	<ol style="list-style-type: none"><li>(1) Setting up data leakage prevention mechanism</li><li>(2) Using next-gen firewall</li><li>(3) Using intrusion detection and protection system</li><li>(4) Weak point management and infiltration test</li></ol>
 Optimization of Information Security	<ul style="list-style-type: none"><li>● Strengthening common senses of information security for the personnel</li><li>● Grasping risks and strengthening protection</li><li>● Building joint information security execution system</li></ul>	<ol style="list-style-type: none"><li>(1) Requiring all employees to sign information security statement every year</li><li>(2) Implementing phishing tests for employees</li><li>(3) Providing information security column in monthly e-newsletter</li><li>(4) Promoting and supervising the personnel to follow information security policy</li><li>(5) Arranging irregular information security training</li></ol>

In mid-2020, AcBel suffered malicious attacks from unknown Internet viruses. Through daily cyber security drill and data backups, the company's data recovery was performed immediately and the company's information security defense mechanisms were improved, such as strengthening firewall deployment, enhancing anti-virus levels, spam filtering, intrusion detection and defense, thus reducing the chance of recurrence of malicious attacks. In addition, in the development of all stages of the company's internal inspection system, vulnerability scanning and repair operations are performed regularly to reduce the risk of information security exposure. Moreover, through the reinforcement of education and training, the effectiveness of information security can be ensured. Despite the abovementioned unknown malicious attacks, they did not cause significant adverse effects on AcBel's business and operations, and AcBel has not been involved in any legal cases or regulatory investigations related to this occurrence.


2.5 Internal Control and Audit System

In order to fulfill corporate governance requirements and to prevent internal, external malpractices and other illegal situations from happening, AcBel sets up an independent Audit Office in the headquarters in Taiwan, which directly reports to the Board of Directors. The Audit Office is in charge of auditing and supervising all AcBel's operation bases, with the scope of audit focusing on finance, operation and management of business. Governed by regulations of authorities concerned, the Audit Office is set up to help the Board of Directors and managers to check and review any deficiencies related to internal control as well as measure operational performance and effectiveness. It also makes recommendations as well as implementation whenever necessary to achieve the goals of effective internal control.

01


**Formulating Plans**  

According to the results of internal risk assessment, an annual audit plan is formulated. The assessment items cover finance, changes in regulations, general purchasing, information security, and fraud risks.

02


**Implementing Audit**  

Performing routine audits according to the annual audit plan or executing project audits as needed to identify possible deficiencies in internal control in a timely manner and request the audited departments to improve.

03

**Presenting Audit Results**  

The Audit Office reports the audit results to the independent directors on a monthly basis, and also reports the audit results on a quarterly basis to the Audit Committee and the Board of Directors quarterly and tracks follow-up improvements.

04

**Reinforcing Internal Control**  

Based on the five principles of internal control: environment control, risk assessment, control operations, information, and supervision, each department is urged to conduct self-assessment of internal control at year end. The self-assessment items include check on integrity and ethics, corruption, non-acceptance of bribes and existence of receiving inappropriate entertainment from other parties.

In 2020, the top 3 high-risk incidents indicated through risk identification are subsidiary supervision, material procurement operations, and supplier management operations. The Audit Office formulated and implemented an internal audit plan on the aforementioned high-risk projects and verified that no incidents had violated ethics, caused loss in corporate operation or damage to AcBel's reputation.









Corporate Governance Section  
<https://www.acbel.com.tw/governance>

2.6 Ethical Management and Legal Compliance





As "Ethics and Integrity" is the most important core value of the company, AcBel is committed to using the highest ethical standard on corporate governance. For internal and external stakeholders, AcBel has corresponding management actions and due diligence procedures to monitor and track any possible business ethics risks to prevent violations of relevant laws. AcBel also demands all board members, managers, employees and persons having substantial control over the company ("substantial controllers") to follow professional ethics code of conduct. Training programs are also held to deepen the corporate culture of "management with integrity." Externally, we cooperate with business partners including customers and suppliers to implement the integrity behavior risk assessment mechanism and jointly implement the integrity management policy.

Objectives	Compliance Regulations	Management Conduct
 <b>Board of Directors</b>	1. Code of Ethic & Integrity Operation 2. Procedures for Ethical Management and Guidelines for Conduct 3. Ethical Code of Conduct 4. Regulations of Governing Procedures for Board of Directors Meetings 5. Board of Directors Related Regulations 6. Letter of Commitment to the Code of Integrity Management 7. Procedures for handling important internal information	<ul style="list-style-type: none"> <li>The company formulates relevant regulations to allow board members or senior management executives to take the initiative to make statements and avoid interests when conflicts of interest occur, so as to avoid violating the principle of "operation with integrity." All members of BOD are required to sign the "Letter of Commitment for the Code of Integrity Management", with a 100% signing rate.</li> <li>Directors and managers purchase liability insurance with an insurance amount of US\$5 million to protect the rights and interests of all shareholders and reduce the company's operating risks.</li> </ul>
 <b>Managers/ Employees</b>	1. Ethics Policy 2. Code of Integrity Management 3. Procedures for Ethical Management and Guidelines for Conduct 4. Ethical Code of Conduct 5. Codes of Ethical Conduct for Employees 6. Ethical Code Commitment for Employees 7. Labor and Ethical Risk Assessment and Management Procedure	In addition, risk identification is carried out according to the "Labor and Ethical Risk Assessment and Management Procedure" on a yearly basis. In 2020, risk assessment conducted on employees' showed relatively low rate of ethics violations; after the Audit Office conducted internal audit, the audit results was presented to the Board of Directors.
 <b>Customers</b>	1. International and industry standards 2. Commercial Contract 3. Customer Code of Conduct 4. Letter of Commitment to Customer's Integrity Management	Incorporating the declaration and commitment of integrity management into the commercial contract specifications; accepting social responsibility audits including regular or irregular integrity management by customers to assess and control any possible business ethical risks.
 <b>Suppliers/Contractors</b>	1. Supplier Code of Conduct 2. Confidentiality Agreement 3. Purchase Contract 4. Responsible Business Alliance Code of Conduct 5. Letter of Commitment to Supplier Integrity 6. Letter of Commitment to Social Responsibility	<ul style="list-style-type: none"> <li>Formulating the "Supplier Code of Conduct" to incorporate integrity management policy and commitments into commercial contract specifications; both suppliers and contractors need to sign the "Letter of Commitment to Supplier Integrity." In 2020, all AcBel's new suppliers and contractors signed the aforementioned documents; to address integrity management risk, supplier audit investigations were regularly conducted through the "Social Responsibility Management Assessment/Audit Form" to reduce the issue risk.</li> <li>Regularly promoting integrity business norms through the supplier management platform, and sending letters to remind suppliers to follow AcBel's business ethics on major festivals on a yearly basis.</li> <li>Regularly reviewing the content of the "Supplier Code of Conduct," and uploading the updated documents to the supplier management platform as guidelines for suppliers.</li> </ul>

## Responsibility/Background Investigation

Targets	Internal Investigation	External Investigation
<b>Measures</b>	<ul style="list-style-type: none"> <li>Board directors and senior management: conducting due diligence investigations to ensure that there is no possibility of corruption, bribery and anti-competitive behavior.</li> <li>Employees: for special or sensitive positions, the company's Human Resources Department conducts a reference check on job applicants before getting on board to ensure that the characteristics and past experience of new employees meet the company's requirements for the position and job content.</li> </ul>	<ul style="list-style-type: none"> <li>Customers: following the "Credit Management Measures," the company conducted a credit investigation on customers before formal business to assess whether the customer is at risk of dishonest behavior. If there are related concerns during the business, the company also consulted Legal Department and related departments for further discussion and verification.</li> <li>Suppliers and contractors: analyzing capital, turnover, shareholders and other information through the "Financial Situation Survey Form" ; using the "Supplier Assessment Survey Form" to investigate the status of the supplier's management of complaints or litigation cases to evaluate whether there is a risk of dishonest behavior.</li> </ul>







## Integrity Management Communication Result

Objectives	Percentage	Area	Channels
 <b>The Highest Governance Body</b>	72.73%	Governance All Operating locations	The board members attended programs organized in line with "Directions for the Implementation of Continuing Education for Directors and Supervisors" of TWSE Listed and TPEX Listed Companies
 <b>The Executives</b>	100%		Executive meeting and training
 <b>General Employees</b>	50.79%		Providing employees educational training ; signing Letter of Commitment to Ethical Code of Conduct
 <b>Business Partners</b>	100%		Customers: accepting audit on Ethics & Integrity management. Suppliers Suppliers: regularly promoting ethical management regulations through the supplier management platform


Notes:


- AcBel's Board of Directors, executive and senior managers, employees, and its business partners 100% attended related training regarding ethical management or have signed Letter of Ethical Management Commitment.
- The table above is the training performance data of 2020. After calculation, 3,224 employees attended face-to-face training programs regarding ethical management, with a total of 5,024.48 training hours.
- 8 out of 11 members of the highest governing authority (Board of Directors) took part in programs organized based on Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, accounting for 72.73% of BOD. The total number of hours spent on joining the program was 42.

Integrity Management Practices and Effectiveness

Scope	Content	Management Measures	Implementation Effectiveness in 2020
 Anti-corruption	<ul style="list-style-type: none"><li>◆ Company losses due to employee corruption or bribery</li><li>◆ Termination of cooperation with business partners due to corruption</li></ul>	Incorporating the declaration and commitment of integrity management into the commercial contract specifications to realize internal and external audit on corruption/bribery. Implementing internal control, internal audit and check on due diligence. Transparently disclosing the company's reporting channels and reducing the possibility of corruption.	<ul style="list-style-type: none"><li>◆ No corruption or bribery related cases were reported or occurred.</li><li>◆ No violation of integrity management, anti-competitive behavior, or violation of environmental laws and regulations occurred.</li><li>◆ No discrimination, violation of child labor, forced labor or human rights occurred.</li><li>◆ One incident of violation of labor laws occurred in Taiwan, mainly due to the accidental fall of a cleaning contractor's employee in the factory, which resulted in a fine of NT\$20,000 by the competent authority. Related improvement measures were done to prevent the recurrence of similar incidents.</li></ul>
 Anti-competitive Behavior	<ul style="list-style-type: none"><li>◆ Involvement of anti-competition practices, antitrust and monopoly</li></ul>	Following laws and regulations governing anti-competitive practices, antitrust and monopoly; strengthening employees' awareness of legal compliance; preventing the possible legal risks and negative impacts due to employees violating antitrust and laws about fair	
 Violations of environmental laws and regulations	<ul style="list-style-type: none"><li>◆ Punishment for the violations of environmental laws and regulations</li></ul>	Regularly reviewing the latest international standards and laws and regulations. Updating the company's rules and regulations, following the laws and regulations as guidelines for corporate governance and reducing the risk of violating laws and the risk of incurring fines.	
 Violations of social and economic laws and regulations	<ul style="list-style-type: none"><li>◆ Punishment for violations of social and economic laws and regulations</li></ul>		
 Prohibition of Child Labor and Forced Labor	<ul style="list-style-type: none"><li>◆ Punishment for violating regulation governing minimum age requirement of employment</li><li>◆ Punishment for forced labor or inhuman treatment to employees</li></ul>	Strengthening identification and verification during recruitment, promoting employee education and training, implementing equal treatment, smooth communication channels and other management measures to reduce the risk of human rights violations.	
 Privacy and Intellectual Property Rights Protection	<ul style="list-style-type: none"><li>◆ Violation of privacy and intellectual property rights due to human error or hardware malfunction</li></ul>	Strengthening the company's information security risk management and control, dedicated management of personal information and confidential documents. Enhancing computer database backup operations and computer data protection capabilities.	





















Whistle-blowing/Consultation channels for violating code of ethics
















 Whistle-blowing/Consultation Channel  
<https://www.acbel.com.tw/en/contact>

2.7 External Association Participation

In response to the fast-growing power-related technologies, Acbel has been actively participating in various organizations in the fields of power supply or energy industry. By participating in various public associations and domestic/foreign advocacy organizations, we expects to establish relationship that can facilitate mutual assistance and cooperation so as to enhance R&D and operational capabilities and knowledge; in addition, we have been actively involved in social and cultural organizations, showing support to government agencies and participating in the promotion of various arts and cultural activities. In 2020, we participated in a total of 27 associations and alliances at home and abroad. .

Position	Association/Alliance
 Director	 New Taipei City Culture Foundation
	 Epoch Foundation
 Member of Council	 Importers and Exporters Association of Taipei (IEAT)
	 Cloud Computing & IoT Association in Taiwan
	 Taiwan Power Electronics Association
 Supervisor	 Monte Jade Science and Technology Association of Taiwan (MJ)
 Vice Chairman	 Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) Association
	 Taiwan Telecommunication Engineering Industry Association (TTEIA)
	 Taiwan Electrical Contractors Association
	 New Taipei City Computer Association (NTCA)
	 Taipei Electrical Commercial Association (TECA)
	 Taipei Computer Association (TCA)
	 United States Chamber of Commerce in Taipei
	 Cross-strait CEO Summit
	 Taiwan Chamber of Commerce and Industry
 Member	

Position	Association/Alliance
 <b>Member</b>	 Taiwan Fuel Cell Partnership
	 Chinese Professional Management Association (CPMA)
	 Solar PV Generation System Association of R.O.C. (PVGSA)
	 Taiwan Photovoltaic Industry Association (TPVIA)
	 Taiwan Smart Grid Industry Association (TSGIA)
	 Taipei Measuring Instrument Association
	 Taiwan Association of Information and Communication Standards (TAICS)
	 Taiwan Power and Energy Engineering Association
	 Taiwan Electric Power Association
	 HD-PLC Alliance
	 Responsible Business Alliance
	 National Quality & Sustainable Excellence Association

## Responsible Business Alliance, RBA

AcBel joined RBA in 2010 as a member and signed the RBA Compliance Commitment in support of the Alliance. The company's global production bases all follow RBA's vision and goals. All suppliers are required to follow RBA requirements as well.



**Responsible Business Alliance**  
Formerly the Electronic Industry Citizenship Coalition  
Advancing Sustainability Globally





The Code of Conduct of RBA centers on the principles which all business activities shall comply with the laws, legislations and regulations in the country where the company is based at. The CoC is in line with UN Guiding Principles on Business and Human Rights, in which many regulations are referred from critical international human rights standards, including ILO's Declaration of Fundamental Principles and Rights at Work and UN Universal Declaration of Human Rights.

The Code of Conduct of RBA includes five major aspects:

1. Labor
2. Health & Safety
3. Environmental
4. Ethics
5. Management Systems



RBA Validated Audit Process (VAP) is regularly conducted in each plant; the average audit score in each plant in 2020 was 178.6, far higher than the annual average score of 169 in 2020.

Plant	Audit Scoring	Accreditation Level	Findings	Improvement Measures
 Tamsui Plant	196.5	Gold	Working Hours Management	Improvement measures have been implemented through project execution.
 Dongguan Plant	177.1	Silver	Working Hours Management Labor insurance calculation	
 Wuhan Plant	183.6	Gold	Working Hours Management	
 Philippines Plant	157	N/A	Employee personal protective equipment (PPE); regular employee professional licens training, etc.	

Notes :

1. VAP findings were based on the audit results as of December, 2020. The total score for VAP is 200, with three levels of audit deficiencies as follows: Priority, Major and Minor.
2. RBA CoC states that employees overtime hours shall not exceed the hours set in the local regulations. Due to production capacity adjustment in some of the plants, employee working hours exceeded overtime hours in certain months exceed the hours set in the local regulations.



RBA Official Website  
<http://www.responsiblebusiness.org/>





# 03 Win-Win

## Mutual Benefit R&D and Innovation

3.1R&D & Innovation

R&D and capability of innovation indicate the driver for a company to grow and approach sustainability. On the base of this principle, AcBel develops its roadmap for R&D, patent application, and knowledge development map as a strategic plan from its vision and commitment.

The blooming progress and development in computer technology, Internet communication, consumer electronics, automobiles, medical technology, national defense and aerospace has overall driven the need for power supply products. AcBel utilizes its 40 years’ experiences in R&D to make modularized power supply products in accordance with market requirements. In compliance with international certification standard and regulations, AcBel also strives to optimize energy consumption, compactness and density and increase the efficiency of its power supply products.

In addition, in response to climate change and international trend of green energy industry, we take advantage of existing power R&D technology to expand the operational strategy deployment in green energy field. In recent years, AcBel has stepped into solar energy for power generation and developed energy integration management platform to provide energy aggregation service.

Power Supply R&D Field

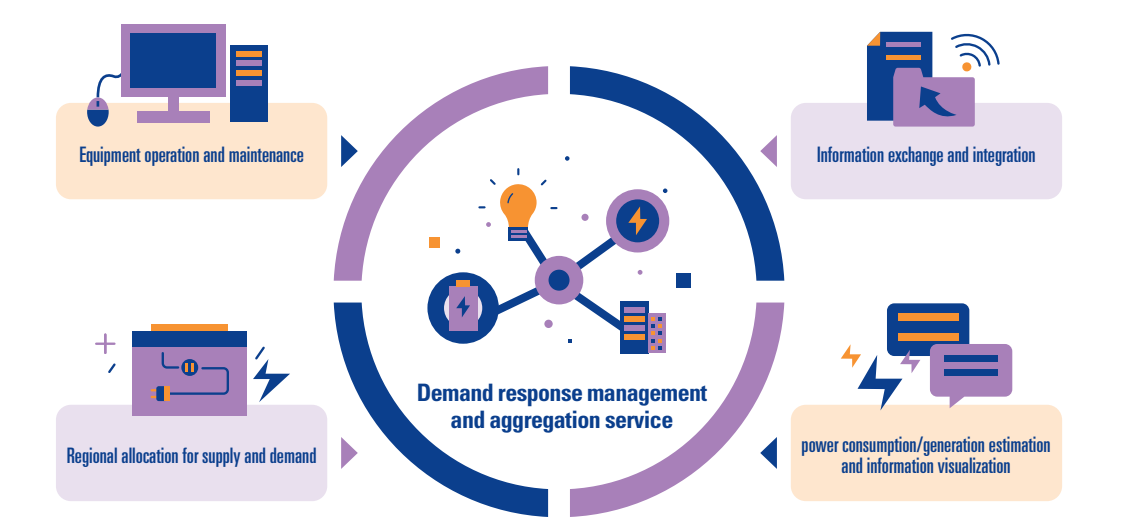
Product Design Module		Product Design Quality		Future Product Strategy	
Strategy	Action	Strategy	Action	Strategy	Action
● Product spec. integration	● Construct high density circuit design	● Production team joining early-stage design	● Early deployment for production automation		● Power wall R&D application
● Circuit design standardization	● Increasing the percentage for standard materials		● Integrating R&D/safety standards/ manufacturing test procedure and increasing AI and automation test ratio	● Green energy application	● Electric vehicle charging equipmen
● Parts material standardization	● Strategic suppliers for parts integration	● Verification and test optimization			● Energy storage
● Digital control technology	● Software and hardware design integration				

Green Energy Field

Solar Power Generation		Smart Management		Energy Aggregation	
Strategy	Action	Strategy	Action	Strategy	Action
● Plant installation	● Supporting national policy to build solar plant and develop green energy	● Smart management of power plants	● Connecting smart reading technology of the smart meter and energy management platform to increase the energy scheduling capacity	● Demand response and scheduling	● Using electricity management platform to optimize electricity scheduling
● Monitoring and control service	● Constructing monitoring system for the solar power plant, intelligent operation and maintenance and dispatching.			● Renewable energy certificates and trading	● Putting green energy into renewable energy certificates market to boost global competitiveness of low-carbon products
● Maintenance and operation service		● Power storage system	● Energy Management System (EMS)		

AcBel has actively engaged in energy aggregation service field, continuing to install solar plants to provide green power with the deployment of power storage equipment and smart grids. We use smart meter as the development core and integrate Automated Metering Infrastructure (AMI), including Meter Data Management System (MDMS), with the introduction of energy management and demand response management technology for effective monitoring of power consumption.

Besides, in react to international trend of Environmental, Social and Governance (ESG) and the concrete commitment of fulfilling environmental sustainability, many corporations have planned ahead for green power procurement to maintain their competitive-ness worldwide. By supporting the government's policy of energy transformation and increasing the percentage of green power consumption, AcBel joined the trading platform of renewable energy certificates to vitalize green energy market and apply energy more effectively for boosting production and reducing GHG emissions so as to speed up the process of approaching clean economy.



3.2Patents Management

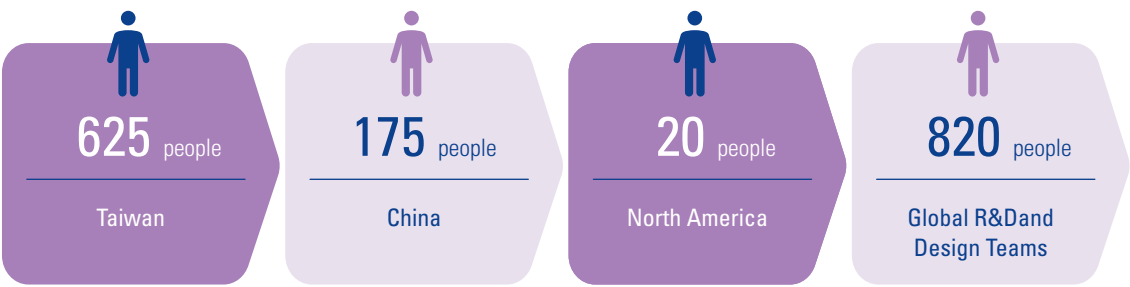
Amount of R&D Investment and Patents

Unit: NTD\$ thousand

Year	2018	2019	2020
Amount	1,147,612	1,299,538	1,503,623
R&D investment amount as a percentage of operating expenses	6.13%	6.31%	7.17%
Patents acquired	18	12	13

AcBel has quickly responded to the market and service requirement from customers for new product, which raises the complexity of intellectual property management, and therefore has set up Legal and Intellectual Property Division as the dedicated department to be in charge of patent application, intellectual property right management and legal related matters and map out patent strategy, with the aims of avoiding any breach of intellectual property right and any risk for hampering future product and services as well as conflicts with existing and potential competitors. In order to snatch the advance opportunity in technology development or innovative service, AcBel allocates proportional amount of R&D investment and incentive bonus every year to encourage R&D team for strengthening its R&D capacity and keeping the competitive edge in the market.

Population Profile of Global R&D and Design Teams



3.3 Green Cycle

In view of customers’ growing awareness of green supply chain, AcBel demands its employees and partners to carefully consider the environmental impact at every stage of product design, production, transportation and application. We also evaluate the green cycle of each product stage from the perspective of life cycle, including R&D, production and manufacturing, application efficiency, safety, product scraping, etc. with an aim to producing environmental friendly products that are energy-saving non-toxic/low toxic or recyclable.

Cycle	R&D Design (Green Design)	Component Procurement (Green Procurement)	Product Manufacturing (Green Manufacturing)	Product Transportation (Green Transportation)	Product Recycling (Green Recycling)
Measure	Increasing product efficiency and reducing energy consumption	Using environmental friendly material and purchasing local materials	Monitoring energy consumption effectively with energy recycling	Adopting low-carbon vehicles for transportation to reduce unnecessary GHG emissions	Increasing the recycling rate of power supply produc
Responsible Dept. / Related party	R&D, procurement, manufacturing	Procurement, quality assurance, suppliers	Manufacturing, quality assurance	Manufacturing, sales	Customer

Our production efficiency not only complies with international standards but also adheres to regional, national or international environmental regulations of prohibited or restricted materials, including "Restriction of Hazardous Substances (RoHS)" and "Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)" set by the EU, "Restriction of Hazardous Substances (RoHS)" and "Volatile Organic Compound (VOC)" set by China, conflict minerals, "California Proposition 65," " Waste Electrical and Electronic Equipment Directive (WEEE)," Ozone Depleting Substance and Customer's Environmental Restricted Substance Control Regulation. These regulations are also applied in our product design and components procurement as to make sure our products are in compliance with the latest requirement of environmental laws and regulations.



Management Strategy

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Management Principle

Following the IEC 62474 specification framework and the requirements of the country where customers are, AcBel integrates different regional, national or international environmental laws and regulations to formulate "Environmental Management Substances Specifications," in which clearly specifies the relevant regulations and standards on banned or restricted substances, conducts product chemical substance management, and aims to obtain IECQ QC080000 management system certification.

Since 2004, the "Environmental Management Substance Specification" has been formulated as the company's international directives and a total of 134 controlled substances required by brand customers. Through providing control demand upon hazardous substances via various channels, external suppliers and internal departments including procurement, quality assurance and R&D are made familiar with control demands of hazardous materials in aspect of environment and product. In this way, we can be in compliance with international directives, laws and regulation and customers' demand, and achieve the goal of lowering the influence of hazardous substances upon human health and environment.

The products produced by AcBel are 100% compliant with EU RoHS requirements and the "Environmental Management Substances Regulations," but the scope of substances required by the company's product characteristics is less than the IEC 62474 standard. Compare with content of the declared substance items in IEC 62474, the substances managed by the "Environmental Management Substances Regulations" show 53.29% consistency. The remaining items that are not included will continue to be added to the company's "Environmental Management Substance Specifications" depending on the management requirements of the customers and the country where they locate or international regulations.

In 2020, AcBel's power supplies and other products are fully compliant with RoHS regulations and its control substances (including IEC 62474 reporting standards). The revenue of power supplies accounted for 82.05% of total revenue. The remaining 17.95% were non-modular power supply products which are not subject to RoHS and IEC62474 regulations.

Relevant Product Revenue in Compliance with the Management of Hazardous Substances Control List

Unit: NTD\$ thousand

Product Type	Revenue	Percentage of total revenue
Power Supply	17,217,448	82.05%
Except Power Supply	3,766,309	17.95%

- Notes:
- In 2020, the company's power supply product types complied with RoHS and IEC 62474 declaration specifications, accounting for 100%.
  - The important regulations or standards for the company's hazardous substance management details are as follows:
    - EU: The latest RoHS and REACH regulations, restrictions on the sale and use of PFOS 2006/122/EC (the 30th amendment of Directive 76/769/EEC), 94/62/EC of packaging and packaging waste EC Directive and its amendments, Dimethyl Fumarate (DMF) Restricted Use Directive (2009/251/EC), Restricted Sales and Use of Azo Dyes 2004/21/EC Directive (76/769/EEC Directive 13th Amendment), Waste Electrical and Electronic Equipment Directive (WEEE), etc.
    - China: latest China RoHS 、 VOCs.
    - U.S.: Proposal 65 of the State of California: California Safety Drinking Water and Toxic Substances Mandatory Act, Consumer Product Safety Improvement Act (CPSIA) H.R.4040, Toxic Substances Control Act (TSCA), etc.
    - Others : Montreal Protocol on Substances that Deplete the Ozone Layer, Convention for the Protection of the Northeast Atlantic Environment, IEC61249-2-21 (materials for printed boards and other interconnecting structures), JIG-101 (Joint Industrial Guidelines for Electronic Product Material Composition Declaration), domestic and foreign business related environmental management and substance regulations, etc.





### Green Design

The modularization and digitalization of power supply product facilitates energy efficiency, reduction in product size and the application of environmental protection materials. The design of the power supply products is in conformity with Energy Star requirements and 80 PLUS grade (up to Titanium grade certification) energy mark requirements.

Due to the fact that some international energy efficiency certifications are based on terminal products as the final certification basis, it is impossible to carry out label certification for power supply products alone. Thus, the company adopts international energy efficiency standards for design and manufacturing in the research and development process, and then the customer proposes the third-party energy efficiency certification, such as: EPEAT (Electronic Product Environmental Tool), Energy Star, etc. for the product. Therefore, in 2020, power products do not need to obtain Energy Star certification, but their energy efficiency is 100% in line with international standards.

The company is committed to providing products and services that can improve and promote energy efficiency, including major power supplies and related products that across the smart grid industry chain. Such as: notebook computer adapters/desktop chargers, all-in-one computer power supplies, desktop computer power supplies, wall-mounted adapters/chargers, smart meters and other major products, which meet the requirements of international certification standards or specifications. In 2020, the total revenue of the above-mentioned related products was NTD 8.883 billion, accounting for about 42.33% of the total revenue.

Notes: International certification standards or specifications of the company's main products include but not limited to: 80 Plus, EU ErP, EU Code of Conduct External Power Supplies, Department of Energy, USA, California Energy Commission, Canada Natural Resources, Australian Greenhouse and Energy Minimum Standards, Canada Quebec regulations and Canada O. Reg. 509/18: Energy and Water Efficiency-Appliances and Products.



### Green Procurement

AcBel conducts the management and procurement of materials in accordance with its "Environmental Management Substance Specifications" regulation and IECQ QC080000 Hazardous Substance Management System. The raw material supplier must specify the prohibited environmental management substances in the specifications or contracts and provide verifying certification of materials or other relevant certification materials that meet the requirements of environmental management substances. In addition, AcBel regularly conducts related audits on suppliers, and uses a systematic management mechanism to ensure that products meet international regulations and customer requirements. Moreover, to reduce environmental pollution and protection of the health of production staff as well as consumers and users. AcBel had 100% green procurement rate that in compliance with RoHS, REACH, lead free and halogen free regulations.



### Green Processing

Each production base fully adopts a clean process with low or zero pollution, while reducing waste, recycling and increasing energy efficiency to make sure the non-toxic, environmental friendly and energy saving manufacturing process to reach the goal of minimizing the waste production. In 2020, Dongguan plant introduces Zero Waste to Landfill, UL ECVP 2799 (UL 2799), which manages, examines and audits all the waste logistic in order to make sure the process of recycling, reuse, conversion, etc. instead of being directly disposed in landfill. The company aims to reach 95-99% waste conversion rate and is expected to obtain gold level certification. In the future, this measure will be promoted to other production plants to boost the effectiveness of waste reduction.



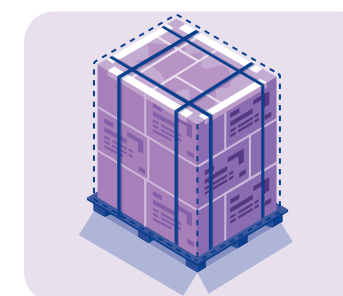
### Green Packaging

The company uses recyclable materials as much as possible for the packaging materials used in product shipments, including paper and plastics. At the same time, it complies with the EU Packaging Materials and Packaging Waste Directive (Directive 94/62/EC) that the total content of four heavy metals such as lead, cadmium, mercury and hexavalent chromium specified in packaging materials shall not exceed 100 ppm. As for product plastics, nor does it use polyvinyl chloride (PVC), which is generally banned. In the control of usage, it is required to fully reuse, so that the usage of packaging materials and the output of waste are reduced to a minimum; and actively cooperate with suppliers to convert parts supply cartons into shipping cartons for finished products, which can save more than 50% of the packaging material usage. Also, through the standardization of packaging cartons and flexible interior partitions, carton inventory can be reduced and the efficiency of product transportation can be improved.

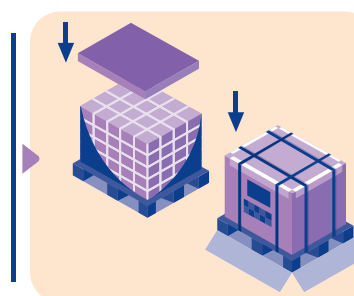
## Reduction of Packaging Materials - Smart Meter

### Stacked Pallet:

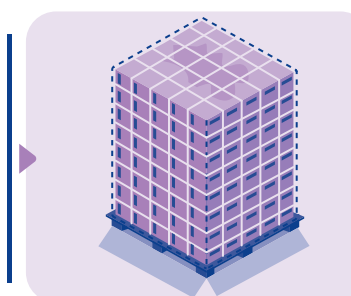
- In 2018: cardboard boxes +plastic bag+ corner paper + pallet
- In 2019: peripheral upper and lower cover+ polyester strapping+ corner paper + glue film+ pallet (25% reduction of packaging)
- In 2020: removing peripheral upper and lower cover, polyester strapping and corner paper, only using glue film+ pallet (40% reduction of packaging) and increasing numbers of stacks (from 108 pallets to 120 pallets)
- Uses recycled boxes in parts of the shipment based on customers' need.



2018



2019



2020



### Green Transportation

To reduce unnecessary carbon emissions during product transportation, AcBel has actively coordinated with customers for product delivery through manufacturing arrangement, and collectively ships out products with transportation of low pollution and energy saving. The GHG emissions of product transportation is calculated and certificated with ISO 14064 Inventory of GHG Emissions since 2020, allowing more effective management of overall carbon emission and increasing the effectiveness of energy saving and carbon reduction.



### Safety Testing Laboratory

To avoid defective design or improper use of products that may incur accidents, AcBel sets up a professional safety laboratory that meets the "ISO 17025 General Requirements for the Competence of Testing and Calibration Laboratories" to assure product safety. Our lab is capable of conducting product safety certification on more than 90% of the products (except for certain product with special specifications) so as to ensure its appropriateness and safety are fully aligned with regulations and safety certification standards.

The company safety laboratory meets the following qualification standards:

- TAF ACCREDIATE (IEC/ISO 17025)
- UL CTDp (Client Test Data Program)
- CSA CPC (Category Program for Certification)
- TUV TMP (Testing at Manufacturer’s Premises)
- NEMKO SMT (Supervised Manufacturer’s Testing)
- CSA CTF(Customer Testing Facility)
- NEMKO CTF(Customer Testing Facility)
- TUV CTF(Customer Testing Facility)
- IEC 62368–1(Audio/video, information and communication technology equipment: Safety requirements)


### 3.4 Quality Management

AcBel consistently abides by the "Producing Products with Zero Defects in Pursuit of Excellence" principle as its core strategy for enhancing product quality that meets customers’ needs and expectation. In addition, AcBel passed the verification by ISO 9001:2015 Quality Management System Standardization. Through continuous improvement process, AcBel has established a corporate quality culture of "comprehensive quality management," "zero defects" and "quality first." With these efforts, AcBel provides customers with satisfactory products and services and increased the overall competitiveness of the value chain.

### Quality Cost and Strategy


#### Prevention Cost

Prevention costs are incurred to prevent defective product and services, including program and management system, personnel training, quality control process as well as the cost to reduce the defective product through the enhancement of design and production stages.



#### Strategy

- (1) Strengthening corporate quality culture and concept.
- (2) Making sure the design of each stage, manufacturing process audit and change control management through the application of management system.
- (3) During product R&D stage, we review and improve related possible quality failure and risk by data simulation and manufacturing evaluation as to avoid the quality cost during mass production.
- (4) During product trial, we evaluate possible quality cost and risk when entering mass production and use standardization or fool-proof mechanism for real-time improvement.




#### Measure

- Employee Training Programs: Increasing employees’ quality management knowledge as well as their professional skills, in particular for employees in charge of R&D, manufacturing, QA, etc.
- Lean management system: Applying standardization procedures and continuing the optimization of quality management efficiency to avoid unnecessary waste.
- Manufacturing Process Optimization: Optimizing manufacturing arrangement for production to reach quality requirement.
- Regular Equipment Testing: Setting up procedures for regular equipment testing to make sure the equipment accuracy.
- Supplier Management: Making sure the material quality of suppliers with supplier management platform and onsite auditing.
- Customer’s Production Management Audit: Accepting the factory compliance audit requested by customers regularly or irregularly during the introduction of new product or new technology to make sure the smoothness of manufacturing and quality.




#### Appraisal Cost

Appraisal costs are incurred to inspect and test products and services.




#### Strategy

- (1) Continuing to promote self-check and using fool-proof mechanism to avoid negligence and abnormality.
- (2) Optimizing testing and sampling measure to reach the goal of economic efficiency.



#### Measure

- Quality management system verification: Making sure the effectiveness of ISO 9001:2015 quality management system.
- Component supplier management: Increasing supplier’s quality management ability and strengthening bilateral communication to clarify issues such as incoming material quality, product design or application.
- Incoming Quality Control: Testing and inspecting incoming materials in order to discover issues in the supply chain and reduce the cost of quality. This measure can assist the suppliers in conducting internal quality control on the supplied materials. In the future, components suppliers’ OQC ability will be enhanced, as to elevate IQC inspection efficiency and to reduce production costs for the company.
- InPut Process Quality Control: The quality control of the product from the production of the material to the final packaging process of the product, including both old and new product line.
- Outgoing Quality Control: Inspections conducted before shipment to ensure that the shipped products meet the customer’s quality requirements.



### Failure Cost

Taking care of the disqualified products/services falling short of customers' requirement. Redesign, retesting or reworking products/services after discovering defects or errors.



### Strategy

Tracking down the root cause of the failure to solve the problem and improving strategies that extend to similar products, manufacturing process or services as to maximize the prevention effect.



### Measure

- Increasing R&D Capacity: Using designed procedure to control the product quality at each phase, excluding potential issues and increasing reliability in advance to assure the quality of design and development process.
- Strengthening Process Capability: Optimizing production equipment and enhancing skill for staff of product line by the introduction of automation manufacturing process to reduce human errors.
- Product Traceability Management: Promoting tracking management of product traceability and make sure the source and quality of every part and component during manufacturing process.



Quality Cost	Failure cost	Prevention cost	Appraisal cost	Total
Percentage	23.78%	12.09%	64.13%	100.00%

The quality cost contains human resource and equipment which accounts for the highest share of appraisal cost, and hence we strengthen the test management of Incoming Quality Control (IQC), test & inspection management auditing of In Process Quality Control (IPQC) and quality management of Out-going Quality Control (OQC), while promoting manufacturing automation, reducing human cost and avoiding man-made differences. Thus, the consistency of product quality is further enhanced and help us to control appraisal cost more effectively which can reduce the overall quality cost.

## Quality Improvement



In order to achieve continuous improvement in quality, the Quality Assurance Center initiates the Quality Improve Programs, to realize the goals of "Improving Customers' Satisfaction" and "Reducing Quality Cost." Through monthly collection of the statistics, analysis, modification, supervision and prevention, we can assure the continued quality improvement. Based on the aforementioned quality cost and strategy, we also apply action program to make sure quality improvement can be fully realized.

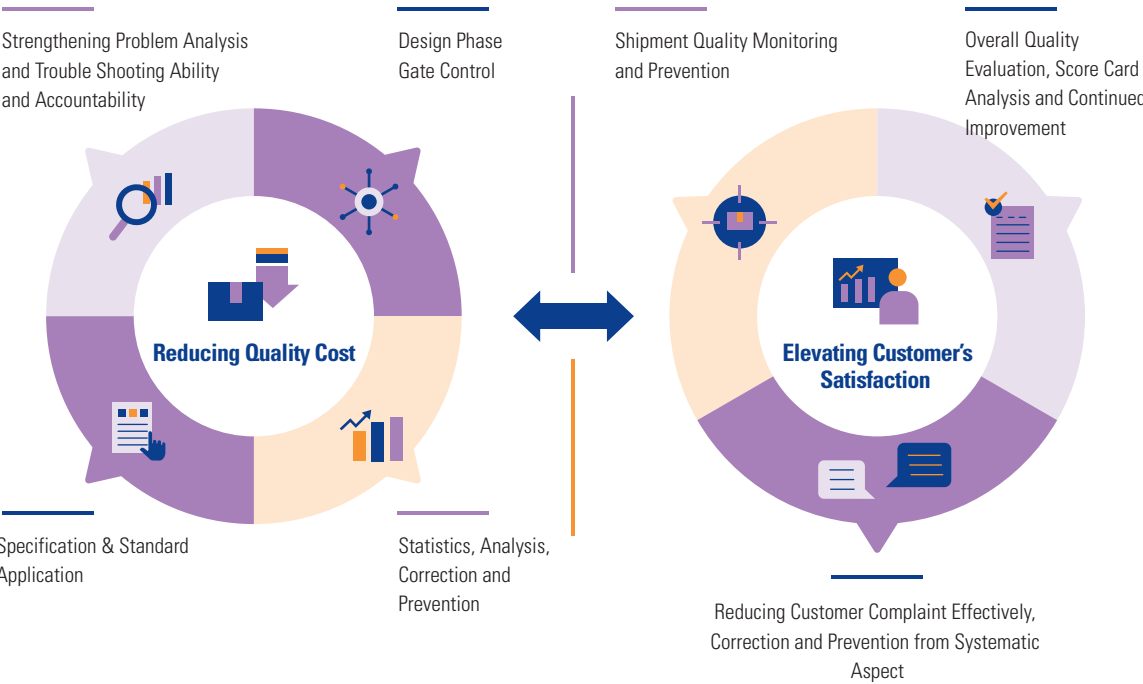
When product quality problems occur, the faulty products will be examined by the "Quality Improvement Team," which is composed of members from the departments of R&D, engineering, procurement, manufacturing, quality assurance and customer service. Problem-solving process is based on three major perspectives, including "Design Quality Enhancement," "Process Improvement" and "Material Quality Improvement" for corresponding solutions. Moreover, "Design and Production Management Platform" for systematic management is introduced as so, to prevent identical occurrences in the future through real-time information management.

## Quality Improvement Procedure

Stage	Quality Auditing	Quality Control	Quality Improvement	Customer Service
Purpose	<ol style="list-style-type: none"> <li>1. Product standard meeting customers' requirement.</li> <li>2. Preventative quality management and strengthening product design quality.</li> </ol>	<ol style="list-style-type: none"> <li>1. Using educational training to elevate product quality capability for employees.</li> <li>2. Using supplier management measure to encourage or eliminate suppliers for continued quality improvement.</li> </ol>	<p>Detecting quality flaws from three perspectives including "Design Quality Enhancement," "Process Improvement" and "Material Quality Improvement" in order to avoid repetition of the same issue.</p>	<ol style="list-style-type: none"> <li>1. Strengthening after-sales management</li> <li>2. Satisfying customer or consumers' requirement</li> </ol>
Execution Item	<p>Introduction of Advanced product quality planning (APQP)</p>	<ol style="list-style-type: none"> <li>1. Employees' quality engineering capability upgrade</li> <li>2. Manufacturing technique upgrade for product line employees.</li> <li>3. Regular verification for production equipment.</li> <li>4. Supplier training and onsite audit.</li> <li>5. Prevention management on fake components.</li> </ol>	<ol style="list-style-type: none"> <li>1. Inspection on magnetic, active &amp; passive components, PCB and wire quality, etc.</li> <li>2. Using production traceability and quality incident tracker to integrate quality issues effectively.</li> <li>3. Conducting source systemization for prevention and improvement through lesson learned.</li> </ol>	<ol style="list-style-type: none"> <li>1. Customer satisfaction survey</li> <li>2. Accepting customer onsite audit</li> <li>3. Regularly organizing quarterly business review (QBR) with customers</li> </ol>
Management Tool	<p>E-PM Platform</p>	<ol style="list-style-type: none"> <li>1. Employee training system</li> <li>2. ePartner System (Supplier Management Platform)</li> </ol>	<ol style="list-style-type: none"> <li>1. Manufacturing process management system</li> <li>2. E-PM Platform</li> </ol>	<p>E-PM Platform</p>

Quality Management Strategic Roadmap

Item	Details
 Reducing Quality Cost Completing System Quality Structure	<ul style="list-style-type: none"><li>● Quality data collection &amp; application: real-time monitoring and traceability improvement</li><li>● Design procedure optimization</li><li>● Digital quality management: data analysis and prevention improvement</li><li>● Intelligent production: reducing numbers of online QC employees and human interruption</li><li>● Overall management control: prevention management for material quantity and quality and the material portfolio traceability during manufacturing</li></ul>
 Increasing Customer's Satisfaction	<ul style="list-style-type: none"><li>● Promoting STSM (Sub-tier Supplier Management), increasing supplier's overall quality.</li><li>● Strengthening real-time problem analysis ability of CM (Contract Manufacturer) and FAE (Field Application Engineer)</li><li>● Self-quality management capability: elevating NPI (New Product Introduction) for product design and mass production yield</li><li>● Increasing test automation and information transparency, increasing confidence level of the customers.</li></ul>



Product Recall

There was no recall case related to product safety in 2020, but there was one single event reported due to customer's attempt to reduce the risk of power failure that led to malfunction of the terminal product. In this event, AcBel took the responsibility and planned to send out our engineer to test and examine the product. However, due to the severe condition of COVID-19, the customer refused our arrangement. Given the time pressure for shipment, the product was sent back to AcBel for testing and examination. After testing and examination, there is no safety issue regarding our product and hence the customer's trust for AcBel is consolidated.



04 Integration  
Environmental Friendliness

With the increasing attention to global climate change and the demand for environmental friendliness, promoting environmental sustainability has become an important duty for corporate development. As a member of the power and green energy industry, AcBel has been promoting various energy-saving and waste-reduction management solutions that aim at "making good use of energy, improving energy efficiency, reducing carbon emissions and preventing pollution." The management solutions include evaluation and determination of Science Based Targets initiative (SBTi), greenhouse gas (GHG) and water footprint inventory, waste management and air/water pollution management. Through these solutions, AcBel puts the value chain in practice together with other power and green energy industries so as to actively implement the commitment and performance of environmental sustainability.

## 4.1 Environmental Sustainability Management



**Material Topics**

⊙ Energy management ⊙ Greenhouse gas emissions

In response to climate change and limited energy, AcBel has been adhering to international initiatives and regulations. We value the importance of energy management and increasing utilization efficiency of energy, establishing goals for GHG emission reduction, meet the customers' carbon reduction requirements, and ensuring the fulfillment of sustainable responsibility as a corporate citizen.



**The Importance of the Material Topics and Impact Boundary**

As a professional power supply manufacturer and a service provider of energy integration, AcBel provides products and services with high conversion efficiency as well as solar power to reduce dependence on hydropower, coal, oil, natural gas and nuclear power. With energy management and GHG reduction measures, AcBel has been able to reduce the negative impact of the company's operations on global warming, and extend the management to the supply chain so that the overall efficiency of energy sustainability can be improved.



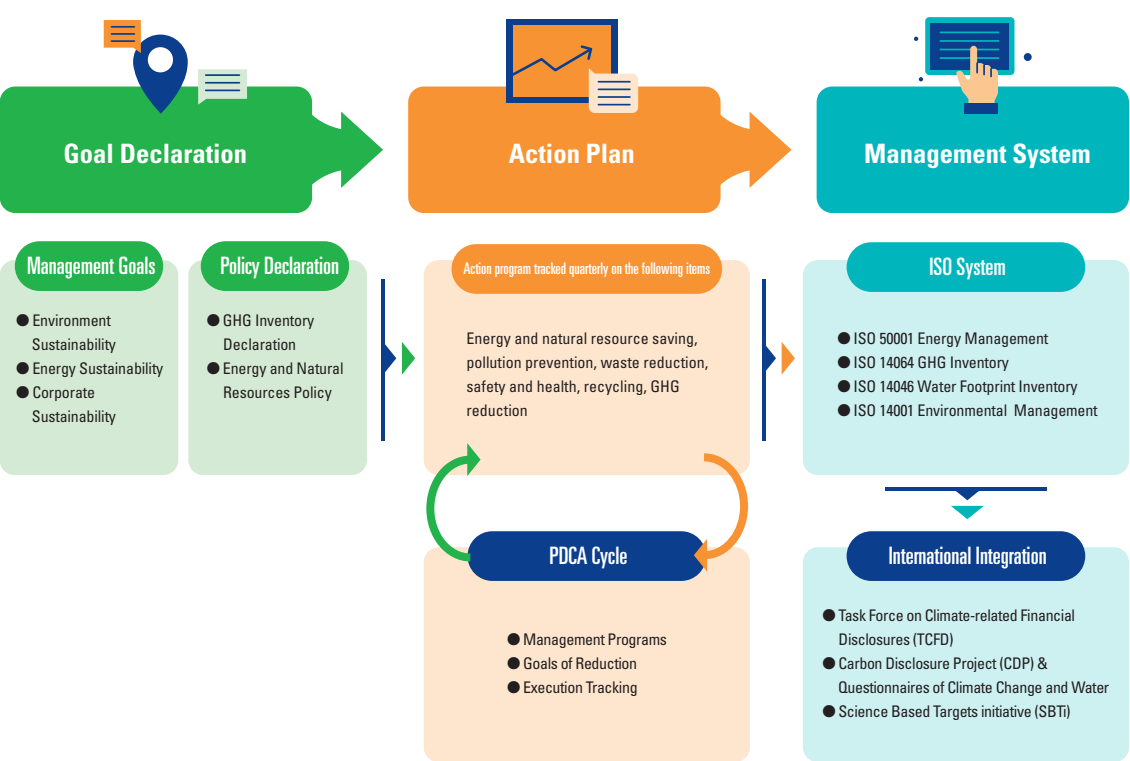
**Energy & GHG Management Approach and Goals**

AcBel has established several management guidelines and goals for energy management and greenhouse gas reduction. Such guidelines and goals include: (1) establishing ISO management system; (2) improving energy performance; (3) implementing greenhouse gas inventory; (4) introducing Task Force on Climate-related Financial Disclosures (TCFD); (5) filling in questionnaires of Carbon Disclosure Project (CDP), climate change and water safety, and; (6) evaluation and determination of Science Based Targets initiative (SBTi).

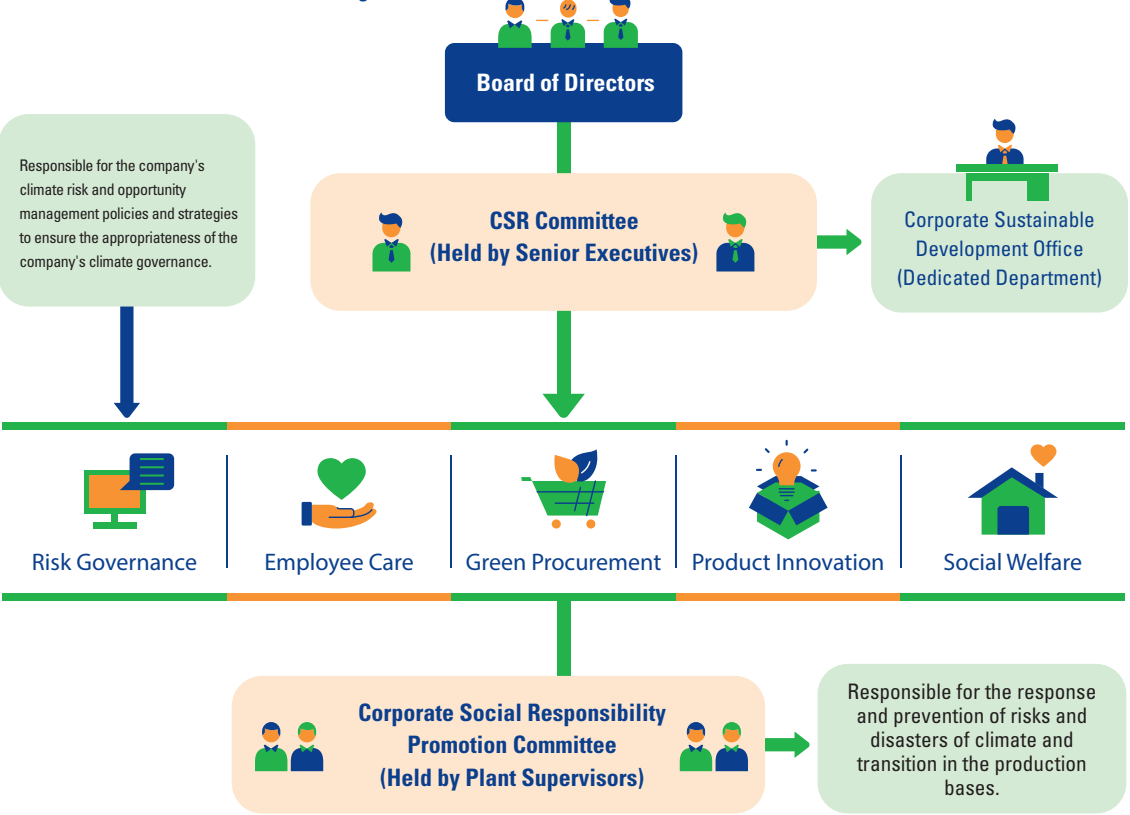
**ISO Management System**

For greenhouse gas management, AcBel has introduced ISO 14064, ISO 14001, ISO 50001 and ISO 14046 to our energy management system in the hope of identifying best methods of energy saving and improvement. With the introduced standards, the company can effectively manage its annual energy and resources consumption as well as greenhouse gas emissions and achieve various reduction goals, which reduce the company's environmental impact of operation.

## Energy & Natural Resources Management Process



## Structure of Climate Governance Organizations





TCFD & Operational Governance

Being a leading enterprise in the global power supply industry chain, AcBel plays a key role in the transition of the global low-carbon economy. Furthermore, AcBel's layout of new energy business plan demonstrates its commercial competitive advantages. When it comes to the way of governance concerning an era of net zero carbon and the climate change issues, the impact which climate issues bring needs to be dealt with carefully. In 2019, the TCFD framework was established, and incorporated considerations of climate change risk into AcBel's existing risk management structure. Mechanisms such as identification of climate-related risks and opportunities and setting of carbon reduction goals help improve AcBel's management of climate risks and opportunities. In this way, AcBel has been able to continuously respond to concerns and expectations of its climate governance from the government, customers, investors and the general public. The company has already reached the milestone of "Sustainable Green Energy 2020" in 2020. In 2021, AcBel will respond to the Science Based Target (SBT) initiative and set its overall carbon reduction target with goals of water saving and waste reduction from "Energy Sustainability 2030" as challenges for next stage's energy saving scheme. As a follow-up, we will continue to implement actions to respond to climate change with science-based methods.

Responsibilities of Climate Governance Organizations

Item	Organization	Responsibility
Governance	Board of Directors	The Board of Directors is the company's highest decision-making unit for climate governance. It's responsible for monitoring and supervising the performance of company's governance and goal achievement on climate-related issues. The implementation method is mainly through reviewing the quarterly or annual CSR governance performance at the annual board meeting, which includes the current governance and goal achievement status of climate-related issues. In 2020, the board has reviewed the climate-related energy-saving, carbon-reduction, and water-saving goals. At the same time, the board also considers climate-related issues when formulating the organization's business goals and reviewing the company's crucial action plans (such as important capital expenditures, acquisitions and divestments), risk management policies, annual budgets and business plans.
	CSR Committee	AcBel has established a CSR committee under the board of directors, with the president as the chairperson and the senior executives of the headquarters as the committee members. The committee reports the management performance of climate-related risks and opportunities to the board of directors on a regular basis every year. One report was submitted to the board in 2020. There are five groups under the committee, and committee members organize the group. Among the groups, the Risk Governance Group is the highest staff unit for climate management. It is responsible for regularly implementing and formulating the company's overall climate risk and opportunity management policies as well as responding strategies. In addition, the group regularly collects domestic and foreign climate issues and trends to ensure the appropriateness of the company's climate governance direction and practice. The committee also tracks the progress of goals of "Energy Sustainability 2030" quarterly, and submits the implementation results of climate issues to the board of directors for two-way communication.
	Corporate Sustainable Development Office	The CSD Office is a dedicated department for the company's climate governance. It's responsible for convening and implementing the annual identification and evaluation of climate-related risks and opportunities, coordinating and analyzing climate-related indicators and goals such as the company's energy and natural resources usage as well as carbon emissions every month and submitting the evaluation results quarterly. The office made one report to the CSR Committee in 2020. The report included the impact of flooding on the production base and the following response measures. In addition, the office assisted the CSR Committee's Risk Governance Group to adjust and formulate climate governance strategies.
	Production Bases	Each production base is obligated to report climate governance indicators and goal status to the CSD Office monthly. The bases are also responsible for the response and prevention of risks and disasters of climate and transition in the production bases. In addition, the bases need to report and update the changes in climate laws and regulations in their corresponding area, to plan and implement climate risk response measures and performance tracking, and to cooperate with CSD Office's climate governance regulation of actions.

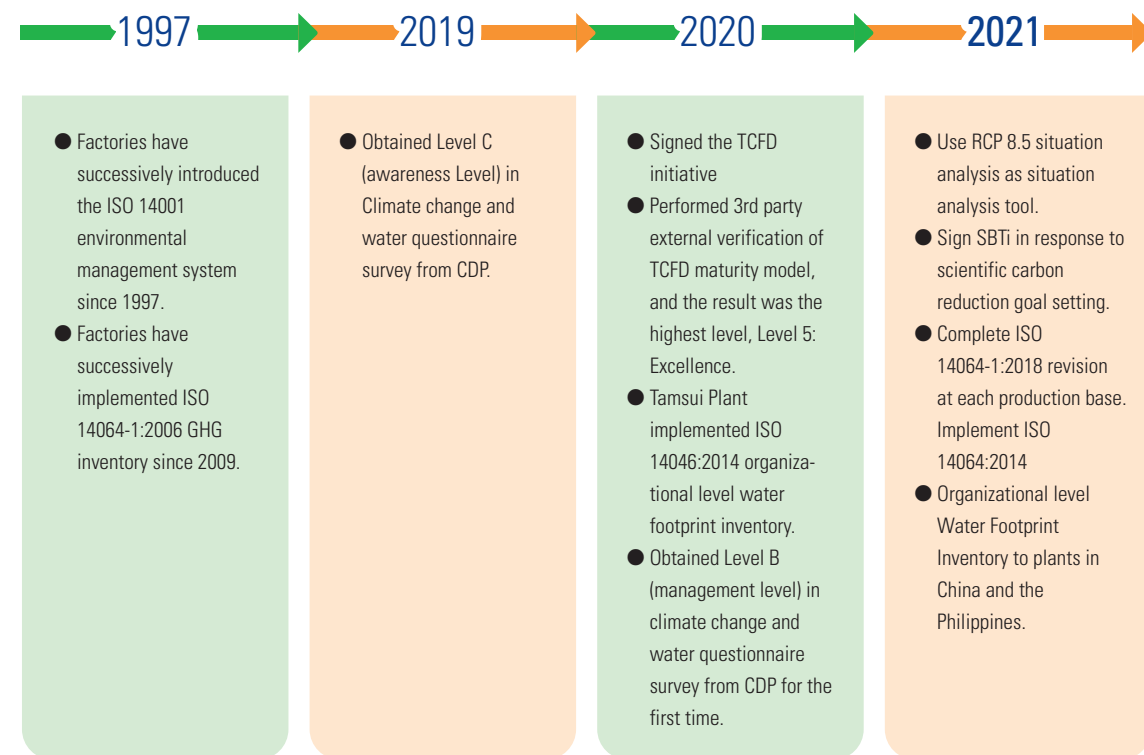
Climate Change Management Strategies, Indicators and Goals



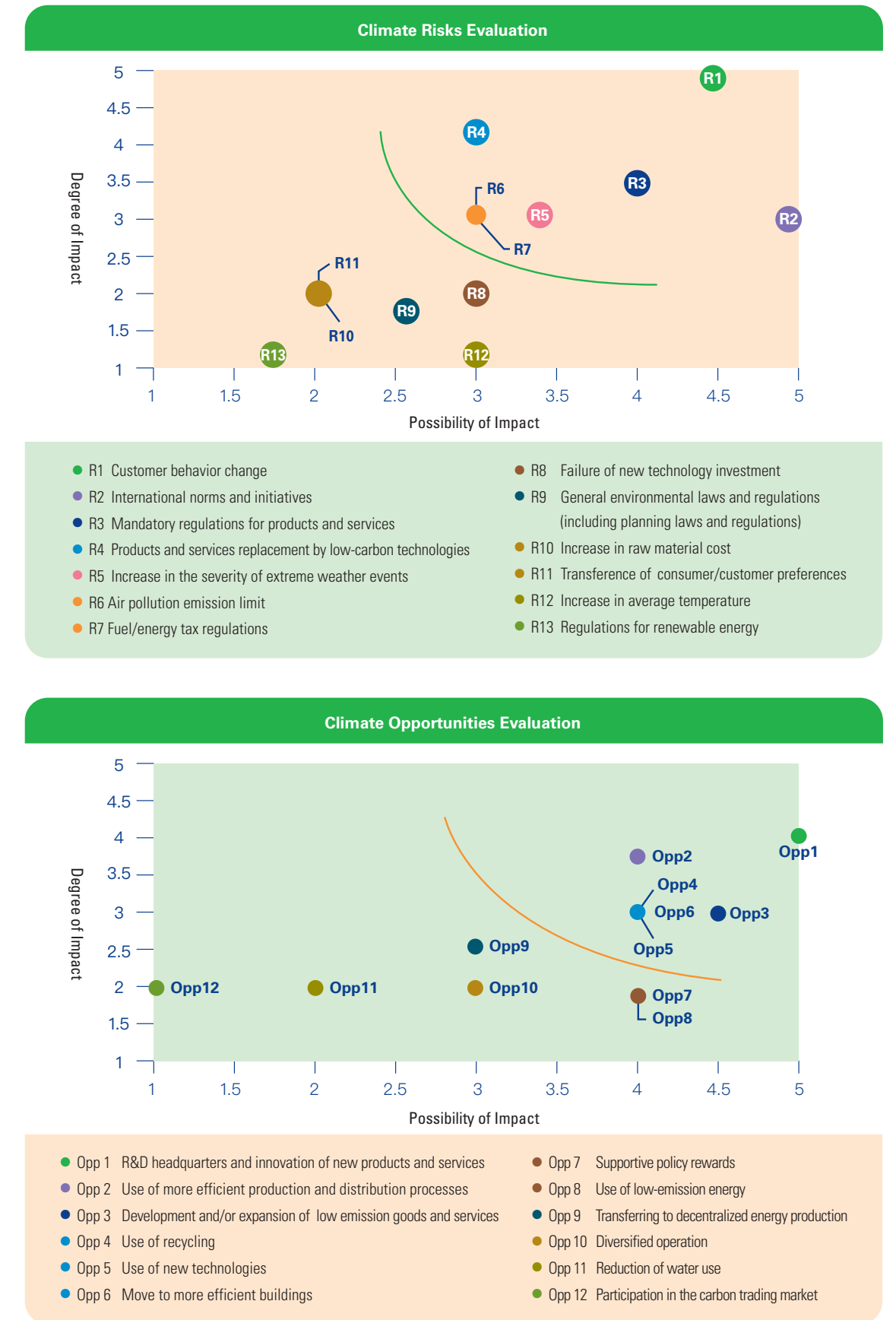


- AcBel uses GHG emissions and its intensity, energy and natural resources use, green procurement, etc., as the company's indicators to measure the impact of climate risk.
- In order to effectively manage the climate indicators and goals, the management performance of the aforementioned climate-related indicators has been incorporated into the salary and reward regulations of the relevant units as one of the considerations, and is controlled by the general manager of each factory. It is regularly reported and reviewed by the president of each plants on a quarterly basis whether the goals are achieved.
- The direct and indirect GHG emissions in the scope are continued to be checked. Moreover, the checking process is gradually expanded to product management and the identification of major emission sources in the value chain. In addition, SBT methodology is introduced to set the reduction goals for Scope 1, 2 and Major Scope 3 this year.
- AcBel continues to revise and set company goals by considering environmental regulations, customer requirements, expectations of stakeholders and external initiatives, etc. and the review of the achievement of various climate-related key indicators and goals every year by senior managers.

## Climate Governance Milestones



## Climate Risk and Opportunity Matrix Data Analysis Diagram



Description of Climate Risks and Opportunities and Response Strategies

Climate Risks Management							
Type of Risk	Climate Risk	Issue	Duration	Production Bases	Items Impacted in Value Chain	Financial Impacts	Countermeasure
Transition Risks	Policy and Legal Risks	International norms and initiatives (R2)	In response to increased awareness of climate change, customers and competent authorities require the promotion of SBT, supplier responsibility requires RBA or disclosure of sustainability accounting standards (SASB) information, etc., which will increase operating costs.	Short term	All	Market, Supply chain	● Increase in operating costs  ● Establishing CSR Committee and actively improve ESG performance ● Making disclosure and communication in accordance with SASB ● Following Responsible Business Alliance (RBA) Code of Conduct and conducting audit ● Advocating SBT
		Mandatory regulations for products and services (R3)	Product sale locations may formulate stricter standards or regulations (e.g. 80 Plus, CQC, DOE, ErP) for product efficiency or labeling. It is necessary to lay out early research on corresponding technical requirements and may need to invest in related equipment and other expenditures, resulting in increased operating costs.	Short term	All	Plants, Market, Supply chain	● Increase in operating costs & capital expenditure  ● Continuing to invest, research and develop high-efficiency green products ● Introducing green recycling manufacturing technology ● Grasping market trends and customer needs for forward-looking technology development
		Air pollution emissions limit (R6)	Countries where production bases located may implement total emissions control of air pollutants, such as total volatile organic compounds (TVOCs). It is necessary to increase the investment in air pollution control equipment, which will increase operating costs.	Short term	Taiwan	Plants	● Increase in operating costs & capital expenditure  ● Introducing air pollutant environmental control system

Type of Risk	Climate Risk	Issue	Duration	Production Bases	Items Impacted in Value Chain	Financial Impacts	Countermeasure
Transition Risks	Policy and Legal Risks	Fuel/energy tax regulations (R7)	Countries where the production bases located set relevant regulations for energy use reduction and equipment energy efficiency. The energy-saving and carbon-reduction measures put in to comply with the regulations have caused an increase in operating costs.	Short term	Taiwan, China	Plants	● Increase in operating costs & capital expenditure  ● Developing and establishing "energy-saving system for burn-in room" to reduce process energy consumption ● Implementing management systems such as ISO 50001 energy management system, ISO 14064 greenhouse gas inventory, ISO 14001 environmental management, etc. ● Setting "Energy Sustainability 2030" carbon reduction goals and including it in the KPI of the plants ● Installing renewable energy devices and batteries in new plants ● Introducing smart manufacturing facilities and smart manufacturing buildings
		Customer behavior change (R1)	In order to enhance the brand image and goodwill, customers may gradually scrutinize the energy efficiency of products, or require the use of environmentally friendly product raw materials and packaging materials, resulting in the need to increase R&D investment or increase operating costs.	Short term	All	Plants, Market, Supply chain	● Increase in operating costs & capital expenditure  ● Reaching 100% of green packaging materials utilization rate ● Continuing to invest, research and development of high-efficiency green products Introducing green recycling manufacturing technology ● Grasping market trends and customer needs for forward-looking technology development
		Products and services replacement by low-carbon technologies (R4)	The market's thresholds of product technology have become stricter. If technological innovation of R&D cannot keep up with market demand, the product will be replaced by other products with higher energy efficiency, lower environmental footprint or innovative product technology, which may affect the number of orders and market share.	Short term	All	Market, Supply chain	● Decrease in revenue  ● Actively laying out fields of green energy production, electricity generation and power creation ● Expanding the application of the products to electric vehicles and smart grid industry chain ● Following SBT to set carbon emission goals for product usage

Type of Risk	Climate Risk	Issue	Duration	Production Bases	Items Impacted in Value Chain	Financial Impacts	Countermeasure
Physical Risks	Acute Risks	Increase in the severity of extreme weather events (R5)	Long term	All	Plants	<ul style="list-style-type: none"> <li>● Increase in operating costs</li> <li>● Decrease in revenue</li> <li>● Loss of assets</li> </ul>	<ul style="list-style-type: none"> <li>● Continuing to invest in disaster prevention equipment and drainage system maintenance</li> <li>● Formulating various standard operating procedures for emergency response</li> <li>● Developing a disaster prevention mechanism and reporting mechanism as well as setting up a crisis management team</li> </ul>

Climate Risks Management							
Type of Risk	Climate Risk	Issue	Duration	Production Bases	Items Impacted in Value Chain	Financial Impacts	Countermeasure
Resource Efficiency	Use of more efficient production and distribution processes (Opp 2)	The use of packaging materials is reduced and lightweight. Automated and intelligent production is introduced to reduce material use and waste generation, thus operating costs are reduced and productivity is increased.	Short term	All	Plants	<ul style="list-style-type: none"> <li>● Decrease in operating costs</li> <li>● Increase in revenue</li> </ul>	<ul style="list-style-type: none"> <li>● Continuing to promote design standardization and improve automation</li> <li>● Continuing to introduce automation equipment to production process</li> <li>● Strengthening the use of environmental protection packaging materials on products and design applications on recyclability</li> </ul>
		Use recyclable materials or reuse waste, such as plastic boxes, tin slag, etc. to reduce waste disposal costs or increase revenue.	Short term	All	Plants	<ul style="list-style-type: none"> <li>● Decrease in operating costs</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthening supply chain cooperation</li> <li>● Strengthening the ability to purchase environmentally friendly materials</li> </ul>
		Newly built plants adopt green building and smart building design to reduce energy and resource use as well as pollution emissions. In addition to reducing operating costs, it also increases asset value by doing so.	Short term	Taiwan	Plants	<ul style="list-style-type: none"> <li>● Decrease in operating costs</li> <li>● Increase in assets</li> </ul>	<ul style="list-style-type: none"> <li>● Fully introducing intelligent production, as well as high energy efficiency equipment and prevention equipment to the new Taiwan plant</li> </ul>

Type of Risk	Climate Risk	Issue	Duration	Production Bases	Items Impacted in Value Chain	Financial Impacts	Countermeasure
Products and Services	R&D headquarters and innovation of new products and services (Opp 1)	Continue to expand the solar power generation and energy storage system models to meet the energy market and new customers' needs, which can increase revenue.	Short term	All	Market	<ul style="list-style-type: none"> <li>● Increase in revenue</li> <li>● Increase in business reputation and brand image</li> </ul>	<ul style="list-style-type: none"> <li>● Grasping market trends and customer needs for forward-looking technology development</li> <li>● Continuing to cooperate and communicate with various universities and colleges to strengthen the company's research and development capabilities</li> <li>● Entering new markets with strategic alliances and cooperation</li> </ul>
		Products using recycled materials, low-carbon labels or energy-saving labels can enhance product competitiveness, meet the needs of high-end customers and respond to market needs, which can increase revenue.	Short term	All	Market, Supply chain	<ul style="list-style-type: none"> <li>● Increase in revenue</li> <li>● Increase in business reputation and brand image</li> </ul>	<ul style="list-style-type: none"> <li>● Grasping market trends and customer needs for forward-looking technology development</li> <li>● Developing differentiated functions or researching for cost-effective products</li> <li>● Continuing to cooperate and communicate with various universities and colleges to strengthen the company's research and development capabilities</li> </ul>
		Participating in the development of low-carbon technology as well as actively investing in renewable energy generation, electricity generation and power creation may create future investment returns or gain investors' favor.	Short term	All	Market	<ul style="list-style-type: none"> <li>● Increase in revenue</li> <li>● Increase in business reputation and brand image</li> </ul>	<ul style="list-style-type: none"> <li>● Continuing to evaluate market potential and regulations as well as make the company's operating strategy flexible</li> <li>● Promoting industry-academia cooperation, establishing a joint research center, and devoting to technology research and product development in the field of electric vehicles and green energy integration systems</li> </ul>

Note: Duration: Short term lasts for 1-3 years, mid-term lasts for 3-10 years, long term lasts for 10-30 years.



Environmental Protection Expenditure

AcBel actively promotes green production and independently establishes an environmental management system. In addition, in the company's operation process, AcBel emphasizes the environmental sustainability concept of energy and resource use, recycling, waste reduction and pollution prevention and thus achieves the company's environmental protection goals.

The company invests funds for environmental protection expenditures every year. In addition to reducing product design sources and process waste output, the company uses recycling measures to effectively classify and recycle waste. In 2020, a total of NT\$155,265,000 will be invested in environmental protection expenditures to promote projects such as process burn-in chamber, central air-conditioning facility updates, setting of smart environmental monitoring system and environmental protection recycling.

Environmental Protection Expenditure

Unit: thousand dollars

Year	Amount of Environmental ProtectionExpenditure	Percentage of Annual Revenue
2020	155,265	0.73%
2019	57,283	0.28%
2018	45,718	0.24%

Notes :

1. Environmental protection expenditures include pollution prevention, energy saving, waste disposal, environmental protection management and cleaning, energy recycling, resource recycling management funds, environmental taxes and management system certification.

2. Due to the false alarm of the fire in Tamsui plant in 2019, the update of much environmental protection equipment was completed in 2020, and the environmental protection expenditure has increased compared to 2019.

4.2 Energy and GHG Management


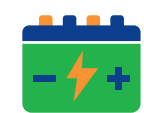

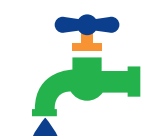
AcBel uses the company's "Energy and Natural Resources Policy" and "Greenhouse Gas Inventory Declaration" as the highest guidelines for GHG and energy management. Mid-, long- and short-term energy management goals and plans were formulated, and the "Social Responsibility Management Committee" of each production base were responsible for implementing the goals and plans. Through the PDCA (Plan-Do-Check-Action) cycle as well as the introduction of ISO 14064 Greenhouse Gas Inventory, ISO 50001 Energy Management System and ISO 14046 Water Footprint Inventory, the effectiveness of the implementation was confirmed and has continued to improve. The effectiveness of the goals and plans also worked as reference for the formulation of annual goals and management actions in the following year in accordance with the company's corporate philosophy of coexistence and co-prosperity with the environment.

Energy-saving Management












AcBel implements energy management to promote various energy-saving programs to improve energy use efficiency. Furthermore, the company establishes an energy performance efficiency management system and continuously improves energy-saving performance through the PDCA management cycle to achieve the goal of environmental, energy and natural resource sustainability. According to energy and natural resource consumption types, the company has divided its facilities and equipment into four categories: lighting, power, air-conditioning and water resources. Through equipment replacement, addition, adjustment, etc., strategy formulation and execution are carried out with settings of energy-saving goal. In addition, at the same time, strengthened promotion of employees' awareness of energy conservation in the use of energy and resources as well as posting energy conservation signs facilitate the internalization of energy conservation awareness and make the awareness integrate into the company's management culture.

Efficacy of Energy-saving Projects

In 2020, AcBel constructed 11 sets of Energy Recycling System (ERS) for energy-saving purposes. Through the application of ERS, the heat generated during the burn-in process was used to generate regenerative electricity in parallel with the mains electricity to reduce energy consumption. Calculated using the ratio of “degrees saved through ERS” to “energy consumption of the product” as the basis, a cumulative energy-saving result of 1,802,008 kWh (energy-saving efficiency of 44%) was achieved. In addition, AcBel implemented the "Factory Warehouse Air-conditioning Equipment Replacement" project, with a total of seven old-fashioned air conditioners being replaced with inverter high-efficiency models. From July, when the project was initiated, to December, a cumulative energy-saving result of 41,158.9 kWh (energy-saving efficiency 39.8%) was achieved. The aforementioned two projects have reached the annual energy saving target of 30% respectively.

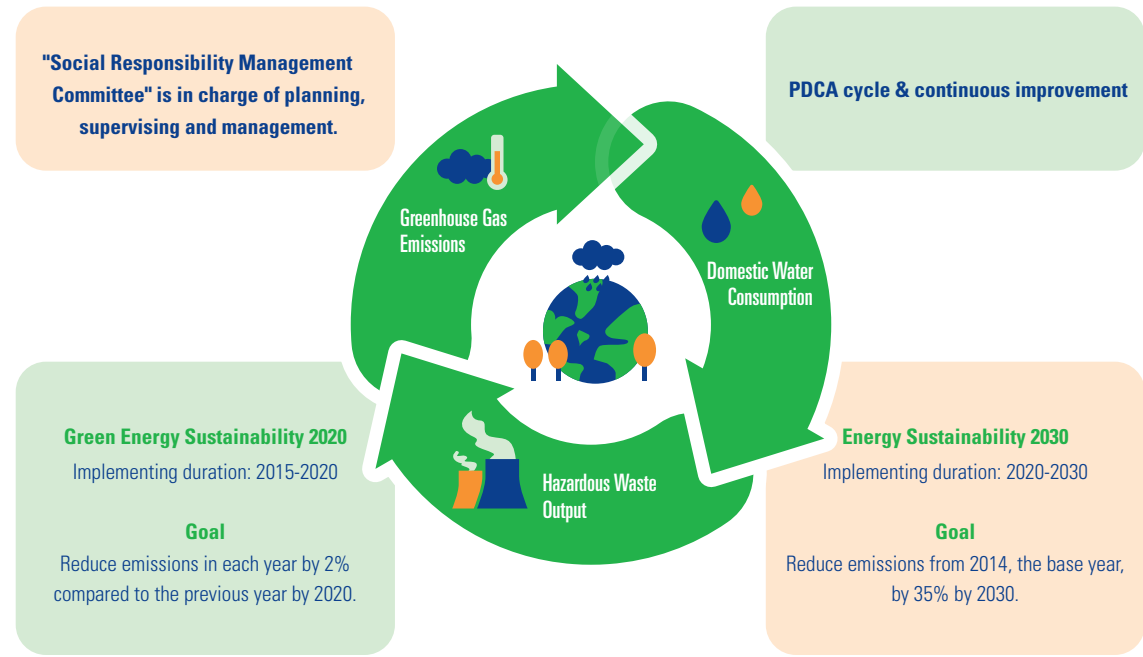
Item	Strategies & Plans
 Lighting Equipment	<div>1. <b>Equipment Replacement</b> Change all traditional lamps to LED lighting equipment.</div> <div>2. <b>Equipment Installation</b> Have the company's staircase lighting fixtures equipped with infrared sensors, which automatically turn on and off to avoid unnecessary power consumption.</div> <div>3. <b>Equipment Adjustment</b> Adjust the light illumination and moderately reduce the number of lamps under compliance with laws and regulations.</div>
 Power Equipment	<div>1. <b>Equipment Replacement</b> Replace a traditional resistance burn-in chamber with 2 ERS - recyclable burn-in chambers.</div> <div>2. <b>Equipment Installation</b> Reduce the air compressor supply pressure as well as inspect and repair air pipe leakage to meet actual production needs and avoid waste of electricity when air compressors are idling.</div> <div>3. <b>Other Management</b> (1) Reduce the basic capacity for electricity demand application in order to reduce the basic electricity bill. (2) Through the peak/off-peak electricity price difference, the high-power-consuming equipment is moved to the off-peak electricity price period to reduce electricity expenses.</div>
 Air-conditioning Equipment	<div>1. <b>Equipment Replacement</b> (1) Replace high energy-consuming screw-type central air-conditioning units with high-efficiency maglev air-conditioning units. (2) Eliminate aged evaporators or improve the efficiency of refrigeration exchange.</div> <div>2. <b>Equipment Installation</b> Use water curtains to cool down the production workshops and add a small iced water machine for better effectiveness, which greatly reduces the workshop temperature and reduces the energy consumption of air conditioning.</div> <div>3. <b>Other Management</b> (1) Reduce the external air intake during summer and increase the external air intake during non-summer periods to help cool down the room and reduce the energy consumption load of air conditioners. (2) Clean cooling water towers regularly and alter the frequency of consumables replacement to increase cooling efficiency. (3) Fix the setting of indoor temperature control panel at 26-28 degrees and implement switch timer control.</div>
 Water Facilities	<div>1. <b>Equipment Replacement</b> Use water-saving toilet flushing equipment in all production bases.</div> <div>2. <b>Equipment Installation</b> Install heat-recycling system for air compressors and convert the heat to warm up water for daily use in staff dormitories; install swipe card control on hot water dispensing to reduce the waste of water resources through regular and rationing supply.</div> <div>3. <b>Other Management</b> (1) Install constant pressure variable frequency water supply system and adjust the water pressure from 3.6KG to 3.0KG to provide stable water supply. (2) Regularly check the water pipes for leaks and repair them immediately if any abnormalities are found. (3) Check and resolve abnormalities in time if any of them are found through daily water consumption data calculation.</div>

Annual Energy Sustainability Goals

Scope	Plant	Item	Result in 2019	Result in 2020	Goal in 2021
	 Tamsui	Reduction of energy consumption	Power consumption reduced by 297.52 MWh (-2.65%)	GHG scope 1 and 2 emissions reduced by 3.64% compared to 2019	Decreasing electricity consumption by 1.5% compared to 2020
	 Dongguan		Due to the introduction of automated processes, GHG emissions increased by 3.02% compared to 2018	GHG Scope 1 and 2 emissions reduced by 13.04% compared to 2019	Reducing GHG emissions by 2% compared to 2020
	 Wuhan		Due to increased production, greenhouse gas emissions increased by 4.86% compared to 2018	GHG Scope 1 and 2 emissions were reduced by 10.50% compared to 2019	Reducing natural gas consumption by 5% compared to 2020
	 Philippines		Production energy consumption reduced by 4.7% compared to the base year 2017 Company vehicle fuel consumption reduced by 46% compared to the base year 2017	Due to the increase in production capacity, GHG emissions increased by 312.91 tons compared to 2019	Reducing GHG emissions by 5% compared to 2020
	 Tamsui		—		Reducing water consumption by 1% compared to 2020
	 Dongguan	Reduction of water consumption	Water consumption reduced by 15.16% compared to 2018	Water consumption reduced by 48.70% compared to 2019	Reducing water consumption by 2% compared to 2020
	 Wuhan		—		Decreasing water consumption per capita by 1% compared to 2020
	 Philippines		Water consumption reduced by 6.65% compared to 2018	Water consumption reduced by 1.58% compared to 2019	Reducing water consumption by 2.5% compared to 2020
	 Wuhan	Reduction of hazardous waste	Hazardous waste reduced by 0.31 ton compared to 2018 (-1.53%)	—	Reducing the amount of waste cleaning agent by 10% compared to 2020
					

Note: "-" means no goal was set for the indicated item in that year.

"Sustainable Green Energy 2020" VS "Energy Sustainability 2030"



"Sustainable Green Energy 2020" Implementation Result

Item for Reduction	Goal	2018	2019	2020	Notes
GHG Emissions (Scope 1 & 2)	Reducing annually combined emissions/usage by at least 2% compared to the previous year	The total reduction was 3,231.11 tons, a decrease of 8.15% from 2017.	The total increase was 716.54 tons, an increase of 1.97% from 2018.	The total reduction was 3,274.97 tons, a decrease of 8.82% from 2019.	By 2020, 14,585.14 tons have been reduced from 2014, the base year, and the reduction rate has reached 30.11%.

Energy Consumption Analysis

In July 2020, Taiwan Headquarter of AcBel took the sustainable development of operations and inadequate use of Tamsui Plant's hinterland into account, thus carried out a plant-office separation project. The R&D, business, and management departments were moved to Taipei City, and the original Tamsui Plant was transformed into smart production base. However, the newly established office in Taipei has also increased the use of water and electricity, which has resulted in a relatively increase in overall energy consumption.

The company's energy consumption came from outsourcing, including electricity, fuel (gasoline, diesel, natural gas), etc. Electricity used an enormous portion in total energy consumption, about 97.55%. Diesel and gasoline followed, accounting for 1.32%, which mostly used as fuel for transportation vehicles and stackers. Compared with 2019, the total consumption of the four production bases decreased by 8.27%.

Energy Consumption in 2020

Plant Type	Unit	Qiyan Office Building	<div>T</div> <div>Tamshui Plant</div>	<div>D</div> <div>Dongguan Plant</div>	<div>W</div> <div>Wuhan Plant</div>	<div>P</div> <div>Philippines Plant</div>	Percentage of each Energy in Total Consumption
Purchased Electricity	MWh	1,118.09	11,086	20,133.34	10,297.50	6,906.91	97.55%
Gigajoule	GJ	4,025.08	39,909.16	72,480.01	37,071	24,864.88	
LPG	kg	0	0	0	190	0	0.01%
Gigajoule	GJ	0	0	0	9.53	0	
Natural Gas	m3	0	0	0	52,565.67	0	1.12%
Gigajoule	GJ	0	0	0	2,048.57	0	
Diesel	L	142	7,030.62	10,000	171.61	12,991.34	0.61%
Gigajoule	GJ	4.99	247.21	351.88	6.04	501.77	
Gasoline	L	0	2,551.92	35,978.61	2,741.14	501.92	0.72%
Gigajoule	GJ	0	83.32	1,123.46	85.59	17.77	
Total Consumption	GJ	4,030.07	40,239.69	73,955.34	39,220.74	25,384.41	100%
Energy Intensity	GJ/ Output (thousand units)	-	59.61	6.87	1.11	0.99	-

- Notes:
- The total energy consumed by AcBel was 182,830.25 GJ.
  - 100% of the electricity consumed by AcBel came from purchasing.
  - AcBel did not use renewable energy.
  - "-" means not applicable.

Qiyan Office Building

Type	Unit	Calorific Value (kcal)	2020
Diesel	L	8,400	142
Purchased Electricity	MWh	860,000	1,118.09
Total Consumption	GJ		4,030.11
Energy Intensity	GJ/PERSON	—	5.10

Note:  
The Qiyan Office Building was opened in 2020 for office purposes, so energy intensity is calculated based on the number of people. In 2020, there are 790 employees working in Qiyan office building.

T

 Tamsui Plant

Type	Unit	Calorific Value (kcal)	2018	2019	2020
Diesel	L	8,400	2,070.20	5,535.9	7,030.62
Gasoline	L	7,800	—		2,551.92
Purchased Electricity	MWh	860,000	11,227.80	10,930.28	11,086
Total Consumption	GJ		40,492.42	39,543.23	40,239.69
Changes Compared to the Previous Year	%	—	-6.91%	-2.34%	+1.76%
Energy Intensity	GJ/ Output (thousand units)		193.74	119.47	59.61

**D** Dongguan Plant

Type	Unit	Calorific Value (kcal)	2018	2019	2020
Natural Gas	m³	9,310	2,448.20	1,161.40	0
Diesel	L	10,200	38,826.45 (kcal/kg)	10,216.58	10,000
Gasoline	L	10,300	39,718.96 (kcal/kg)	39,992.05	35,978.61
Purchased Electricity	MWh	860,000	23,054.91	23,802.77	20,133.34
Total Consumption	GJ		85,604.15	86,536.08	73,955.34
Changes Compared to the Previous Year	%	/	-8.69%	+1.09%	-14.54%
Energy Intensity	GJ/ Output (thousand units)		6.11	7.51	7.01

**W** Wuhan Plant

Type	Unit	Calorific Value (kcal)	2018	2019	2020
Natural Gas	m³	9,310	63,295	72,190	52,565.67
LPG	kg	12,000	262	317	190
Diesel	L	10,200	125.61 (kcal/kg)	319.16	171.61
Gasoline	L	10,300	2,430.85 (kcal/kg)	3,043.19	2,741.14
Purchased Electricity	MWh	860,000	10,565.62	11,005.56	10,297.50
Total Consumption	GJ		39,631.18	42,555.54	39,220.74
Changes Compared to the Previous Year	%	/	+6.05%	+7.38%	-7.84%
Energy Intensity	GJ/ Output (thousand units)		1.31	1.34	1.11

Note: In 2018 and 2019, there was an error in the unit of LPG. Hence, the unit and the data of total consumption (GJ) and energy intensity of LPG were revised in this annual report.

**P** Philippines Plant

Type	Unit	Calorific Value (KJ)	2018	2019	2020
Diesel	L	38,623.20	9,478.07	10,901.67	12,991.34
Gasoline	L	35,404.60	4,509.24	2,238.02	501.92
Purchased Electricity	MWh	3,600,000	5,866.00	6,594.00	6,906.91
Total Consumption	GJ		21,643.32	24,238.69	25,384.41
Changes Compared to the Previous Year	%	/	+4.79%	+11.99%	+4.73%
Energy Intensity	GJ/ Output (thousand units)		0.88	0.98	0.99

Notes: 1. The sources of calorific value data were: Taiwan-Heat Content of Energy Products. Bureau of Energy, Ministry of Economic Affairs, R.O.C.; China-General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008). GB Standards; Philippines-GENERAL INSTRUCTIONS & Energy Consumption Report. Department of Energy, Philippines.  
2. The total consumption (GJ) of plants in Dongguan, Wuhan and the Philippines from 2018 to 2019 was revised in this annual report due to misprint.

**Types of Greenhouse Gas Emissions**

Through the greenhouse gas inventory in 2020, the analysis of the types of GHG emissions showed that carbon dioxide (CO2) emissions accounted for 96.55%, followed by methane (CH4) at 2.18%, and nitrous oxide (N2O) and hydrofluorocarbons (HFCs), which had longer remaining time in the atmosphere (i.e. lifespan) had a total of 1.26%. This indicated that the type of GHG emitted by the company were relatively friendly to the environment.

**Percentage of Types of Greenhouse Gas Emissions**

Types of GHG		CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	Total
Percentage of total emissions	2020	96.55%	2.18%	0.01%	1.26%	0%	0%	100%
	2019	97.74%	1.56%	0.01%	0.70%	0%	0%	100%
	2018	96.93%	2.37%	0.01%	0.69%	0%	0%	100%

Note: The types of GHG include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub>.

Because there were differences of the headcount ratio of R&D, manufacturing methods, product categories and office in each plant, Tamsui Plant focused on R&D of new products and relatively high energy-consuming products in the process stage. On the contrary, plants in China mainly produced products with relatively low energy consumption in the process stage. Therefore, the intensity of greenhouse gas emission of each factory is different.

In order to expand the scope of the GHG emission inventory, in addition to the direct (Scope 1) GHG emissions and the indirect (Scope 2) GHG emissions, the inventory of other indirect (Scope 3) GHG emissions was added from 2020. By doing so, it was easier to understand the company's emission from employees' commuting, business travel, upstream and downstream cargo transportation and distribution, product use phase and life cycle and waste removal and transportation, etc., so that the carbon reduction goal of the entire value chain could be jointly respond to.



Total Greenhouse Gas Emissions in 2020

Scope	Unit	Qiyao Office Building	T Tamsui Plant	D Dongguan Plant	W Wuhan Plant	P Philippines Plant	Percentage of Each Scope in Total Usage
Direct Emissions (Scope 1)	t-CO <sub>2</sub> e	147.82	346.80	524.98	492.59	102.56	0.01%
Indirect Emissions (Scope 2)	t-CO <sub>2</sub> e	569.11	5,642.77	17,288.50	8,842.46	4,919.10	0.25%
Other Indirect Emissions (Scope 3)	t-CO <sub>2</sub> e	312.87	637,034.61	3,619,384.79	7,584,063.65	3,040,584.21	99.74%
Total	t-CO <sub>2</sub> e	1,029.80	643,024.19	3,637,198.26	7,593,387.7	3,045,605.87	100%
Intensity of Greenhouse Gas Emission	t-CO <sub>2</sub> e / Output (thousand units)	—	8.87	1.69	0.26	0.20	—

- Notes:
- The greenhouse gas inventory adopted ISO14064-1:2018, and the calculation coefficient adopted the IPCC Fifth Assessment Report (2013).
  - GHG emissions were classified into three scopes. Scope 1 was direct emissions, which came from sources owned or controlled by the organization. Scope 2 was indirect emissions, which came from the consumption of electricity purchased from other organizations and used for the company itself as well as emissions from production of heating, cooling, and steam. Scope 3 emissions referred to emissions generated by emission sources that were not owned or controlled at the company's disposal, and can be divided into upstream and downstream from the enterprise's core. For instance, the production process of upstream raw material suppliers, employee commuting and business travel, or the use of downstream customers were processes that were not directly generated by AcBel but were related to the company's operations, the GHG generated could be classified in this category.
  - The company's greenhouse gas emissions data have been regularly registered and reported online in accordance with the "Greenhouse Gas Emissions Inventory and Registration Management Measures" of the Environmental Protection Administration of the Executive Yuan.
  - Qiyao Office Building started operation in July 2020, and the ISO 14064 GHG inventory statistical period was from July to December 2020.
  - Intensity of GHG emission was calculated on the basis of Scope 1 and Scope 2 emissions.
  - "-" means not applicable.

Greenhouse Gas Emissions of Each Plant

Qiyao Office Building

Unit: t-CO<sub>2</sub>e

Scope	2020
Direct Emissions (Scope 1)	147.83
Indirect Emissions (Scope 2)	569.11
Other Indirect Emissions (Scope 3)	312.87
Total	1,029.81

T Tamsui Plant

Scope	2016	2017	2018	2019	2020
Direct Emissions (Scope 1)	195.42	283.31	361.66	389.98	346.80
Indirect Emissions (Scope 2)	6,921.04	6,377.03	6,220.20	5,825.84	5,642.77
Other Indirect Emissions (Scope 3)	—				637,034.61
Total	7,116.45	6,660.34	6,581.86	6,215.81	643,024.19
Changes in Scope 1 and 2 Emissions from the Previous Year	-1.85%	-6.41%	-1.18%	-5.56%	-3,64%

D Dongguan Plant

Scope	2016	2017	2018	2019	2020
Direct Emissions (Scope 1)	1,085.21	844.72	677.84	568.51	524.98
Indirect Emissions (Scope 2)	24,181.55	22,355.31	19,206.80	19,915.77	17,288.50
Other Indirect Emissions (Scope 3)	—				3,619,384.79
Total	25,266.76	23,200.03	19,884.65	20,484.28	3,637,198.26
Changes in Scope 1 and 2 Emissions from the Previous Year	-14.15%	-8.18%	-14.29%	+3.02%	-13.04%

## W Wuhan Plant

Scope	2016	2017	2018	2019	2020
Direct Emissions (Scope 1)	485.04	486.62	423.02	509.42	492.59
Indirect Emissions (Scope 2)	9,559.44	9,297.51	9,523.85	9,920.41	8,842.46
Other Indirect Emissions (Scope 3)					7,584,063.65
Total	10,044.48	9,784.12	9,946.87	10,429.83	7,593,398.70
Changes in Scope 1 and 2 Emissions from the Previous Year	+11.84%	-2.59%	+1.66%	+4.86%	-10.50%

## P Philippines Plant

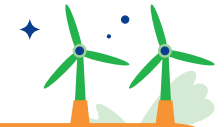
Scope	2020
Direct Emissions (Scope 1)	102.56
Indirect Emissions (Scope 2)	4,919.10
Other Indirect Emissions (Scope 3)	3,040,584.21
Total	3,045,605.87

Note: Philippines Plant started to implement ISO 14064 GHG inventory in 2020.

## 4.3 Waste Management

The production process of AcBel's products is mainly based on the assembly of electronic components. The process waste (hardware, plastics, wires, PCB blanks, computer cases, etc.) generated during the process was properly handled by effective recycling and classification, maximizing the use of resources and reducing the final output of waste. In addition, AcBel strengthened the auditing of parts suppliers and waste treatment companies to extend the company's environmental sustainability concept to the supply chain.

During the operation of AcBel's production bases, general waste was generated from the employees' daily life, and business waste, including business waste and hazardous business waste, were generated from product manufacturing processes. Through reduction at the source as well as recycling and reusing energy use and other conversion processes, waste of heat energy from landfill treatment and incineration was avoided. Thus, the overall resource conversion efficiency increased, and the burden on the environment reduced.



### ISO Management System

AcBel formulated "Environment, Health and Safety Declaration" and "Environment, Health and Safety Policy" as the highest guidelines for waste water, waste and air emissions treatment. Additionally, the company introduced the "ISO 14001 Environmental Management System" and "UL 2799 Zero Waste to Landfill Validation" to ensure the implementation process of the program meets the international standard. Through management measures, on-site auditing, regular internal auditing operations and external third-party audits, effective management and reduction goals were then achieved.



### Management Approach and Strategy

AcBel's production bases all have set up a dedicated environmental management department to effectively manage general waste and business waste. Specifically, the department promotes and encourages employees to reduce and recycle general waste and business waste. For example, reduction of food waste in cafeterias, recycling of general waste, turnover of plastic boxes instead of cartons, secondary use of scraps, reduction of waste plastics and other waste reduction programs has made the overall resource conversion rate reach at least 80% and meet UL 2799 Zero Waste to Landfill Validation standards. Relevant wastes were cleaned, transported and optimally handled by qualified companies recognized by the environmental protection authority. The wastes were monitored through GPS positioning systems or car-following methods, and reported to government agencies in accordance with regulations to ensure that the final disposal method will not cause a secondary pollution to the environment.



"Sustainable Green Energy 2020" Implementation Result

Item for Reduction	Goal	2018	2019	2020	Notes
Reduction of Hazardous Waste	Reducing annual output at least 2% compared to the previous year	Reduced 27.87 tons compared to 2017, with a reduction rate of 38.51%.	Increased 5.18 tons compared to 2018, with a growth rate of 11.64%.	Increased 25.43 tons compared to 2019, with a growth rate of 51.19%.	By 2020, increased 11.68 tons compared to the base year 2014, with a growth rate of 18.41%.

Type & Amount of Waste Generated

Unit: Ton

Item/Year	2018	2019	2020
General Waste	712.87	750.65	638.67
Hazardous Waste	44.50	49.68	75.11
Business Waste	617.09	633.14	1,231.528
Total Waste Generation	1,374.46	1,433.47	1,945.31
General Waste Generation per capita	0.10	0.11	0.10
Production Output (Million Units)	72	70	69.6
Hazardous Waste Intensity (Ton/Million Units)	0.62	0.71	1.08

Notes:

- Due to double counting of the amount of general waste in 2018 and 2019, the data of "general waste, general waste generation per capita, and total waste generation" have been revised in this annual report.
- The amount of waste in Taiwan and the Philippines is based on actual weighing statistics, while the general waste and business waste in China plants were the estimated from the load of the trucks.
- The reason for the increase in business waste and hazardous waste in 2020 was that Taiwan headquarters implemented the separation and relocation of plants and offices, resulting in a relatively increase in waste. The Dongguan plant implemented the "UL 2799 Zero Waste to Landfill Validation" and expanded the types of waste tracking.

Waste Disposal Methods in 2020

Plants	General Waste	Business Waste	Hazardous Waste
Tamsui	100% Incinerated	23% Incinerated (as Fuel) 77% Recycled	97% High-Temperature Smelted 3% Used as Auxiliary Fuel
Dongguan	92% Incinerated 8% Recycled	1% Incinerated 99% Recycled	99% Incinerated 1% Stored
Wuhan	100% Incinerated	100% Recycled	49% Incinerated 51% Recycled
Philippines	100% Landfill	100% Recycled	15% Incinerated 35% Recycled 49% Chemically Decomposed

Notes:

- There was no hazardous waste leakage happened in any plant in 2020.
- Disposal of hazardous waste was in compliance with following laws and regulations: Taiwan-"Standards for Defining Hazardous Industrial Waste and Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste"; China-"Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution"; the Philippines-"Ecological Solid Waste Management Act of 2000" and "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990".

Air Emissions Testing

Some of AcBel's power products are designed to meet customers' normal operation in humid environments. Thus, during the manufacturing process, the PCB surface will be covered/coated with conformal coating to strengthen the power products' moisture, dirt, dust, and chemical resistance. Although the coating is harmless to the human body, it has a pungent smell. The company has set up an automatic coating machine in an independent area with good ventilation equipment to reduce manual work. In addition, a small amount of tin fumes may also be generated during the soldering operation of electronic parts in the manufacturing process. In response to the aforementioned air emissions from process, AcBel provides employees with personal protective equipment such as activated carbon masks, and require correct wear of mask to avoid inhaling pungent smells. The company also set up independent ventilation equipment to collect and treat air emissions uniformly. After the activated carbon adsorption process, it will be released into the atmosphere after it meets the emission standards. Every year, air quality inspection is regularly carried out in the working areas of air emissions outlets and related processes. The inspection items such as particulate pollutants, lead, and tin are in compliance with local laws and regulations and international environmental protection standards.

4.4 Chemicals Management

Regarding the chemicals used in the manufacturing process, AcBel mainly purchases environmentally friendly chemicals or chemicals that are less harmful to the human body and the environment, and evaluates their risks and adopts classification measures based on their health hazards, distribution status and usage. AcBel majorly uses Flux/Soldering paste and cleaning agent (5252 cleaner). In addition to complying with government regulations, "Chemical Operation Management Procedures" and "Waste Management Operation Procedures" are also established for related operations, which are supervised by the occupational safety and health department. Furthermore, on-site operators are required to receive regular training and obtain qualification certificates to ensure the safety of chemical operations.

Each production base regularly conducts two emergency response drills every year, organizes self-defense firefighting groups which are responsible for initiation notification, leakage prevention, evacuation guidance, safety protection and first aid teams for fire and chemical leakage incidents respectively so as to strengthen disaster response capabilities. Since the establishment of each production base until 2020, no major chemical or hazardous waste leakage or pollution incidents have occurred, which may result in fines imposed by the local government.



4.5 Water Resources Management

Due to the impact of torrential rain or drought caused by climate change, water resources are gradually becoming scarce. AcBel uses TCFD to evaluate water resources risks, and drafts a number of water-saving projects at the same time to reduce the water consumption of production bases and automatically monitor the quality of discharged waste water with "Zero Waste Water Pollution" and "Equipment and Domestic Water Saving" as management strategies. Thus, AcBel raises self-required standards and actively reduces the load on the environment caused by business operations on the premise of complying with laws and regulations. AcBel doesn't use water during the process, so only domestic water is produced. In 2020, AcBel's operating bases introduced ISO 14046 organizational water footprint inventory to understand water usage and discharge conditions through water footprint impact analysis and reduce unnecessary water consumption as well as company operating costs. In 2021, all production bases of AcBel have obtained ISO 14046 organizational water footprint inventory certifications. At the same time, AcBel used the World Resources Institute (WRI)'s tool, Aqueduct Water Risk Atlas, to carry out the water risk evaluation of the production bases of the top 14 suppliers of raw materials and to indentify the suppliers located in the high water risk areas. As such, timely and complete response measures can be formulated in the future, and the stability of material supply can be ensured.

"Sustainable Green Energy 2020" Implementation Result

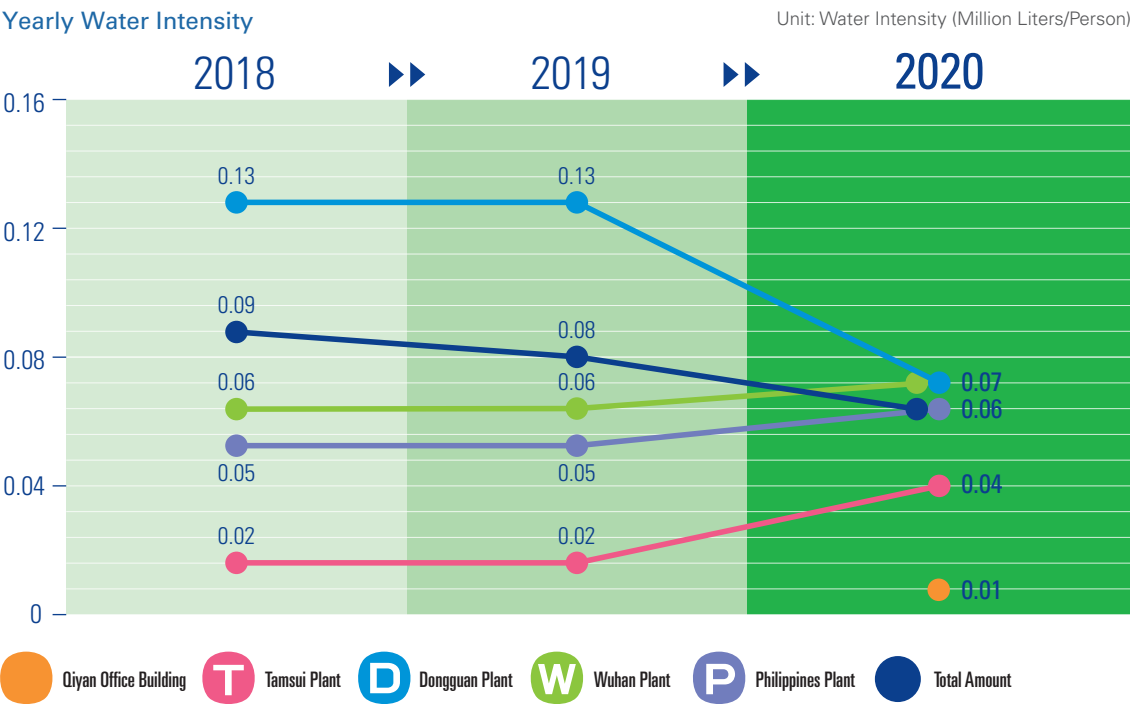
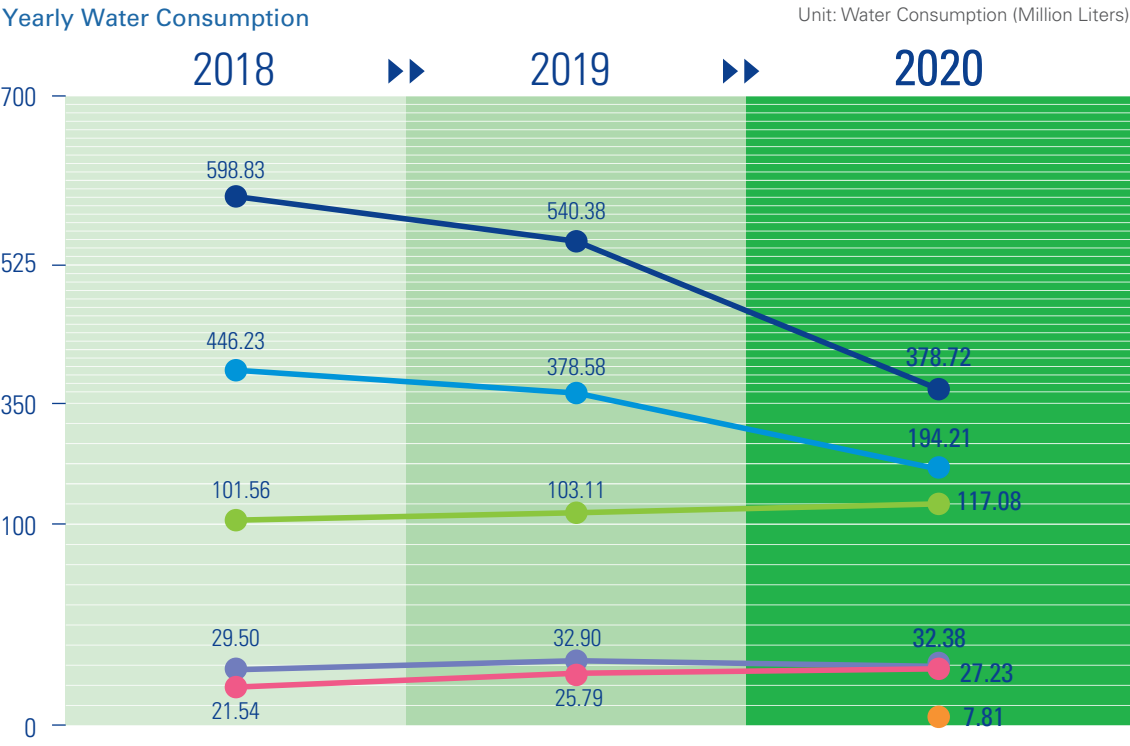
Item for Reduction	Goal	2018	2019	2020	Notes
Water Resources Usage	Reducing annually combined usage by at least 2% compared to the previous year.	Reduced a total of 7.71 million liters of water, with a saving rate of 1.27% compared to 2017.	Reduced a total of 58.45 million liters of water, with a saving rate of 9.76% compared to 2018.	Reduced a total of 161.66 million liters of water, with a saving rate of 29.92% compared to 2019.	Reduced a total of 414.80 million liters of water, with a saving rate of 52.27% compared to the base year 2014.

Saving Domestic Water

The domestic water used in each production base is taken from the local water plant. Through employee education and training, replacement of water-saving devices, elimination of old and high water-consuming equipment, enhanced inspection of water pipe leakage, replacement of constant pressure variable frequency water supply systems, etc., the use effectiveness of water resources is improved. In 2020, the overall water intensity slightly reduced by 0.02 (million liters/person). In 2021, it is planned to invest about 15 million in installing water-saving mark facilities, water-saving toilets, sensor faucets, rainwater detention, flood recovery pools, etc. in the new smart production building of the Tamsui Plant. It is estimated that through smart management and actively reducing water consumption in the plants, the use of water resources can be optimized.



Domestic Water Consumption



Note: Qiyao Office Building in Taiwan was opened in 2020, therefore there was no data for 2018-2019.

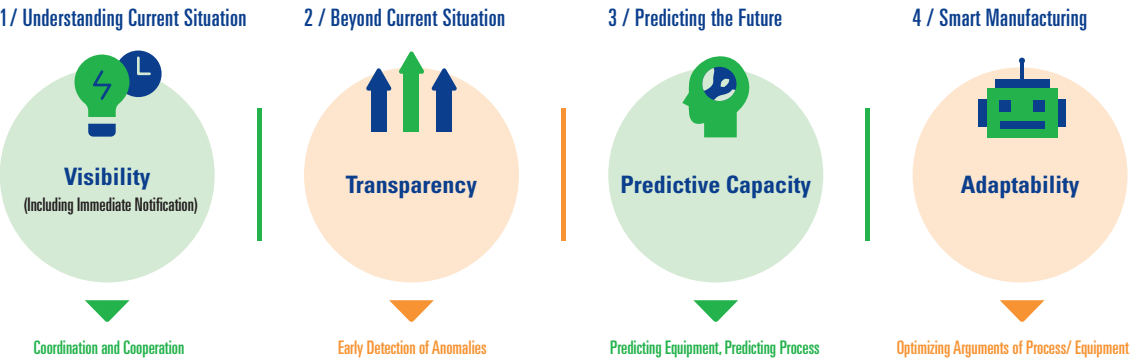
Wastewater Treatment Management

AcBel's process produces no industrial wastewater but domestic wastewater. The company regularly conducts drainage outlet sampling and testing to ensure that wastewater is only discharged naturally to rivers or government sewage pipes when it meets environmental protection regulations and standards. In 2020, the wastewater discharge of each plant area was 100% in line with local environmental laws and regulations, and there was no violation of wastewater treatment incidents and environmental protection laws. The plants in China and the Philippines were equipped with rain and sewage diversion pipelines to separate rainwater and sewage, and the sewage flowed to the local sewage treatment plant for treatment, which relatively reduced the burden of domestic wastewater on the environment.

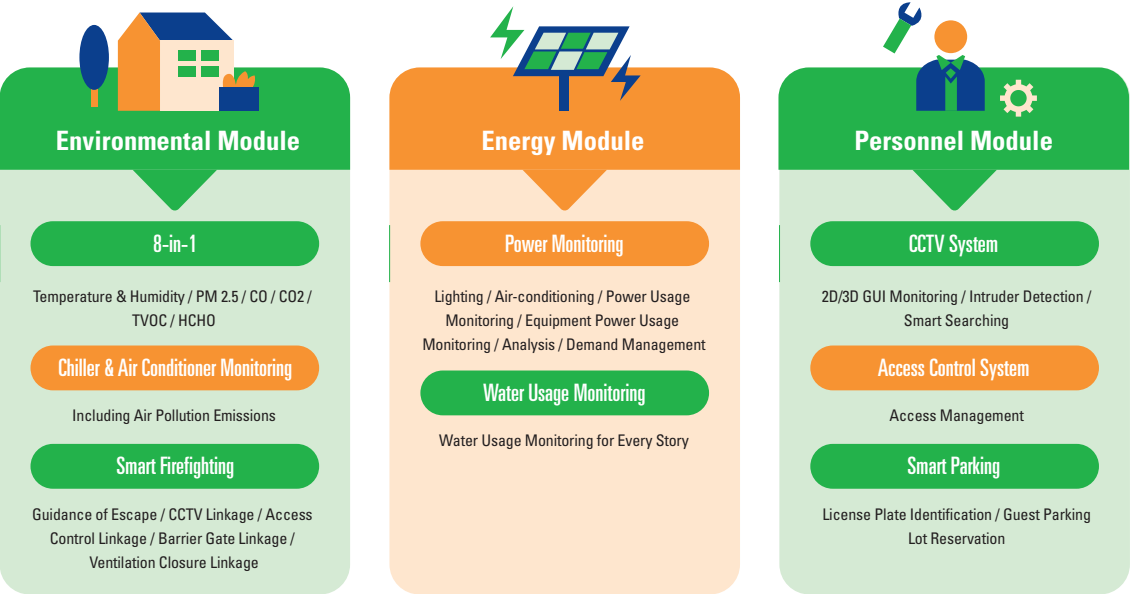
Note: Because the government did not provide a special sewage pipeline at Tamsui Plant site, domestic wastewater has been tested by 3rd party(test items including hydrogen ion concentration index (PH value), biochemical oxygen demand, chemical oxygen demand and suspended solids). Only after meeting the standards of government regulations can AcBel's wastewater be discharged directly to adjacent rivers. The remaining plant areas were connected to the government sewage pipes for sewage discharge through the plant sewage pipes.

Smart Manufacturing Building of Tamsui Plant

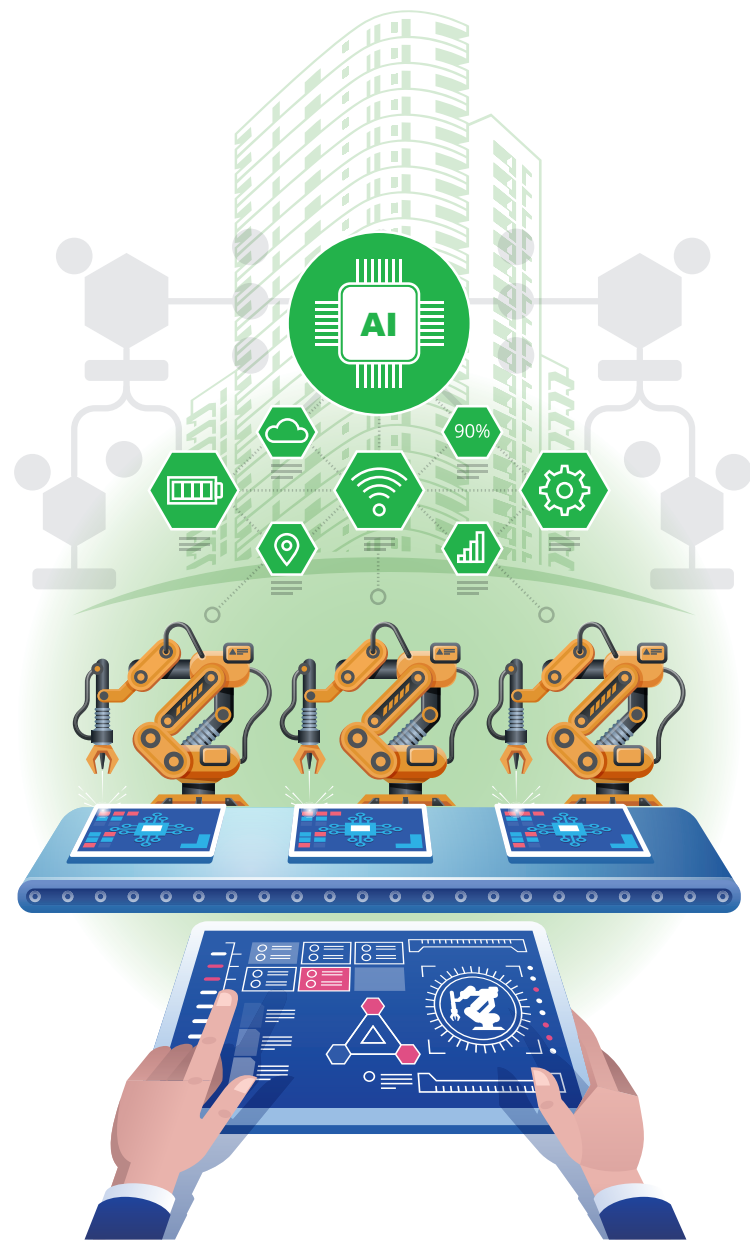
The global power supply industry is facing global competition, labor costs and manufacturing quality requirements as well as factors such as shortened product lifecycles and increased demand for customized production, forcing the production model to move towards Industry 4.0 smart manufacturing. Through the effective integration of Information and Communication Technology (ICT) and further combination with an open data platform, a smart factory integration architecture is formed to connect the cloud and data analysis applications to achieve the goal of smart manufacturing.



"Golden Opportunity" for Smart Building - Overview



AcBel invested 2.5 billion NTD to build a smart manufacturing building with EEWB Green Building Gold Certification in the Tamsui Plant area in 2020, which is expected to be completed and put into production before the end of 2021; at that time, the smart production line will be fully introduced. Use the application of the Industrial Internet of Things (IIoT), including machine-to-machine communication, big data and machine learning to achieve the integration of data systems and make manufacturing more efficient and reliable. The visualization of data monitoring instruments makes it easier for production managers to understand the best and timely interactive data applications for production lines, personnel, and environmental conditions as a forecast for production optimization and achieve the purpose of a large number of smart manufacturing.

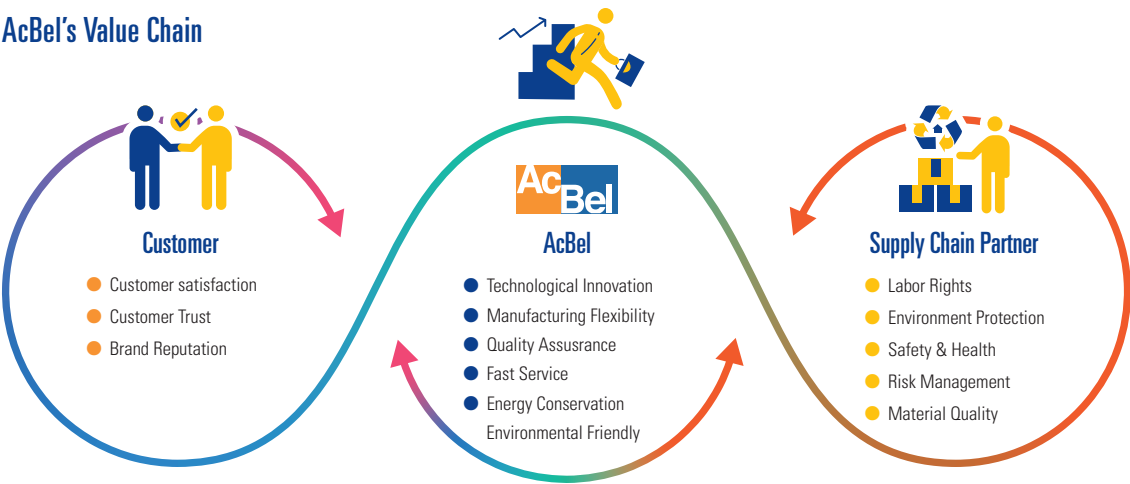


# 05 Integration Sharing Partnership

# Sharing Partnership



## AcBel's Value Chain



## 5.1 Customer Communication

We provide customized services and products that meet market and customer needs. Headquartered in Taiwan, AcBel also has its production bases across the globe, including Taiwan, China, and the Philippines as well as service offices in the United States, Europe, and Asia, namely Taiwan, China, and Japan. The establishment of production bases and service offices around the globe allows AcBel to realize the corporate spirit of "AcBel providing services to customers whenever and wherever there is a need."

To provide customers with timely quality service, AcBel has set up a business service team to be in charge of providing immediate and feasible countermeasures and comprehensive solutions to our customers regarding product development and manufacturing, product quality, lead time, after-sales service, and realization of social responsibility.

### Quarterly Business Review Meeting/Supplier Conference Participation

AcBel is consistently devoted to helping customers achieve corporate goals, understanding customers' needs and attaining high customer satisfaction. To this end, AcBel fully considers the opinions put forth by customers in the monthly or quarterly business review (QBR) meetings regarding "Social and Environmental Responsibility," "Risk Management," "Product Quality," "Technical Support," "Delivery Time and Price," and "Peer Evaluation" as reference for the project design and adjustment so as to fulfill customers' requests and expectations.

In addition, AcBel actively responds to various ESG supply chain projects from customers, such as International Industry Standard Verification, Net Zero Carbon Emissions, Zero Waste to Landfill, Environmental Sustainability, etc. Through the implementation of project meetings and participation in related activities, AcBel aims at mitigating negative impacts on the environment and the society so as to create a sustainable value chain.

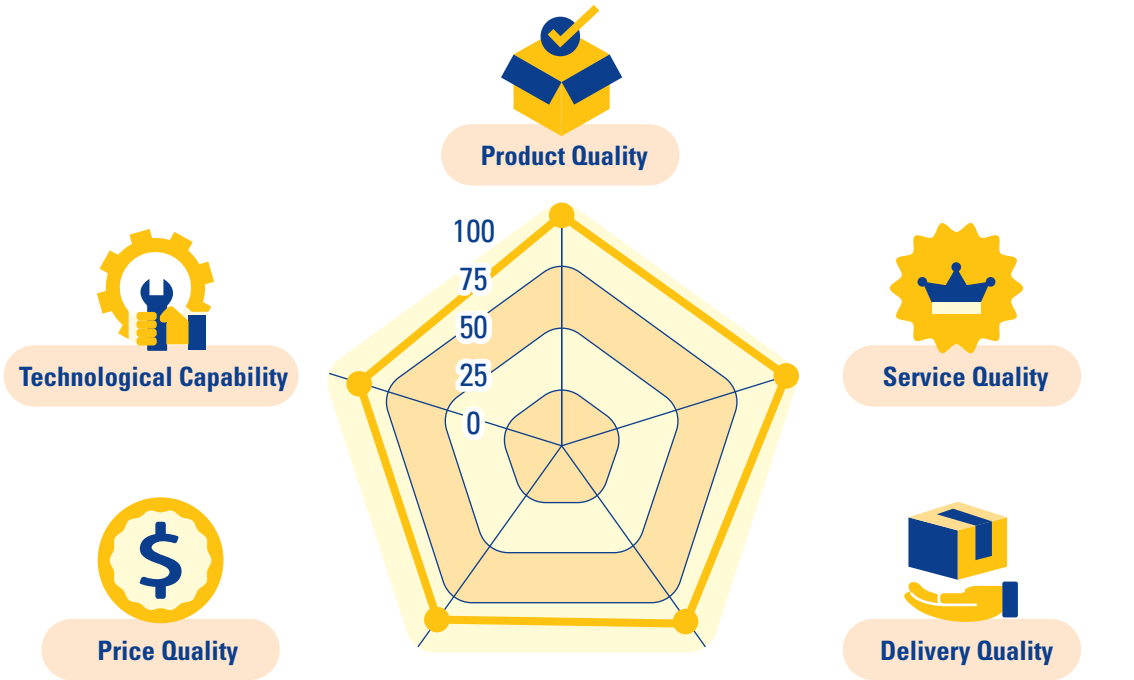
## List of Projects Implemented In Response To Customers's Needs

<h3>Responsible Business Alliance (RBA) Code of Conduct</h3> <p>Complying with the RBA Code of Conduct, and being committed to implementing governance with the highest social, environmental, and ethical standards, and ensuring that employees and employees of suppliers are well treated.</p>	
<h3>Carbon Disclosure Project (CDP) - Climate Change and Water Security Questionnaires</h3> <p>Disclosing the information of carbon emissions and water utilization through CDP questionnaires, so that stakeholders can understand the impact of climate changes and water safety on the corporation, the management objectives, and corresponding strategic actions.</p>	
<h3>Task Force on Climate-related Financial Disclosure (TCFD)</h3> <p>Incorporating climate change risk into the AcBel's existing financial risk management framework, and improving related management strategies through the identification of climate-related risks and opportunities, business development strategies and financial planning.</p>	
<h3>Science Based Target (SBT)</h3> <p>AcBel evaluates the SBT framework, and plans our strategy of carbon reduction which achieves the SBT based on limiting global warming to well below 2°C developed by the IEA.</p>	
<h3>Zero Waste to Landfill, UL ECVP 2799</h3> <p>Carrying out management and verification on waste flow compliance, and making sure that waste undergoes transformation processes such as reduction, recycling and reuse, and energy collection, avoiding the waste of heat after landfill treatment and incineration.</p>	
<h3>Leopard Cat Rice Contract Farming - Watershed Revitalization Project</h3> <p>In order to strike a balance between ecology and community economy, as well as to make employees experience the beauty of the natural environment, AcBel joined the restoration of the watershed in Fengshu Village, Tongxiao Town, Miaoli County through contract farming projects.</p>	

Customer Satisfaction Survey

Meeting customers’ requirements and fulfilling their expectations has been the centerpiece of AcBel and for this customer satisfaction surveys are conducted by the Quality Control Center in five aspects, including "product quality, service quality, delivery quality, price quality, and technical capabilities." Based on the results of the survey, a special task force with specialists from the departments of R&D, Sales, and Quality Assurance will be set up and be in charge of a series of improvement measures to optimize the management processes.

Customer Satisfaction Survey Result



Item	Product Quality	Service Quality	Delivery Quality	Price Quality	Technological Capability	Overall Satisfaction
Year						
2020	88	95	82	80	82	86.4
2019	92	97	82	80	89	88
2018	88	92	84	83	82	86

In 2020, the COVID-19 pandemic resulted in implementation of city lockdowns and border controls worldwide, which overall affected the normal operation of enterprises and people's lives. Various aspects of AcBel's production bases were also affected, including decreased employee return-to-work rate, increased labor shortage and materials, and interruption of transportation. In addition, during the pandemic the representatives from AcBel cannot visit customers in person, while customers can not visit AcBel's production bases for mutual communication either. This condition has caused management problems for both parties. Moreover, customers reported more problems on "material quality" and "process planning" than in the previous year due to the materials shortage, which indirectly led to the less satisfactory result of survey on customer satisfaction.

Analysis of Customers’ Feedback

Feedback Items	2019	2020
Material Quality	22%	29%
Process Planning	10%	24%
Process Control	25%	24%
Design Quality	28%	18%
Manufacturing Quality	16%	6%

5.2 Sustainable Supply Chain Management

**Material Topic**

**Materials**

Materials used by AcBel follow the principles of green procurement and source management. Suppliers are required to declare that materials they supply do not contain carcinogenic, reproductive mutagenesis, and teratogenic substances, so as to avoid causing harm to human safety, health, the environment, and the product itself.

**The Importance of Topic and Their Impact Boundary**

We provide customers with environmentally friendly products that comply with environmental protection laws or guidelines, and establish hazardous substance testing procedures based on risk management principles to ensure that raw materials provided by suppliers meet lead-free, halogen-free, EU RoHS and other prohibited substances standards.

**Management Approach and Goals**

AcBel formulates "Environmental Management Substance Specifications" in accordance with various international environmental regulations and customer requirements, as the standard for the banned or restricted substances when purchasing materials. In addition to strictly controlling the source of materials, any change in engineering process needs to be carefully evaluated to avoid misuse of hazardous materials during the production procedure. Besides, materials that may be banned in the future should be reviewed and recorded, with the process improvement operations followed. The replacement plan also needs to be developed, if necessary, as to maintain the goal of procuring green materials. The storage of materials is controlled by the manufacturing cycle. The materials of special components, such as those with moisture sensitivity (MSL), electrostatic protection (ESD), etc., are stored in special material warehouse with constant humidity and temperature, effectively managing the raw materials and ensuring their quality through information management system.

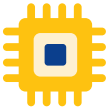







## Materials Risk Management

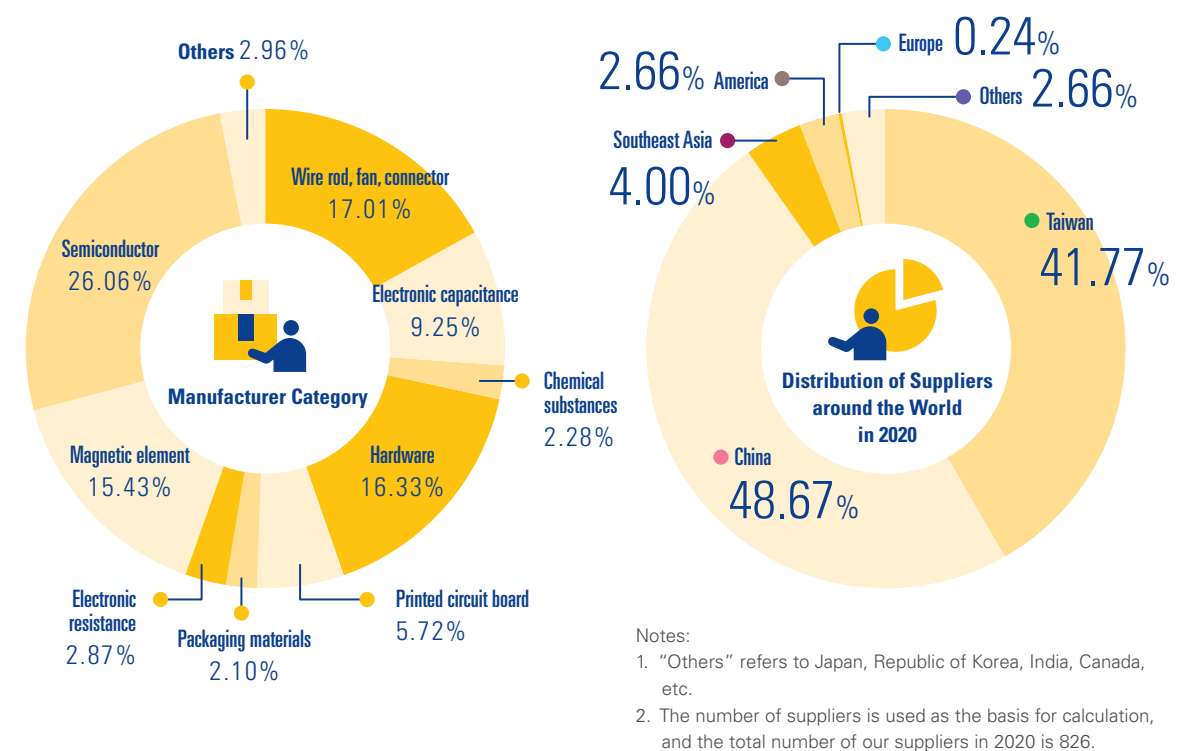
AcBel identifies critical components by analyzing the "purchasing attributes" of the raw materials in the product, and adopts the four characteristics of "single source of procurement, technical threshold, large price fluctuations, components that are easily affected by suppliers' labor and production capacity" as the classification basis. Based on the aforementioned identification criteria, we regard semiconductor parts, mechanism hardware, printed circuit boards and magnetic elements as critical components. The risks of such critical components include (1) accessibility and physical restrictions of channels (2) risks of price fluctuations and (3) regulatory risks (patent issues). AcBel manages the components separately according to their types, in order to reduce the above-mentioned management risks.

## Critical Materials Risk Management

Critical Materials	Risk Types	Countermeasures
 <p><b>Semiconductor Parts</b></p>	<ol style="list-style-type: none"> <li>1. Physical limitations of accessibility and channels</li> <li>2. Price fluctuation risk</li> <li>3. Regulatory risks (patent issues)</li> </ol>	<ol style="list-style-type: none"> <li>1. Introducing multi-source suppliers of primary source and second source components</li> <li>2. Inventory reservation</li> <li>3. Applying for the certificate or patents to reduce the risks (for the material involves technical issues)</li> </ol>
 <p><b>Mechanism Hardware</b></p>	<ol style="list-style-type: none"> <li>1. Physical limitations of accessibility and channels</li> <li>2. Price fluctuation risk</li> </ol>	<ol style="list-style-type: none"> <li>1. Effective planning and resource allocation of early production capacity</li> <li>2. Effectively analyzing the cost of materials according to international material price fluctuations</li> <li>3. Reflecting the cost to the product price through communicating with customers</li> </ol>

Critical Materials	Risk Types	Countermeasures
 <p><b>PCBs</b></p>	<ol style="list-style-type: none"> <li>1. Physical limitations of accessibility and channels</li> <li>2. Price fluctuation risk</li> </ol>	<ol style="list-style-type: none"> <li>1. Introduce multi-source suppliers</li> <li>2. Effectively analyzing the cost of materials according to international raw material price fluctuations</li> <li>3. Apply for a certificate or patent to reduce risks (technical threshold involved in such materials)</li> </ol>
 <p><b>Magnetic Elements</b></p>	<ol style="list-style-type: none"> <li>1. Physical limitations of accessibility and channels</li> <li>2. Price fluctuation risk</li> </ol>	<ol style="list-style-type: none"> <li>1. Introducing multi-source suppliers</li> <li>2. Effectively analyzing the cost of materials according to international raw material price fluctuations</li> <li>3. Reflecting the cost to the product price through communicating with customers</li> </ol>

## Supplier Category List





Management of Suppliers’ Social Responsibility

Following the Code of Conduct of Responsible Business Alliance (RBA), AcBel has formulated the "Supplier Code of Conduct," which requires suppliers to comply with and signing commitments, and is clearly stipulated in the procurement contract of both parties with mandatory requirements imposed by laws and regulations.

To fulfill the goal of AcBel’s sustainable supply chain management, we integrate social responsibility requirements with supplier management mechanisms such as training, coaching, and appraisal, and make sure our suppliers meet ESG requirements through on-site audit. Serious violators will be disqualified on our procurement list.

Supplier Sustainability Management

Management Aspect	Economic Aspect	Environmental Aspect	Social Aspect
 Compliance Standards	Product quality, delivery period and price, technical support, quality management system of ISO 9001, IATF16949, ISO13485, etc.	ISO 14001 Environmental Management System, IECQ-QC08000 Hazardous Substance Process Management System, ISO 14064-1 GHG Emissions Inventories and Verification, ISO 50001 Energy Management System, EU RoHS, WEEE, etc.	RBA (Responsible Business Alliance), SA 8000 Social Accountability 8000 standard, ISO 45001 Occupational Health and Safety Management System, and EU Conflict Minerals Regulation.
 Purpose	Requesting suppliers to implement management and ensuring product quality in order to meet AcBel's requirement.	Guaranteeing production process is harmless to human body or environment. Electronic products are in line with WEEE recycling regulations.	Abiding by the regulations of international social responsibility, providing a safe, healthy and clean working environment while employees' labor right is protected.

Supplier Management Strategy

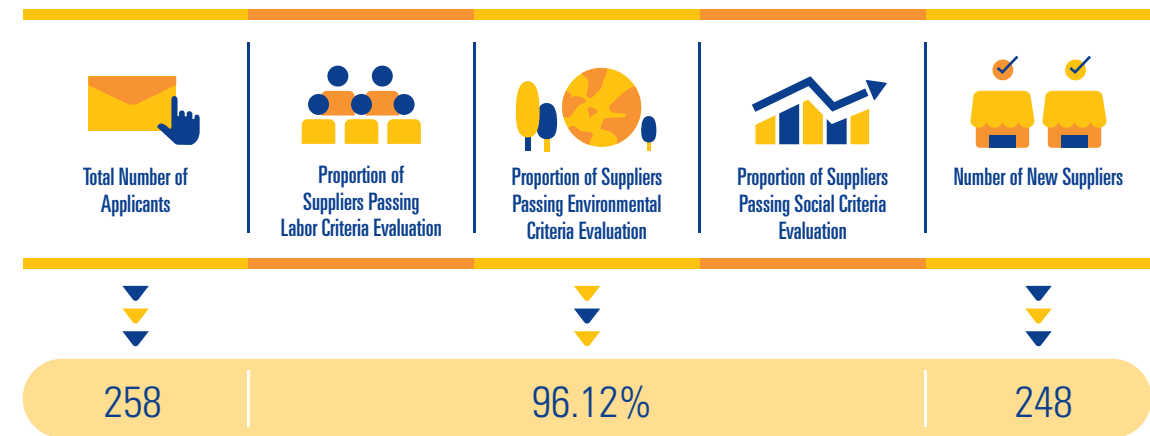
Short-term Strategy	Medium-term and Long-term Strategy
<div>1 AcBel’s suppliers need to abide by the "Supplier Code of Conduct" and to fulfill the five aspects: human rights of workers, health and safety, environmental protection, work ethics and management system, achieving 100 % compliance through audit procedures. Encourage suppliers to obtain certifications such as ISO 9001, ISO14001, SA 8000, ISO 45001, ISO 28000, etc.</div> <div>2 Introducing the principle of multi-source procurement of main materials to maintain two or more suppliers, decentralizing purchase sources, and establishing a strategy for alternative materials to ensure the stability of the source and quality of various materials</div>	<div>1 Partners in the supply chain should take climate change issues into account while evaluating risk assessments and business potentials. They are encouraged to take part in CDP projects and RBA Audit Programs so as to ensure their operation is in line with the code of conduct, with an aim to fulfill the goal of sustainable development. Up to now, the numbers of suppliers participating in CDP and RBA VAP only</div> <div>2 make up less than 1% of AcBel’s supplier population. Introducing the science-based reduction target (SBT) into supply chain carbon management and promoting industrial value chain partners to set a carbon reduction target that helps control global warming by 2°C in a more scientific way.</div>

Item	Measure	Achievement
Supplier Risk/ Impact Evaluation	According to the supplier’s history index of “total amount of transaction,” “transaction frequency,” “total number of abnormal cases” and “manage-ment system verification,” we conduct risk evaluation on our suppliers, and classify them into “A – excellent,” “B – qualified,” “C – observation” or “D – disqualified” in order to effectively monitor the supplier risk.	In 2020, we conducted risk/impact evaluations on 6 suppliers with highest index, which were classified into “B-qualified.” In the future, these suppliers will be required to enhance their actions of Business Continuity Management.
Assessment on New Supplier	Applicant suppliers will be assessed in various aspects in alignment with the framework of CSR, including "Labor Human Rights," "Environmental Criteria," and "Social Criteria." Through onsite auditing, the applicant suppliers will be qualified once meeting the criteria for sustainability and quality of AcBel.	In 2020, a total of 258 companies submitted their application assessments, and 248 companies passed CSR assessment and were formally included in the company's supply chain. The passing rate was 96.12%.
Supplier Audit	On a yearly basis, AcBel conducts on-site audits of its key suppliers based on the criteria of “product quality” and “social responsibility” to ensure that suppliers comply with all aspects of sustainable development framework, as well as to eliminate ineligible suppliers.	In 2020, a total of 114 suppliers were audited in the field, 7 out of 114 consisted of social responsibility audit and all of them passed the standard formulated by the company. No major unqualified items were found.
Supplier Rating	The top 15 suppliers are evaluated monthly based on the criteria of delivery quality, cost delivery, cooperation, and social responsibility. We identify and encourage excellent suppliers and provide guidance to underperforming suppliers to assist them in enhancing their performances.	In 2020, QBR meetings were held with an average of 45 key suppliers to ensure the quality of the supply chain. In 2020, AcBel expects to continue requesting its suppliers to fully comply with the QBR standards.
Supplier Training and Propaganda	AcBel regularly updates its management practices based on international initiatives and pertinent regulations, which are regularly updated on GSM so that the suppliers can adjust their practices simultaneously to comply with all international standards.	In 2020, 190 suppliers have joined the Supplier Management Platform (GSM) for real-time communication, accounting for 23% of total suppliers. In the future, supplier management will be gradually implemented through this platform.
Supplier Conferences	AcBel regularly holds supplier conferences to share the economic, environmental and social issues in two-way communication so as to enhance the sustainability management capabilities of suppliers.	In 2020, a key supplier conference featuring the topic of water resources and net-zero carbon was held, joined by a total of 39 suppliers and 62 representatives.

New Suppliers Risk Assessment Flow Chart



New Suppliers CSR Evaluation Result in 2020



Note: Applicants must pass the CSR evaluation before they can qualify as a new supplier.

5.3 Green Procurement



Local Procurement

The company takes product production or service into environmental considerations and develops strategic alliances with local suppliers to ensure the immediacy and stability of raw material supply and reduce the impact of the environment due to production on the value chain.

In 2020, the supply of material is extremely unstable due to the severe pandemic COVID-19. The production bases increase the proportion of local procurement with flexible supply and alternative materials to solve the shortage of materials, ensuring the production capacity.

In 2020, the procurement of materials 100% complies with lead-free, halogen-free, and EU RoHS banned substances standards. In the future, we will continue to purchase and use green materials to improve suppliers' sustainable performance and meet customer requirements and expectations.

Local Procurement Rate

Plant	Year	2018	2019	2020
T Tamsui Plant		29.49%	33.15%	34%
D Dongguan Plant		41.24%	23.46%	67.94%
W Wuhan Plant		28.01%	45.12%	46.50%
P Philippines Plant		21.19%	31.23%	100%

Notes: Local procurement refers to the situation when a factory purchases parts or service without tax inclusion.



## Hazardous Substance Management

AcBel formulated the "Environmental Management Substance Specification" in accordance with national or international environmental regulations on prohibited or restricted substances such as management system EU RoHS, EU REACH, China RoHS, IECQ QC080000 hazardous substance. Among them, 134 substances are listed as controlled items as to reduce environmental pollution and protect the health of production employees and consumer users. In 2020, AcBel met the RoHS directive, REACH directive, lead-free and reached 100% halogen-free green procurement. For detailed practices and performance, please refer to Chapter 3.3 Green Cycle in this report.

## Constraining Use of Conflicting Minerals

Based on the requirements of the RBA "Responsible Mineral Initiative" and the OECD "Due Dilligence Guidance for Responsible Global Supply Chains of Minerals from Conflict-Affected and High-Risk Areas," AcBel formulated conflict minerals sourcing policy that bans the use of gold, tantalum, tin, and tungsten. We also refer to the CMRT formulated by the Conflict-Free Sourcing Initiative (CFSI) to require suppliers fully disclosing supply chain smelter information to show AcBel's 100% support for banning use of conflict minerals. Relevant procurement policy is announced on the company's official website to ensure the procurement procedures comply with corporate social and environmental responsibilities. The CMRT investigation successfully completed in 2020, and no violations of the policy regarding use of banned conflict minerals were found.

A total of 198 suppliers with the top 80% of the transaction amount in 2020 are 100% in compliance with AcBel's "Conflict Minerals Sourcing Policy," and the suppliers also signed the declaration of "Declaration of non-use of conflict minerals" and submitted CMRT materials. No violations of the policy regarding use of banned conflict minerals were found through the investigation.

## COVID-19 Contingency Measures

Starting from early 2020, AcBel launched the sustainable operation plan as to smooth the production for each production base via daily cross-plant pandemic prevention meetings which ensure the dispatch of the materials. It includes the following measures:



Materials

- For the critical materials of the new product development project, a variety of the selection and verification of the source material is required to increase the availability and flexibility of the new component procurement, which helps to avoid the problems of material shortage when launched mass production.
- Communicating with customers on the BOM (Bill of Material), proactively providing relevant and applicable alternative material certification information, and changing the material procurement and manufacturing process after obtaining approval from customers.
- Strengthening communication with suppliers, notifying the EOL (End-of-life) of materials in advance, providing customers with certification information of alternative raw materials, and initiating the replacement plan of the components in advance.



Freight Transportation

- Vehicles and goods that come in and out of each production base must be disinfected to ensure personnel safety.
- Actively discussing the lead time with the customers considering the skyrocketed transportation costs and incorporating the lead time into management, and ensuring the best process arrangement on production in advance during the COVID-19.
- Carrying out the management on flexible transportation scheduling for the transportation of import and export goods in accordance with the lockdown rules and actual conditions declared by local governments of each production base.

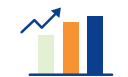


# 06 Harmony

## Employee Relationship Management



6.1 Human Resource Management



Material Topics

Employment Labor/Management Relations

AcBel follows international human rights norms as well as treats every applicant and employee with fairness, friendliness and in compliance of human-right related regulations. AcBel does not discriminate in any circumstances. Whether work arrangements, salary benefits or training promotion are all transparent and fair. The company is also committed to promoting diversified labor-employer communication platforms with equality and harmony to create a friendly and happy workplace.



The Importance of the Material Topics and Impact Boundary

Talented individuals are the key to the sustainable development of an enterprise, and cherishing such key individuals is vital to creating corporate value. AcBel promotes the PHAM plan, which emphasizes "Positivity," "Hospitality," "Attitude" and "Magnanimity." Only through an empathic and responsible corporate atmosphere can key talented individuals with diversified skills who possess capabilities of communication, problem-solving, decision-making, and innovative thinking be cultivated, and thus the foundation for sustainable business operations can be deepened.



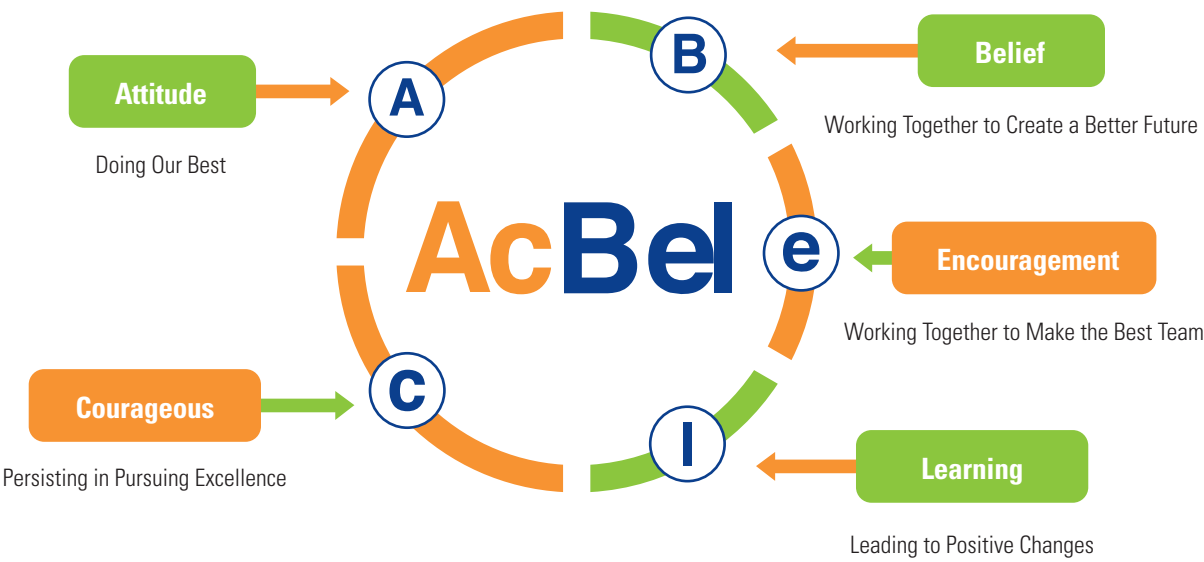
Management Approach and Goals

AcBel supports and promotes international human rights protection and initiatives. In order to respect and protect the labor human rights of every employee, AcBel formulates and implements company-related policies and management regulations of labor/human rights in accordance with the "Universal Declaration of Human Rights," "International Conventions of International Labor Organization," the Code of Conduct of Responsible Business Alliance (RBA) and SA 8000 Social Responsibility Management System.

AcBel is also committed to creating a friendly workplace as well as prohibiting any forced labor, restrictions on employees' freedom of movement and violations of employees' personal will. In addition, the company formulates measures to prevent sexual harassment and implement relevant measures such as gender equality and multicultural tolerance to practice an equal and friendly workplace.

AcBel strictly forbids hiring child labors under the minimum working age specified by local laws and regulations as well as prohibits juvenile workers from working overtime, night shifts and in hazardous areas. The company also respects its employees' freedom of association and rights of collective bargaining. If there are changes in major operation or changes in working conditions, a labor-management meeting will be held to communicate when necessary, and a notice will be made within the legal time limit in accordance with local government regulations to protect the employees' work rights.

AcBel's Five Advantages by Following Geese Theory:

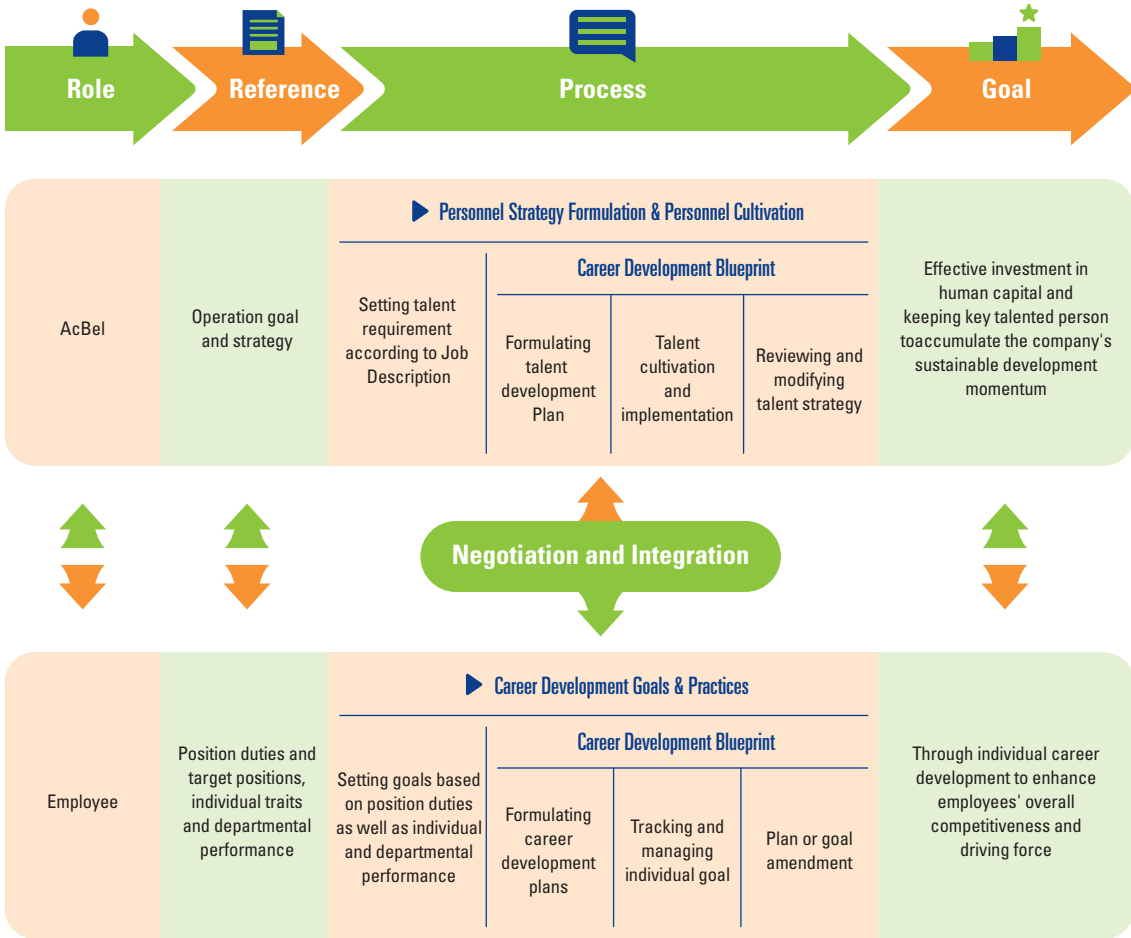
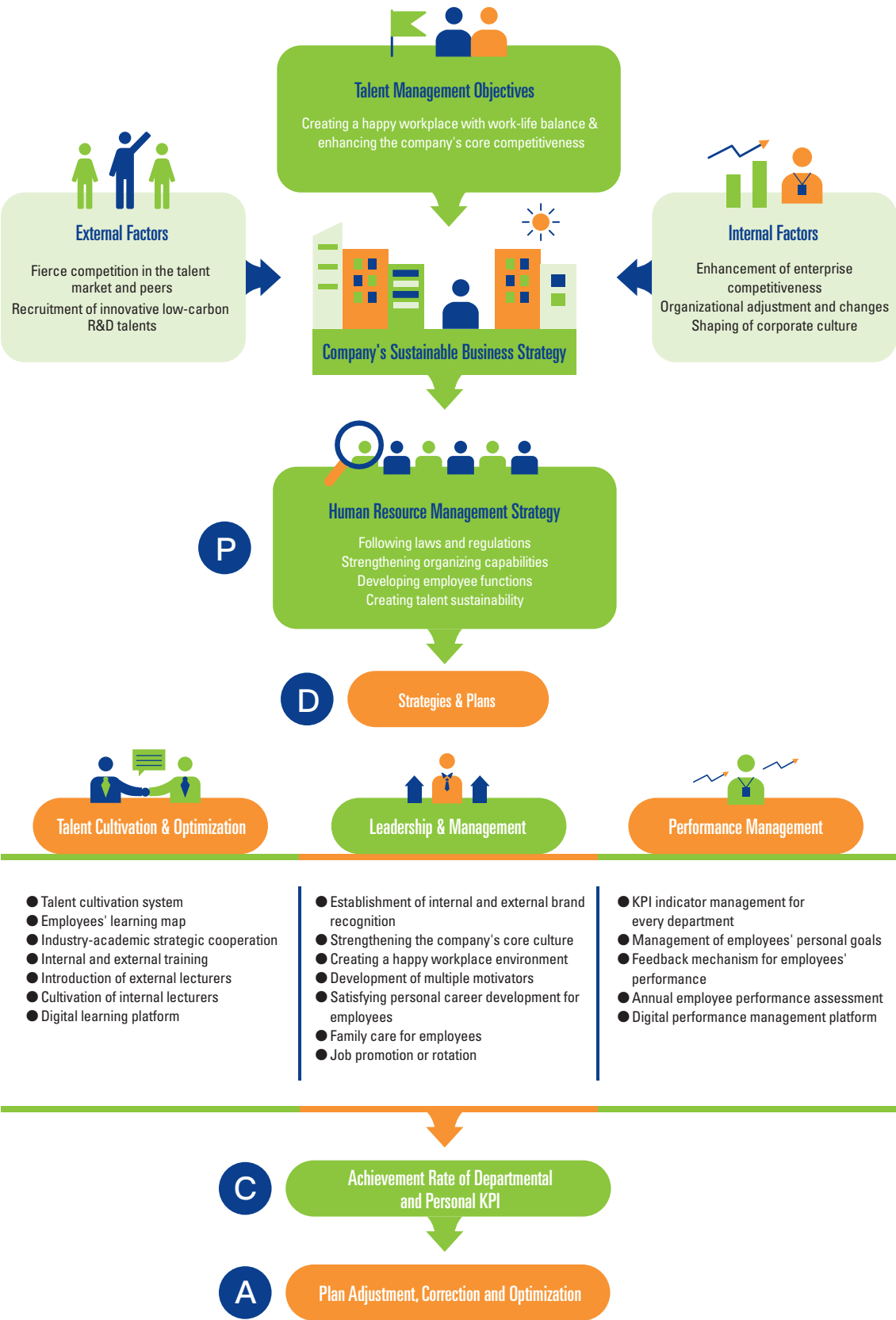


Human Resource Strategy

"Development of talented individuals" is a key element for a company to practice sustainable development. Accordingly, AcBel's business philosophy is "while the company is pursuing growth and profit, it can still be committed to assisting employees to grow together with the company by providing competitive measures for compensation plans and benefits as well as creating an environment for continuous learning and growth for employees."

The core concept of AcBel's talent development is in line with the company's strategic goal: we treat talented individuals as important assets. Considering internal and external environmental factors, career development blueprints are developed and designed according to different positions and the needs of employees. Additionally, using PDCA cycle model to cultivate the employees' comprehensive learning ability, adaptability, execution ability, technical ability, and leadership has become pivotal of AcBel's transformation. We also connect internal and external cultivation resources and expand the level of influence to become responsible of nurturing talented individuals.

Talent Management for Sustainable Development



Annual Goals of Friendly Workplace

Scope	Plant	Item	Results in 2019	Results in 2020	Goals in 2021
Friendly Workplace	Tamsui Plant	Facilitating Employees to Keep Healthy	Six disease prevention activities were held with a total of 329 participants.	Activities such as health lectures and preventive inspections were held with a total of 361 participants.	1. Help employees who have BMI higher than 27 lose 450 kg of weight in total. 2. Increase the number of participants in health facilitating activities to 10% of all employees.
		Avoiding to Extend Working Hours	Employees' overtime-working hours exceeded the regulated overtime hour limit due to production requirements.	Employees' working hours in 2020 were in compliance with laws and regulations and RBA requirements.	Employees' working hours in 2021 are in compliance with laws and regulations and RBA requirements.
		Employee Ethics Training	Six ethical promotion/training activities were held.	Eleven ethical promotion/training activities were held.	Hold at least two ethical promotion/training activities.

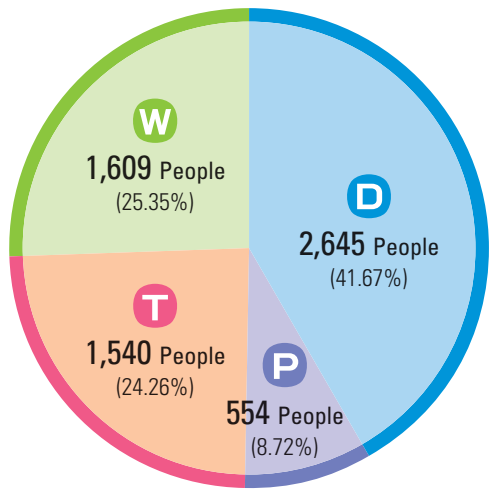
Scope	Plant	Item	Results in 2019	Results in 2020	Goals in 2021
 Friendly Workplace	 Dongguan Plant	Lowering the Number of Work-related Injuries	Failed to reach the goal. The number of work-related injuries was the same as in 2018.	The number of work-related injuries was 50% lower than 2019.	Have the number of work-related injuries 20% lower than 2020.
		Improving Overtime Hours	Failed to reach the goal of making the number of overtime workers less than 5%.	Reached the goal of making the percentage of overtime workers less than 40%.	Make the number of workers whose weekly working hours more than 60 hours less than 40%.
			100% of employees got a day off every six workdays.		100% of employees get a day off every six workdays.
	 Wuhan Plant	Promotion of Employees' Social Responsibility	A total of 7,662 employees participated in the trainings.	A total of 6,042 employees participated in the trainings.	At least a total of 5,000 employees participate in the trainings.
		Improving Overtime Hours	Reached the goal of having over 60% of employees' weekly working hours less than 60 hours.	Reached the goal of having 62.37% of employees' weekly working hours less than 60 hours.	Have 100% of employees work less than eleven hours (including overtime) per day.
		Employee Training	-	A total of 3,522 employees participated in ethical promotion activities.	Have 100% of acceptance rate at On the Job Trainings (OJT).

Note: "-" indicates that no target was set during the specified year.

### Employee Summary

The Number of Employees

 Taiwan
  Dongguan Plant
  Wuhan Plant
  Philippines Plant

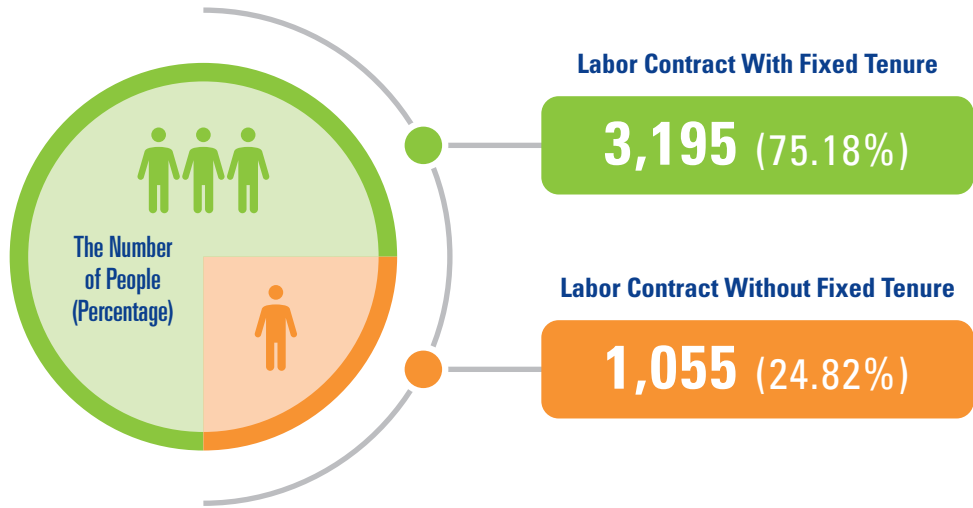


Region Plant Area		T	China		P	Total
			D	W		
The Number of People	2020	1,540	2,645	1,609	554	6,348
	2019	1,418	2,943	1,589	647	6,597
	2018	1,227	3,339	1,694	624	6,884

Note: The total number of employees represented the number of employees within the report's boundary.

- 6,348 employees in 2020
- 6,597 employees in 2019
- 6,884 employees in 2018

### Category of Labor Contract for Plants in China



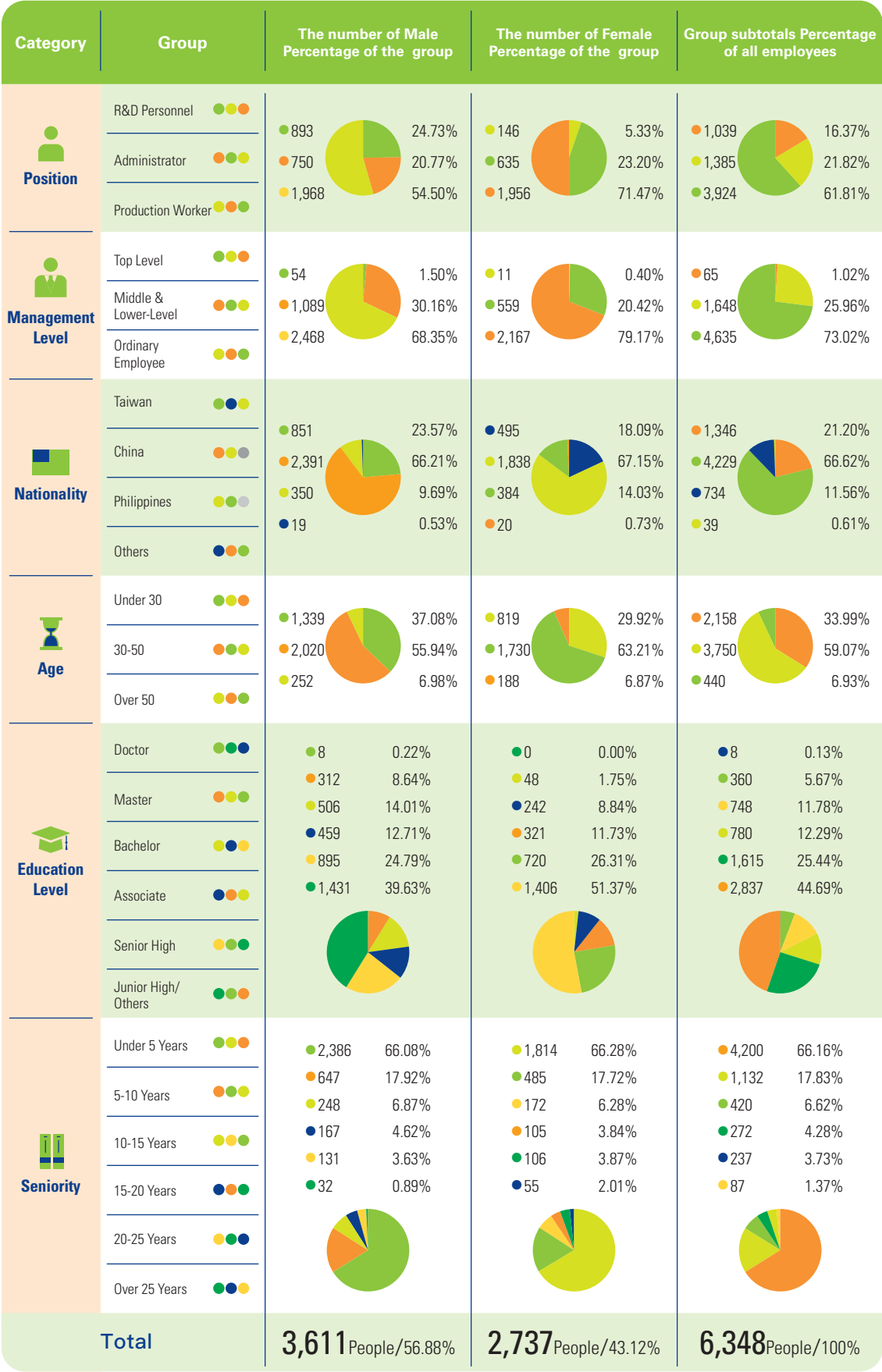
Note: Labor contract in China is different from that of in Taiwan which is based on fixed tenure. The company in China only signs the labor contract with maximum tenure for three years. When an employee extends his/her contract twice, which accounts for 6 years of seniority, the contract can be signed without fixed tenure.

The operational headquarters of AcBel is located in Taiwan with major R&D department and one manufacturing base, while the other three manufacturing bases are established in various Asian countries. The company had 6,348 employees worldwide, 100% of whom were officially employed. Geographically speaking, 1,540 of these employees were in Taiwan, 4,254 were in China as the region with the most employees, and 554 were in the Philippines as the region with the least employees. In terms of gender, 3,611 of the employees were male (56.88% of the total population) and 2,737 were female (43.12% of the total population). The gender difference is mainly attributed to the nature of the electronics manufacturing industry which usually has a great number of men with an engineering background.

In terms of age, 3,750 employees are 30-50 years old (accounting for 59.07% of the total number of employees). In addition, 2,158 young employees under the age of 30 account for 33.99% of the total number of employees. These two combined make up more than 93% of the total employee population. In terms of academic qualifications, 1,896 of our employees are at least college graduates. These people, who mainly hold R&D and management positions, account for 29.87% of the total number of employees. The remaining 4,452 employees have at least a senior high school education level and account for 70.13% of the total number of employees. They are mainly engaged in production work.

In addition, there were a total of 170 people including contractors and resident personnel (e.g. resident security guards, janitors, gardeners, restaurant servers) in each base, which accounted for 2.68% of the total number of employees.

Manpower Structure in 2020



Notes:

1. Research & Development personnel: Employees who are serving as product developers  
Administrator: Employees who are holding administrative positions  
Production Worker: Employees who are working in production or assembly lines

2. Top-level management: Employees who are holding supervisory positions with an official job grade of 8 or above.  
Middle & lower-level management: Employees who are holding supervisory positions other than top-level management.  
Ordinary Employee: Employees who are not holding hold any supervisory positions.

3. The "others" column in nationality refers to 4 employees from India, France, Singapore and Egypt respectively as well as 34 Vietnamese employees.

Hiring Status of the Disabled Worker and the Female and Local Top Management

AcBel's basic employment principle is to adopt multi-dimension tolerance, equal opportunities and appropriate accommodations regardless of sexual orientation, race, or physical/mental disabilities. Statistics show that a total of 11 women held top management positions in the company in the year of 2020, which accounted for 16.92% of the company's senior management. The statistics demonstrates a continued growth in female executives and a significant increase by 4.14% compared with the percentage in 2018. In addition, a total of 740 employees from minority and disadvantage group were employed, which accounted for 11.16% of overall staff. The statistics can be seen as evidence that AcBel has established a workspace which is fair, respectful, safe, equal and free of discrimination as well as harassment.

Hiring Status of the Female and Local Top Management

Plant Area	The number of Top Management	Local Top Management		Local Top Management in Proportion to the Entire Plant	Female in Top Management		Female in Top Management in Proportion to the Entire Plant
		The Number of People	Percentage		The Number of People	Percentage	
Taiwan	42	42	100%	2.73%	8	19.05%	0.52%
Dongguan Plant	14	6	42.86%	0.03%	2	14.29%	0.08%
Wuhan Plant	3	1	33.33%	0.06%	0	0.00%	0.00%
Philippines Plant	6	2	33.33%	0.36%	1	16.67%	0.18%

Notes:

1. Top Management are employees holding manager-level positions of 8 or above.

2. Local Top Management are employees holding the nationality of the country where the factories are located.



Hiring Status of the Minority and the Disabled Worker

Year	2018	2019	2020
The Number of Ethnic Minorities Employees	943	736	740
The Number of Employee With Disabilities	40	29	50
Ethnic Minorities as a Percentage of Employee Population	13.70%	11.16%	11.66%
Disabled People as a Percentage of Employee Population	0.58%	0.44%	0.79%

- Notes:
- Definition of ethnic minorities: In Taiwan ethnic minorities refer to the indigenous citizens; in China they refer to ethnic groups other than the Han; the Philippines is not divided ethnically and hence the definition is not applicable.
  - Definition of disabled people: Employees holding a valid Disability Card.





Recruiting webpage of AcBel  
<https://www.acbel.com.tw/en/article-page/recruiting>

New and Departing Employees

Annual Turnover Rate

Plant	2018		2019		2020	
	Production Worker	Ordinary Employee	Production Worker	Ordinary Employee	Production Worker	Ordinary Employee
Taiwan	1.21%	1.20%	3.55%	1.05%	2.44%	1.08%
Dongguan Plant	23.09%	2.81%	23.00%	2.34%	22.07%	2.10%
Wuhan Plant	18.06%	1.84%	17.27%	3.22%	15.86%	2.97%
Philippines Plant	1.88%	2.48%	1.49%	1.14%	1.63%	1.61%
Average Value	11.06%	2.08%	11.33%	1.94%	10.50%	1.94%

- Notes:
- The turnover rate is the 12-month average of (the number of monthly departures) ÷ (number of monthly employees at the end of the period + number of monthly departures)
  - Definition of Ordinary Employee: Employees other than Production Worker.

New And Departing Employees in 2020

Category		Male					Female				
		Taiwan	Dongguan Plant	Wuhan Plant	Philippines Plant	Subtotal	Taiwan	Dongguan Plant	Wuhan Plant	Philippines Plant	Subtotal
Newcomers	Under 30	94	473	206	9	788	36	314	79	17	438
	30-50	61	200	210	4	475	61	130	267	3	463
	Over 50	12	0	13	0	25	7	0	16	0	23
	Percentage of Under 30	32.64%	72.66%	74.91%	7.20%	58.85%	27.48%	79.49%	66.39%	9.77%	53.48%
	Percentage of 30-50	10.89%	24.18%	39.33%	4.04%	23.51%	17.33%	19.29%	46.92%	2.22%	26.76%
	Percentage of Over 50	11.43%	0.00%	4.73%	0.00%	9.92%	6.73%	0.00%	21.62%	0.00%	12.23%
Newcomers subtotal		167	673	429	13	1,288	104	444	362	20	924
Departing employees	Under 30	98	3,176	956	31	4,261	62	999	367	44	1,472
	30-50	55	1,548	693	22	2,318	58	584	694	15	1,351
	Over 50	25	7	18	3	53	7	33	51	1	92
	Percentage of Under 30	34.03%	487.86%	347.64%	24.80%	318.22%	47.33%	252.91%	308.40%	25.29%	179.73%
	Percentage of 30-50	9.82%	187.18%	129.78%	22.22%	114.75%	16.48%	86.65%	121.97%	11.11%	78.09%
	Percentage of Over 50	23.81%	7.37%	47.37%	21.43%	21.03%	6.73%	1,100.00%	68.92%	14.29%	48.94%
Departing employees Sub-total		178	4,731	1,667	56	6,632	127	1,616	1,112	60	2,915

- Notes:
- New employees are those who have completed the employee registration procedures in that year and are still in position in the end of the year.
  - Departing employees are those who have completed the employee departure procedures in that year.

Given the difference in job content, the turnover rate will be elaborated from two aspects. In 2020, the turnover rate of production workr was on average 10.50%, showing no significant change in turnover rate in the last three years and a relatively stable flow of personnel. Due to the labor market in China not saturated, multiple choices for career and younger age in Dongguan and Wuhan Plant, the turnover rate in China was relatively higher than Taiwan. An analysis of the turnover rate of employees who have newly arrived or left showed that most of them were under the age of 30 and accounted for about 70 % of the group.

The results of interviews and surveys showed that employee resignation is mainly attributed to the monotonousness of work contents, undesirable salary or benefits and difficulty in adjusting to corporate management style. AcBel will optimize its corporate management system by continuously increasing remuneration benefits for our employees as well as improving workplace environment. We look forward to becoming a joyful corporate where our employees could fulfill their goals of self-realization, continual development and work-life balance so that the employees can enjoy themselves at work and turnover rate can drop down.



Performance Assessment and Working Rotations

AcBel has established its performance assessment mechanism in order to make all employees and supervisors able to fairly and objectively evaluate work performance and ensure connection with individual work goals, implement communication feedback mechanisms and allow the company and employees to grow together in a positive cycle.

The annual performance assessment is divided into three stages: "Personal Annual Goal Setting," "Annual Goal Achievement Review, Improvement and Revision" and "Final Performance Assessment."

- 1. Personal Annual Goal Setting:  
Based on the company's next-year strategic goals and departmental development direction, supervisors and employees jointly agree to complete the personal annual goal setting for the year.
- 2. Annual Goal Achievement Review, Improvement and Revision:  
(1) During the year, supervisors and employees can review, adjust and give feedback to the annual goals set by themselves or for their employees at any time or from time to time. Department heads are required to give performance feedback to direct reports at least twice a year.  
(2) In the middle of each year, the department head must implement the "Performance Coaching Plan" for the last performers in the department, and carry out follow-up tracking and reporting on the improvement results.
- 3. Final Performance Assessment:  
Final Performance Assessment starts at the end of each year. Employees have to fill in self-evaluate section in "Employee Performance Assessment Form" based on the performance of the individual annual goals set in the current year. Then, their supervisors will give an overall evaluation of the employees' performance in the annual goals, individual functions, behavioral discipline, etc. and give the employees performance interviews as well as feedback.

Annual Performance Assessment

Stage	Personal Annual Goal Setting	Annual Goal Achievement Review, Improvement and Revision	Final Performance Assessment
Main Approaches	<div>Employees will set individual annual goals for the year based on the company's annual strategic goals as well as departmental development direction.</div> <div></div>	<div>1. Department heads are required to give performance feedback to direct reports at least twice a year. 2. "Performance Coaching Plan" and follow-up tracking will be carried out for the last performers of mid-year performance assessment in the department.</div> <div></div>	<div>The employees will conduct self-evaluation according to their individual annual goals. Then, their supervisors will give them an overall evaluation of performance, performance interviews and feedback.</div> <div></div>

In case no improvements are seen after the interview, job rotation or layoff will be carried out according to the willingness of the employees. Any significant changes which might affect employees' rights will be handled in accordance with relevant laws or regulations; notifications will also be given to employees in advance to explain relevant treatment methods of the company so as to ensure that the employee's rights and interests are not affected.

In order to fully evaluate the performance of employees, assist employees in their continuous growth, and thus maximize team performance. All employees in each production base will complete an employee performance assessment once a year.

Motivators for Excellent Employees/Teams

In order to encourage individuals or departments of the company to advocate the corporate culture of "Innovative Breakthroughs, Cooperation and Mutual Assistance, Facilitating of Team Awareness, Improvement of Departmental Cohesiveness and Benchmark Behaviors with Willingness to Assist Other Departmental Cooperation," an annual regular election of outstanding employees/high-performance teams will be held. By encouraging and shaping the core value that the company stresses, individual or departmental performance potential can be inspired, and healthy competitiveness of organizations will be enhanced. In 2020, 34 outstanding employees were commended, and 5 teams with excellent performance were all praised by the president in public.

Career Development

In order to let employees understand their own future development direction in the company and encourage self-development, the company gives employees who have outstanding performance at work the opportunity of promotion that they deserve. Individuals who want to be promoted must meet the following conditions: language ability, learning map, seniority/rank level, performance assessment, etc., supervisors at all levels will also take the needs of the organization's position, the work performance of colleagues, and whether they meet the various abilities of the promoted position into account for evaluation. Only when the conditions are met the requirments for promotion can be submitted. After the review by the company's personnel evaluation committee, the promotion can be accepted after the president agrees.

In 2020, AcBel promoted a total of 264 employees, accounting for 4.16% of the total. All promotions were based on the principle of fairness and equality, and there is no discrimination based on race or gender. Furthermore, appropriate talents were selected and evaluated according to the company's organizational development goals, departmental needs, personal performance, talent development and other factors to meet their goal of career development goal.

Retirement System And Social Insurance

In accordance with the laws and regulations of the place where we operate, we implement various retirement plans that include pensions to protect the interests of our employees. In Taiwan, the company abides by the staff retirement management plan which is applicable to all officially appointed employees. AcBel complies with the "Labor Pension Regulations." Each employee who meets the requirements of the new system applies is required to contribute a 6% of their monthly salary to a special labor pension account managed by the Labor Insurance Bureau. As for the plants in China, a certain percentage of employees' salary is deposited into the government's social insurance account according to the salary of employees for the purpose of retirement when faced with oldness, sickness, disability, childbirth, death, disaster and life difficulties. And for plants in the Philippines also allocates a fixed percentage to the compulsory social insurance (Social Security System, SSS), medical insurance (PhilHealth) and housing reserve (Pag-IBIG) each month by the company and its employees in accordance with the related laws and regulations.

The pension expenses allocated to the Labor Insurance Bureau in 2020 were NTD 52,533,000 in total. Other pension expenses and basic pension insurance expenses recognized by the subsidiaries included in the preparation of the consolidated financial statements are NTD 78,824,000.

6.2 Salary and Benefits



Material Topic

🕒 Market Presence

To reach the goal of sustainable enterprise management, we plan to integrate the spirit of "Enterprise Globalization and Management Localization" into every production base's operation, recruit local talents from operation bases, apply diversified and localized management approaches, and respect people with different cultural backgrounds so as to gain recognition among employees.



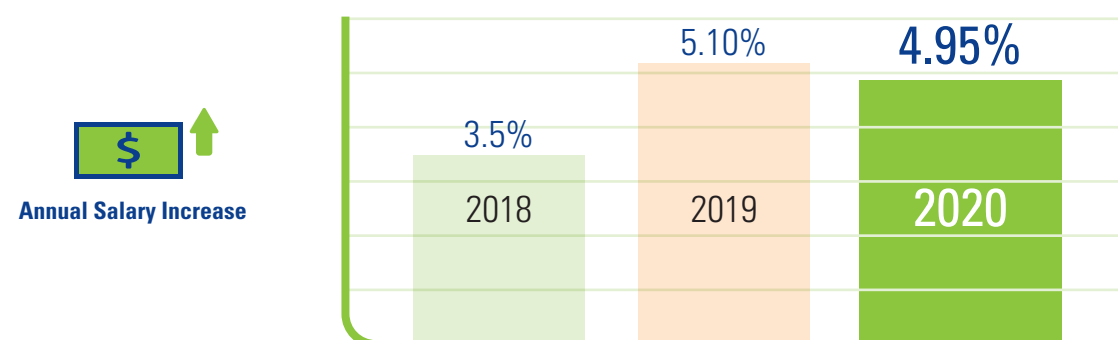
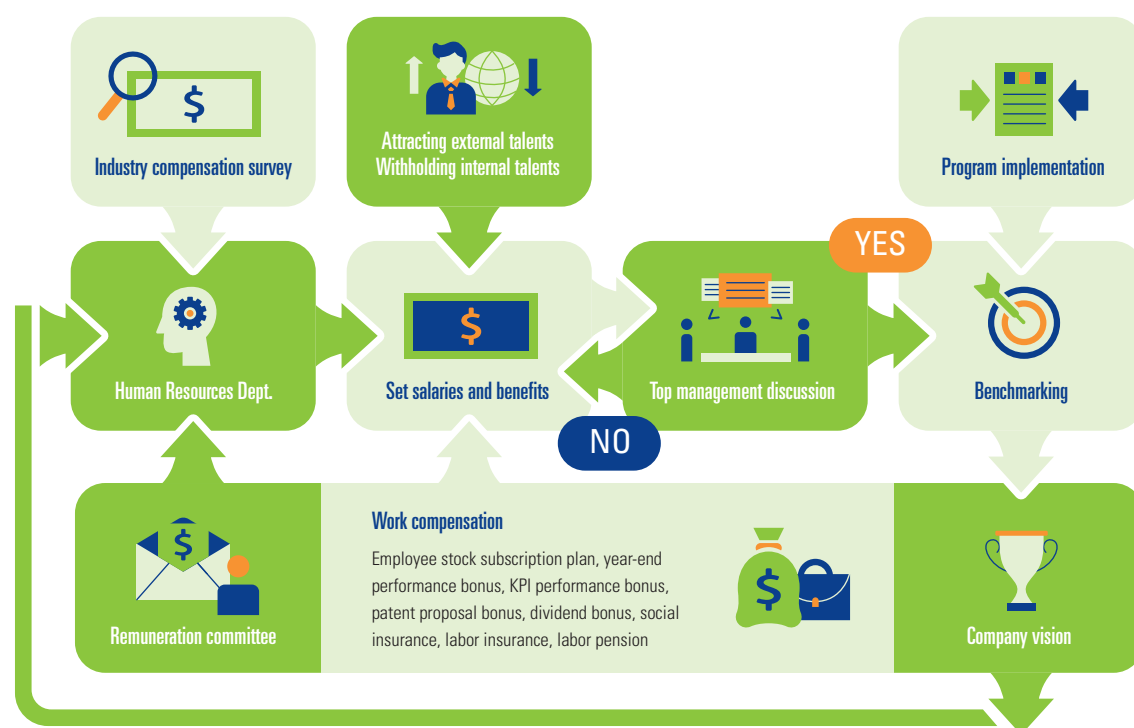
The Importance of the Material Topic and Impact Boundary

The globalization of customers and the market has made the company's recruiting strategy orient toward a more diverse and comprehensive layout. Since employees at each production base come from different provinces or nationalities, the responsibilities of top-level managers, who are faced with this diversified employee demographics, are becoming increasingly complex. The top-level managers should not only adjust their working practices/methods, communication skills, and management styles based on local cultural practices but also give greater attention to cross-cultural issues so that conflicts due to management can be avoided.



Management Approach

The company adopts the principle of being equal and competitive in terms of employee salary and benefits regardless of gender or nationality and providing higher basic salary than that set according to local regulations. In addition, a survey on remuneration in the industry is conducted on a yearly basis, not just for keeping and attracting talents but also for fulfilling market demand for talents and energizing human capital.



#### Basic Salary Ratio in 2020

Plant Area	T	D	W	P
Item	Taiwan	Dongguan Plant	Wuhan Plant	Philippines Plant
Male & Female Basic Salary Ratio	1 : 1	1 : 1	1 : 1	1 : 1
Company Basic Salary And Local Basic Salary Ratio	1.13 : 1	1.05 : 1	1.12 : 1	1 : 1

In 2020, the ratio of male employees' salary to female employees' salary is approximately 1:1 in all plants. Male employees holding executives, consultants or other specialized positions have generally higher salary than their female counterparts who hold the same positions. The reason for such phenomenon might be that in the power industry the majority of the high-level managers and senior employees are males. However, in the positions of technical staff or operators, the majority of senior employees are females; therefore, the female employees' salary is higher than their male counterparts in these job positions.

## T Taiwan

### Ratio of Male Employees' Salary to Female Employees' Salary

Category	Gender	2018	2019	2020
Supervisor	Male	1.27	1.30	1.36
	Female	1	1	1
Staff Personnel, Engineering Staff	Male	1.11	1.10	1.10
	Female	1	1	1
Production Worker	Male	0.99	1	1
	Female	1	1	1

Note: Staff personnel and engineering staff are employees holding administrator or engineering-related positions.

### Salary of Non-executive Personnel in Taiwan

Category	2018	2019	2020
Full-time Employees	1,197	1,277	1,457
Difference Compared to the Previous Year	-10.60%	+6.68%	+14.10%
Sums of Salary (NTD Thousand)	1,039,692	1,222,903	1,432,088
Difference Compared to the Previous Year	-	+17.62%	+17.11%
Average Annual Salary	868,582	957,637	982,902
Difference Compared to the Previous Year	+14.71%	+10.25%	+2.64%
Median salary	723,091	789,274	777,450
Difference Compared to the Previous Year	-	+9.15%	-1.50%

Note: Non-executive personnel are exclusive of board members and professional managers. The average salary refers to overall salary per year. Gross income means the total renunciation of monthly regular earnings including base salary and fixed allowance and bonuses a person receives on a monthly basis, and irregular salary including overtime pay, year-end bonus, occasional performance bonus and attendance bonus. Above-mentioned information could be found in Market Observation Post System.

**D** Dongguan Plant

Ratio of Male Employees’ Salary to Female Employees’ Salary

Category	Gender	2018	2019	2020
Supervisor	Male	1.37	1.40	1.38
	Female	1	1	1
Staff Personnel	Male	1.01	0.90	0.92
	Female	1	1	1
Professional	Male	1.18	1.24	1.22
	Female	1	1	1
Production Worker	Male	0.92	0.89	0.89
	Female	1	1	1

Note: Supervisors are employees holding supervisory positions at all levels; Staff personnel are administrative workers, including executives and special assistants; Professionals are engineers and project specialists.

**W** Wuhan Plant

Ratio of Male Employees’ Salary to Female Employees’ Salary

Category	Gender	2018	2019	2020
Supervisor	Male	1.15	1.11	1.03
	Female	1	1	1
Staff Personnel	Male	1.06	1.05	1.01
	Female	1	1	1
Professional	Male	1.10	1.04	1.01
	Female	1	1	1
Production Worker	Male	1.02	1.09	0.97
	Female	1	1	1

**P** Philippines Plant

Ratio of Male Employees’ Salary to Female Employees’ Salary

Category	Gender	2018	2019	2020
Exempt	Male	0.98	0.95	1.04
	Female	1	1	1
Non-Exempt	Male	1	0.92	0.97
	Female	1	1	1
DL	Male	1	1	1.06
	Female	1	1	1
IL	Male	1.03	1.09	1.01
	Female	1	1	1

Note: Exempt employees are engineers or special assistants; Non-Exempt employees are technicians; Direct Labors are employees directly involved in production; Indirect Labors are employees serving as assistants to the staff at the production line.

Welfare Facilities and Services at Workplace

Item	Plant Area	Content
Cafeteria	<b>T</b> Taiwan <b>D</b> Dongguan <b>W</b> Wuhan <b>P</b> Philippines	Providing free refreshments including but not limited to convenience store snacks, non-vegetarian/vegetarian recipes, wheat flour recipes, coffee and snack for staff members
Employee Dormitory	<b>T</b> Taiwan <b>D</b> Dongguan <b>W</b> Wuhan	Free dormitories for employees
Staff Library	<b>T</b> Taiwan	Providing the latest magazines and books for borrowing
Convenience Store		Providing employees with shopping discounts at plant-based store
Fitness Center		Open for employees during workdays
Infirmary		For employees in need
Nursery Room		



Greater Benefits than Legal Regulation

Items	Plant Area	Content
Flexible Working Hours	T Taiwan	Employees can freely arrange their working hours within the given time frame
Employee Bonus		Granted based on both company's annual operating situation and individual performance
Employee Stock Option Certificates		Such rights and benefits are provided based on individual performance
KPI Performance Bonus		Granted based on personal performance results
Maternity Allowance		NTD 1,600 for maternity allowances
Baby Bonus		Employees and their descendents can receive a total of NTD 66,000 for each newborn baby
Club Grants		Provide assistance for club subsidy applications.
Scholarship Grants		Provide scholarship grants to support the education of employees and their children, which emphasis being placed on encouraging employees whose children have outstanding academic performance.
Incentive And Allowance for Language Learning		Allowance for English and Japanese courses and proficiency tests. Those who pass the tests and meet the reward criteria are granted a one-year incentives.
Volunteering Leave		If our employees participate in company's volunteering activities during their time off, corresponding hours of leave will be compensated.
Charity Leave		Participant in charity events outside the company or spontaneous acts of charity could apply for charity leave with pay
Travel Vacation		Each year, employees receive three days of vacation grants to travel both locally and abroad. The goal is to relieve employees from the pressure of family obligations while strengthening family connections.
Birthday Leave		Employees are given one day off with pay in the month of birthday
Family Care Leave		Provide employees with seven days of family care leave and two days with pay
Part-time Job Opportunities for Employees' Children		Providing employees' children with summer part-time job opportunities
Shuttle Bus		Providing shuttle bus for employees on and off duty or those who work overtime
Relieving Massage		A total of 4 visually challenged massagists were hired, and a total of 922 staff were served, with an average utilization rate of 74%.
Special Store Benefits		Employees can enjoy the benefits involving shopping at cooperative stores
Travel Grants	T Taiwan P Philippines	Providing travel grants

Items	Plant Area	Content
Year-end Bonus	T Taiwan D Dongguan W Wuhan P Philippines	Attributed based personal basic salary, personal performance, seniority, etc.
New Year Festival and Birthday Bonus		Employees are given presents or money on their birthday and during the New Year Festival
Dinner Party And Raffle Prizes		Providing raffle prizes at Christmas and year beginning/year-end parties
Catering Services		Providing free meal allowances, which employees can use at the company's staff restaurant and supermarket.
Annual Health Checkup		Free annual health check
Employee Referral Bonus	T Taiwan D Dongguan W Wuhan	Providing new employees with referral bonuses
Medical Allowance	D Dongguan W Wuhan	Providing staff with medical assistance
Bonus for Employees Who Remain in Office During Chinese New Year		Rewards for zero absence and returning to work on time during the Chinese New Year festival
Entry Bonus	D Dongguan	Providing self-employed production line workers with two months of entry bonuses in total of RMB 1,200
Night Shift Allowance		Providing night shift allowances
Bonus for Employees Who Remain in Office During Chinese New Year		RMB 800 bonus for worker with zero absence during the Chinese New Year holidays and is returning to work on time after CNY holidays. Those who take less than three days leave and get back to work on time will receive RMB 400 bonus.
Perfect Attendance Bonus		Provide perfect attendance bonus as an incentive

Taiwan Plant – Baby Bonus

AcBel has provided employee baby bonus since 2011 for each newborn baby, applicable to the employees’ children as well. The employee will receive NTD 66,000 per new born baby as maternity allowance to increase the willingness to nurture our next generation

Year	The Number of People Given Financial Assistance	TheTotal Amount of Bonus Paid (NTD Thousand)
2020	49	3,234
2019	35	2,310
2018	60	3,960

Employee Welfare Committee

AcBel has set up an "Employee Welfare Committee" according to relevant laws and regulations to provide monthly employee grants and make various welfare plans so as to boost employees' morale and foster a win-win labor management relationship. To increase employees’ non-salary benefits, and since the conditions at each operating base are different, 0.05% to 0.15% of the company's turnovers is allocated monthly as employee benefits.

Employees Benefit Packages for Employees in Taiwan

Unit: NTD Thousand

Benefits	2018	2019	2020
Maternity Allowances	81.60	41.60	166.40
Travel Grants	5,837.15	7,098.56	7,570.24
Club Grants	649.32	557.21	358.95
Holiday And Birthday Gift Vouchers	6,052.97	7,777.75	8,480.72
Scholarships for Employees' Children	224.60	194.80	226.40
Others	11,954.44	13,394.93	17,651.19
Total	24,800.07	29,064.84	27,451.67

Note: 99% of the "Others" category are food expenses for employees.

Employee Clubs

AcBel takes care of employees' physical and mental health as well as maintain work-life balance by encouraging employees to form their own societies with subsidies from the company, to build friendships and promote family relations, and to relieve pressure through participation in different activities with subsidy from AcBel. There were 9 employee clubs at the Tamsui plant by 2020. The total number of club participants and financial subsidies are listed below in the previous three years:

OutdoorType

				
Softball Club	Badminton Club	Basketball Club	Outdoor Activities Club	Bicycle Club

ArtType

		
Rhythm Dance Club	LOHAS Yoga Club	Board Games Club

Category	2018	2019	2020
The Number of Participants	796	735	557
The Total Amount of Allowance	649,320	557,209	358,950

Summer Part-Time Jobs for Employees' Children

AcBel provides summer internship opportunities for employees' children, who will be mainly responsible for assembly line, general office tasks and promotion of charity activities, to help the new generation link to the workplace and experience and learn working skills at an early stage. We also offer wages the same as given to the general staff to help them understand the hard work of their parents. In 2020, we have received 100% positive feedback from 20 employees' children entered for internship after work.

Numbers of Internship for Employees' Children

Year	2018	2019	2020
The Number of Interns	17	25	20

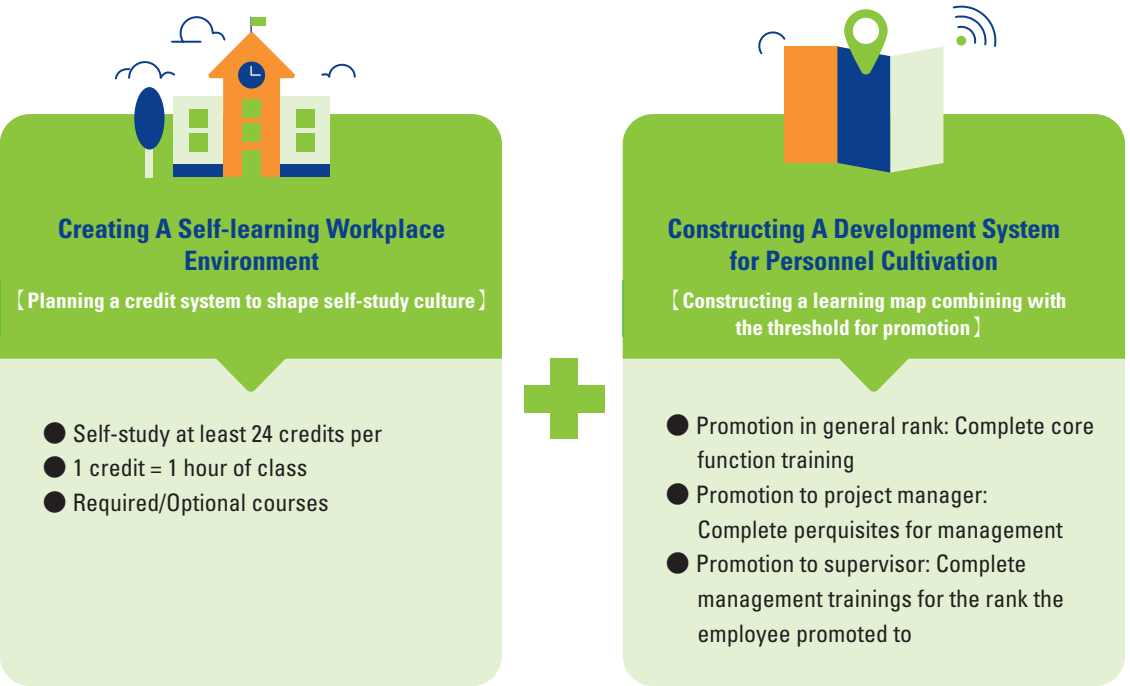
6.3 Education and Training

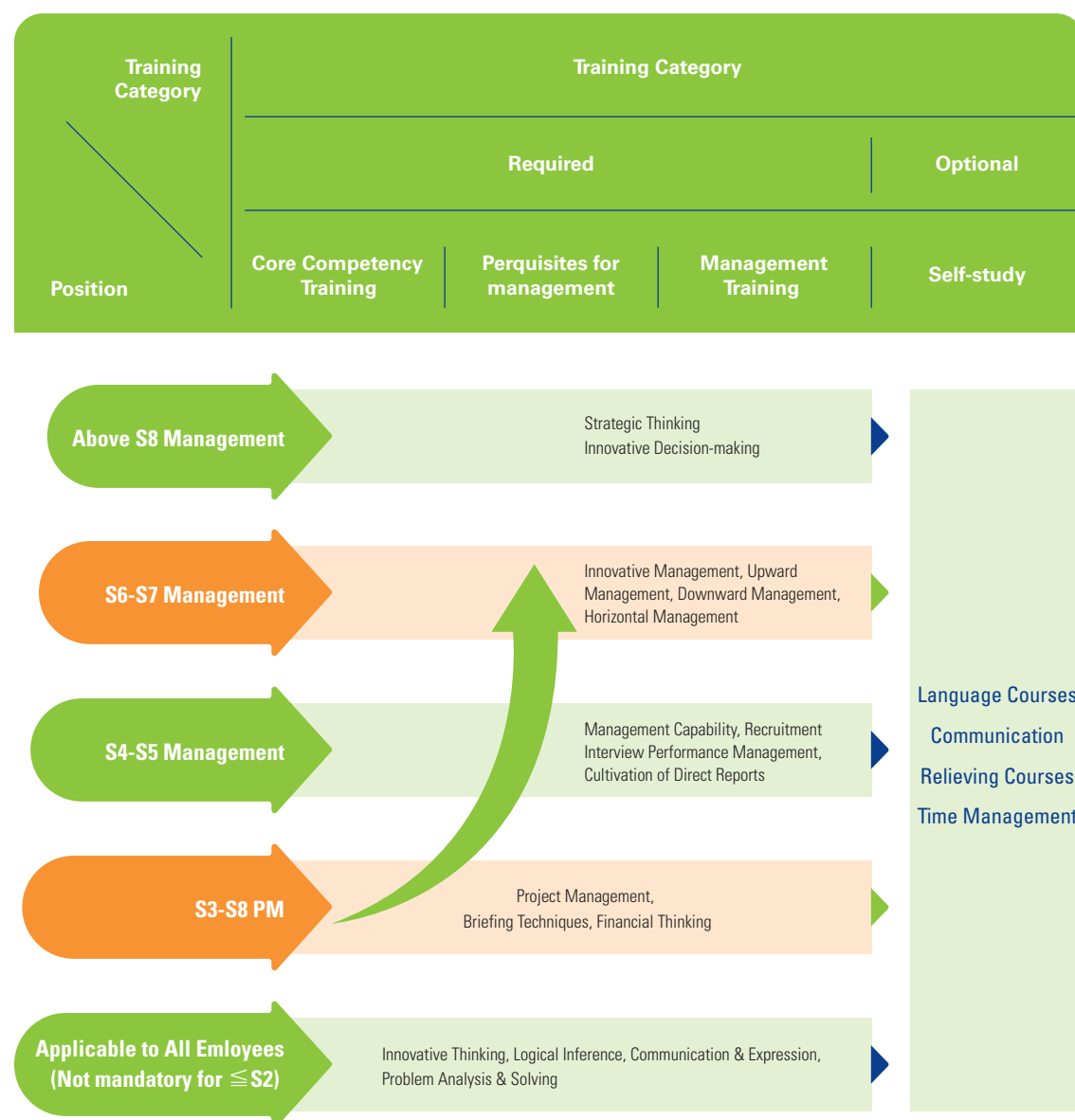
Personnel Cultivation System

Excellent talented individuals are a company's key competitive advantage. Based on the company's core philosophy and organizational strategy, AcBel has established a personnel training blueprint, created a self-learning workplace environment and constructed a talent development system. In addition, we have also provided multiple learning channels, such as an online digital learning platform, internal physical courses, etc. We look forward to having excellent individuals become one of the company's long-term competitive advantage by establishing a systematic lifelong learning and training system for grassroots employees to top-level managers.

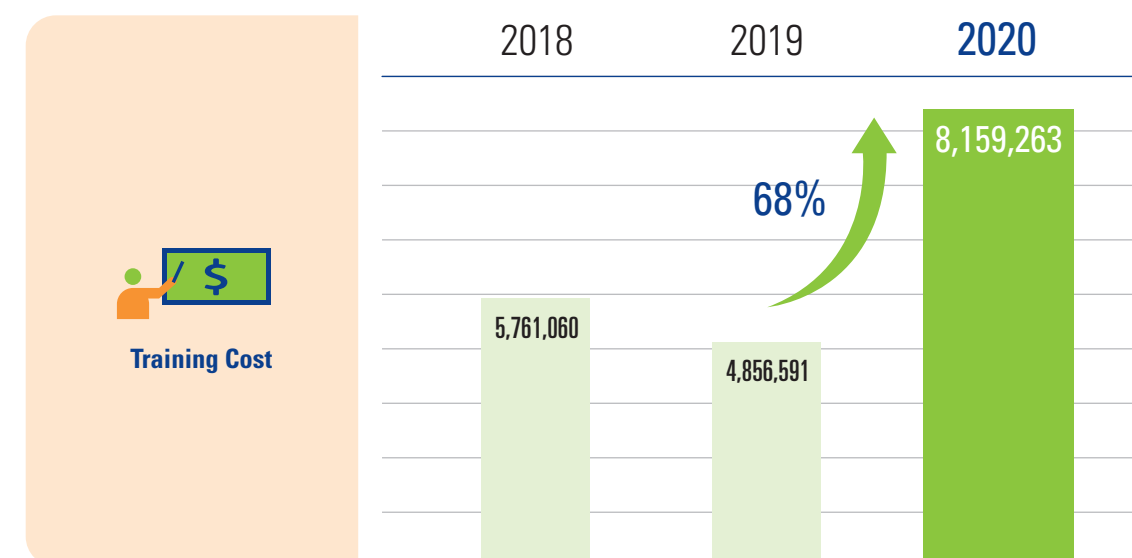
AcBel attaches great importance to personnel cultivation and development, thus always plans a comprehensive talent development plan. We pay attention to the course planning with lecturers before class, the motivation and attitude of students in class, the interaction between teachers and students in class and the overall classroom atmosphere. Tracking how employees utilize what they have learned in class in work and their changes in behavior and establishing a complete effective evaluation mechanism.

In addition, in order to help improve employees' ability to respond to rapidly changing international trends, AcBel plans appropriate language courses in accordance with the needs of various units in language training to enhance employees' international business communication skills. Furthermore, if employees are interested in learning foreign languages that are required for work or not, the company also provides learning and proficiency test subsidies and an incentive bonus for employee who obtain language certificate.





## Employee Training Program



The total training hours and average training hours of employees in terms of position and gender are as follows:

### Taiwan

Year	2018	2019	2020
(A)The Number of Employees	1,227	1,418	1,540
(B)Total Training Hours	9,206.14	15,488.97	15,769.05
(B/A)Average Training Hours	7.50	10.92	10.24

Year 2020	Ordinary Employee		Supervisor		Total	
	Male	Female	Male	Female	Male	Female
(A)The Number of Employees	770	553	183	34	953	587
(B)Total Training Hours	7,614.29	3,595.86	3,723.23	835.67	11,337.52	4,431.53
(B/A)Average Training Hours	9.89	6.50	20.35	24.58	11.90	7.55

Note: Ordinary Employees are employees not holding hold any supervisory positions.

## D Dongguan Plant

Year	2018	2019	2020
(A)The Number of Employees	3,339	2,943	2,645
(B)Total Training Hours	26,600	8,511	5,300
(B/A)Average Training Hours	7.97	2.89	2.00

Year 2020	Supervisor		Staff Personnel		Professional		Production Worker		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
(A)The Number of Employees	183	138	83	98	287	43	1,020	793	1,573	1,072
(B)Total Training Hours	608	354	28	48	376	175	1,748	1,963	2,760	2,540
(B/A)Average Training Hours	3.32	2.57	0.34	0.49	1.31	4.07	1.71	2.48	1.75	2.37

## W Wuhan Plant

Year	2018	2019	2020
(A)The Number of Employees	1,694	1,589	1,609
(B)Total Training Hours	83,468	69,340.35	24,663
(B/A)Average Training Hours	49.27	43.64	15.33

Year 2020	Supervisor		Staff Personnel		Professional		Production Worker		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
(A)The Number of Employees	30	9	57	66	86	11	674	676	847	762
(B)Total Training Hours	2,228	644.5	897	800.5	651.5	155.5	9,803	9,483	13,579.5	11,083.5
(B/A)Average Training Hours	74.27	71.61	15.74	12.13	7.58	14.14	14.54	14.03	16.03	14.55

## P Philippines Plant

Year	2018	2019	2020
(A)The Number of Employees	624	647	554
(B)Total Training Hours	4,480	4,431.50	259
(B/A)Average Training Hours	7.18	6.85	0.47

Year 2020	Supervisor		Exempt		Non-Exempt		DL		IL		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
(A)The Number of Employees	13	4	26	23	49	28	58	164	92	97	238	316
(B)Total Training Hours	6	5	54	50	30	51	3	24	6	30	99	160
(B/A)Average Training Hours	0.46	1.25	2.08	2.17	0.61	1.82	0.05	0.15	0.07	0.31	0.42	0.51

Note: Due to COVID-19 pandemic, most of training courses in Phillipine Plant were cancelled.

### Incentives for Certificates and Language Learning

In 2020, AcBel's total investment in "Language Learning Allowances and Incentives" and "Certificate Incentives" increased slightly by 9.7% compared with 2019, indicating that the company's promotion of internationalization strategies as well as employees' emphasis on and investment in language proficiency and professional licenses.

### T Incentives and Allowances for Certificates and Foreign Language Ability Improvement

Year		2018	2019	2020
Total Amount		1,315,850	1,326,500	1,455,600
Certificate Incentives		1,229,000	1,240,000	847,000
Allowance Amount	Learning Allowance	36,150	20,450	544,800
	Foreign Language Certificate Test Allowance	50,700	66,050	63,800
The Number of Applicants	Learning Allowance	13 people	4 people	106 people
	Foreign Language Certificate Test Allowance	91 people	119 people	119 people



Industry-Academic Cooperation

In order to maintain the advantages of innovative research and development, the company combines future development strategies with the introduction of cross-field talents, technologies, and innovative ideas that are not restricted by existing knowledge and frameworks. By cooperating with schools to set up cross-field courses and industry-academic cooperation, the entry channels of diverse talents can be expanded, and a forward-looking corporate talent blueprint can thus be planned.

In 2020, an industry-academic cooperation is conducted for the reserve of R&D talents. There were 4 talents came from "master classes of power/electronics production" of 2 schools, and 35 came from "corporate internships" of 7 schools. We seized the opportunity to select talents during student internships, and then cultivate them to be a centripetal force for the company as well as make up for the required manpower. On the other hand, during this period, these students' practical ability can be cultivated. At the same time, technical problems or process improvements within the company will be solved, thus achieving a mutually beneficial and win-win situation between the company and the students.

In January 2021, AcBel and National Tsing Hua University established a research center. The company will invest NT\$10 million per year in the next five years. Combining industrial and academic resources, the company and the school will be committed to technology research and product development in the field of electric vehicles and green energy integration systems. In addition, they will use artificial intelligence (AI) and big data analysis for projects such as smart manufacturing, advanced production and quality optimization.

Advocating for Human Rights

AcBel formulates its labor policy with reference to international and domestic human right policies. Specifically, AcBel aims at ensuring all employees are not discriminated against at workplaces due to their nationality, skin color, age, race, sexual orientation, religious beliefs, physical disability, or pregnancy. In addition, AcBel strives to strengthen employees' awareness of gender equality through proper education in order to prevent sexual harassment, bullying or any cases of inhumane treatments from happening at workplaces.

Our operating sites conduct human rights risk assessments through the RBA Self-Assessment Questionnaire (SAQ) and SA 8000 social responsibility standards every year. Moreover, we use internal audit process of the audit office to ensure the legitimacy of recruitment channels. Various social responsibilities related norms and requirements related to human rights are also promoted through regular stakeholder publicity meetings, including: employees, management, supply chain vendors, security personnel, etc. Complaint channels like emails, hotlines, and physical mailboxes are also established with dedicated personnel being fully in charge of handling any sort of workplace misconduct with a responsible and meticulous attitude. This ensures that the rights of all employees at all operating sites are 100% protected. By 2020, all plants have accomplished the evaluation for human rights.

2020 RBA /Human Rights Training

Plant	The Number of Attendees	Percentage in All Employees	The Number of Hours	Average of Training Hours
T Taiwan	475	30.84%	337.98	0.71
D Dongguan Plant	1,117	42.23%	1,117	1
W Wuhan Plant	1,599	99.38%	3,503.5	2.19
P Philippines Plant	33	5.96%	66	2

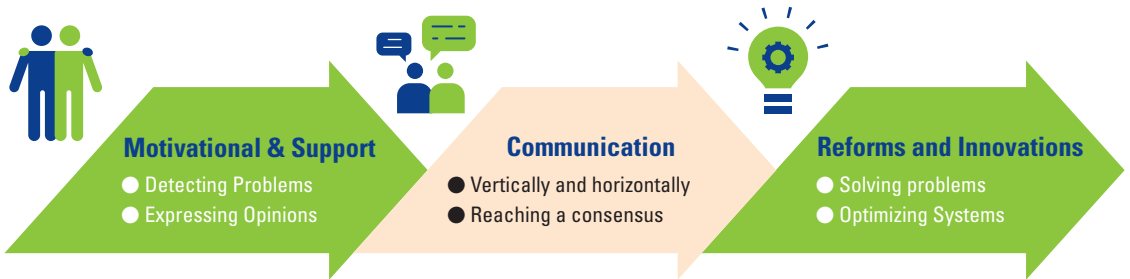
Notes:

1. All employees completed employee registration procedures are required to participate in Human Rights Training.

2. All employees are required to participate in RBA retraining via physical courses or online promotion.

6.4 Employee Communication

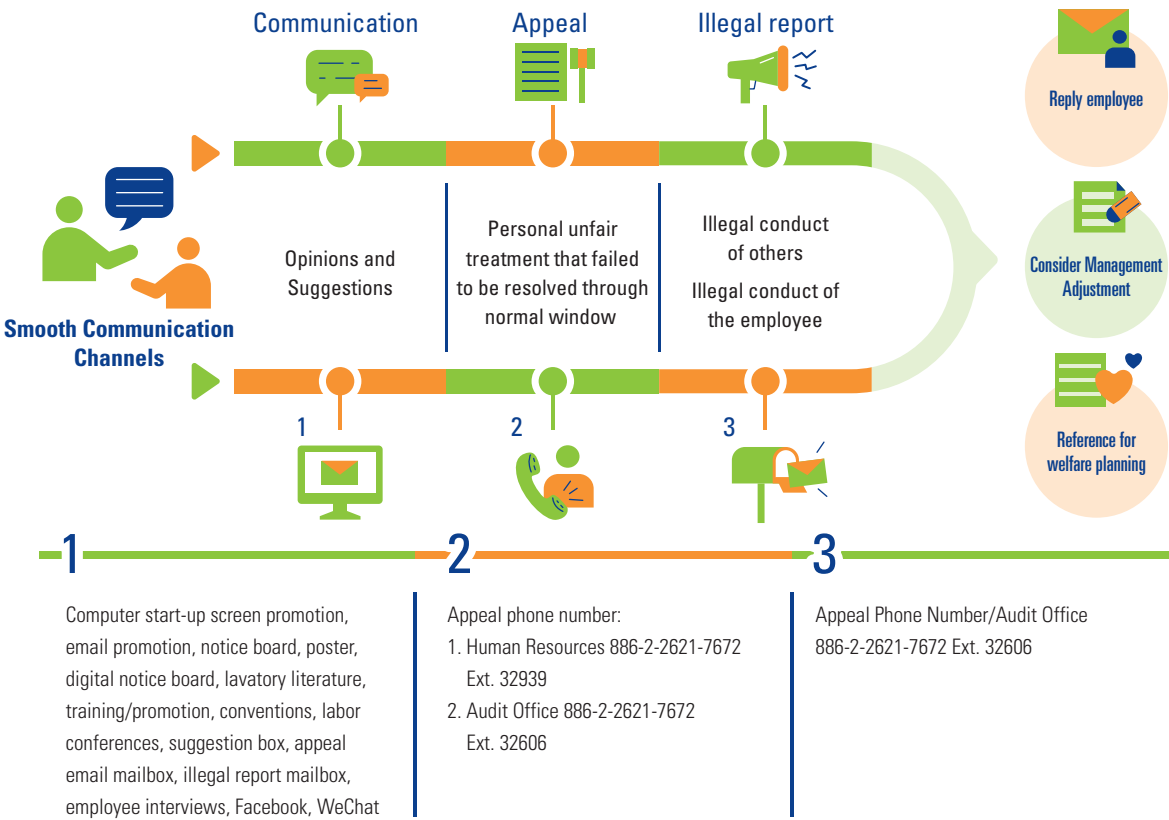
In order to create and maintain a corporate culture of open communication, AcBel establishes multiple two-way communication channels internally so that employees can express their opinions and have the company listen to their voices at any time. In this way, employees and management can cultivate their mutual trust and cohesion.



Smooth Communication Channels


AcBel creates a working environment in which employees can speak freely, so that everyone can work in a pleasant atmosphere. A two-way opinion exchange mechanism serves as the basis for enhancing and improving company management measures, assisting in optimizing organizational operations, and strengthening the positive energy of the team.

In 2020, a total of 63 employee opinions were received through employee communication channels. Most of the opinions received were suggestions concerning management issues made by employees. The departments were assigned to improve or make adjustment concerning the issues, and reply improvement results to the senders within the deadline.



AcBel's appeal email mailbox  
<https://www.acbel.com.tw/en/report-mailbox>

Employee Opinion Communication Channel and Number of Responses Cases

Channel	Communication Features	Frequency of Communication	Cases		
			2018	2019	2020
 Suggestion Box	Employees immediately respond to questions via email or a suggestion box. All cases are then collected and filed to the department responsible for handling.	Any Time	14	9	43
 Staff Seminars	Top-level managers and employees jointly hold regular seminars with the purpose of fostering understanding of each other's needs and expectations through face-to-face communication.	Monthly	5	7	1
 Labor-Management Meeting	We have set up a Labor-Management Meeting system (mainly at the Tamsui plant; other plants having been replaced by a Employee Representatives Meeting) to discuss such issues as the company's operating conditions, working conditions, and employee benefits.	Quarterly	1	0	19
 Employee Interview	The interviews with employees have facilitated better understanding of our employees' lives, family, and work-related needs, and give them appropriate support and assistance.	Monthly	0	7	0
 Appeal Mailbox or Verbal Communication	When their rights and interests are infringed or damaged, employees can file an appeal or report to the management. We have a special unit dedicated to handling and replying within the set deadline. The process of confidentiality is enforced to ensure that the rights and interests of employees are not violated.	Any Time	2	0	0

The Number of Labor Organizations/Employee Representatives

Items	Plant Area	T	Taiwan	D	Dongguan	W	Wuhan	P	Philippines
The Number of Participants		14		14		10		18	
The Number of Labor Representatives		7		13		9		7	
The Number of Management Representatives		7		1		1		11	
Labor and Management Ratio		50.00%	50.00%	92.86%	7.14%	90.00%	10.00%	38.89%	61.11%

Note: Labor organizations are organizations that coordinate and resolve issues between labor and management, including labor-management conferences and staff representatives meeting. Based on the Labor Policy, it's stipulated that the employer should respect and protect laborers' freedom of speech, ensure their freedom of assembly or association according to pertinent laws and establish smooth labor-management communication channels.

Care and Assistance for Foreign Employees

To maintain the level of innovation and momentum within the company, AcBel strives to increase the diversity of workforce as well as professional expertise inclusion. Besides local employees, Tamsui Plant recruited a number of Filipino employees, who are responsible for business management and production lines. All foreign employees are entitled to the same benefits as the other employees. In addition, AcBel also covers their expenses for recruitment, agency fees and medical examination and provides legitimate and cozy dormitory to fully comply with "Zero Charge for Migrant Workers" policy from RBA standards. Administrative personnel with acquisition in Tagalog are arranged to assist our foreign employees' life in Taiwan.



### 01 Guarantee for Human Rights of Labor

1. In conformity with RBA Code of Conduct SA8000 and relevant regulations, AcBel constantly adjusts its policies regarding recruiting, hiring, remuneration and life management of foreign employees to ensure their rights in compliance with international human right norms.



### 02 Quality Environment for Accommodation

1. Professional personnel are arranged to provide 24-hour assistance in work, living consultation and medical arrangement.  
2. Regulatory fire safety inspections and evacuation drills are implemented, and the dormitory will be periodically cleaned and sterilized by designated personnel to ensure the employees' residential safety.



### 03 Activities to Promote Physical and Mental Health

1. Multicultural activities such as Halloween and birthday party help in proper physical and mental development as well as life balance.  
2. Holding epidemic prevention and health promotion activities in compliance with the authority helps employees keep themselves healthy.

6.5 Health and Safety Management



#### Occupational Health And Safety

It has been AcBel's only and most important goal to provide a safe work environment for employees, contractors and factory employees with "Zero Pollution, Zero Occupational Injuries, and Zero Workplace Disasters" by implementing risk management and management system.



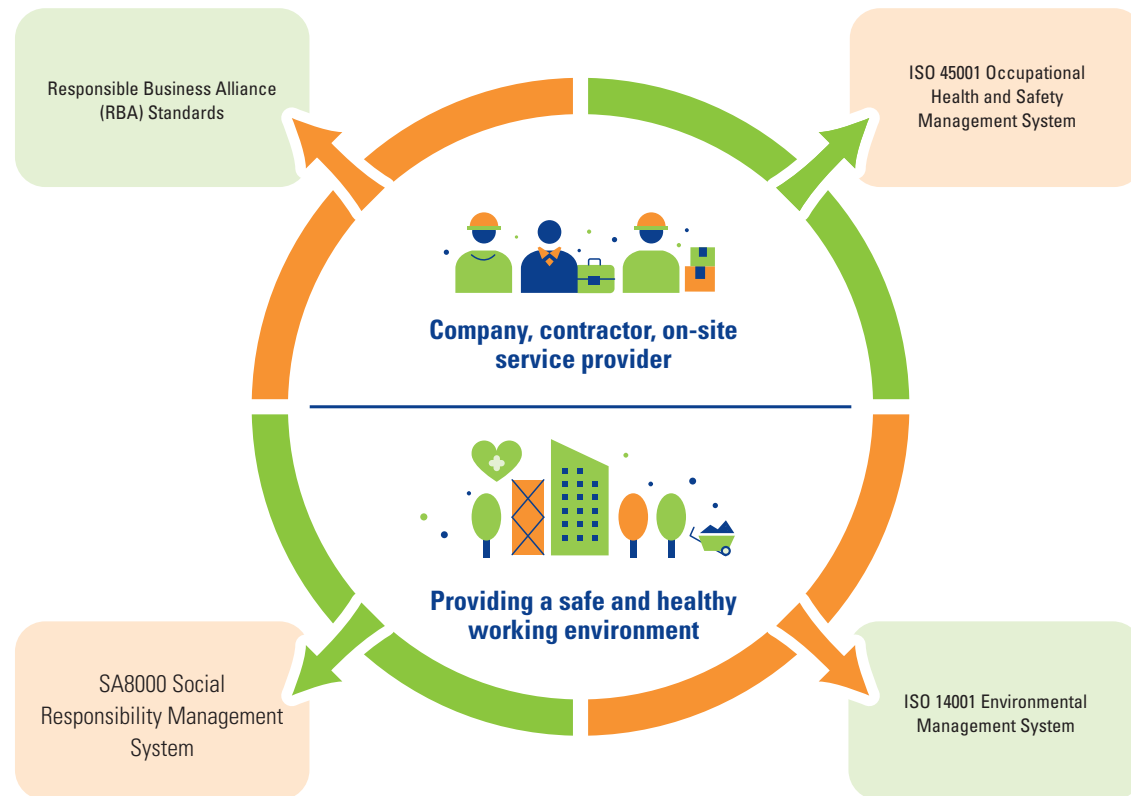
#### The Importance of the Material Topic and Impact Boundary

We have formulated an "Environment Health and Safety Declaration" and an "Environment Health and Safety Policy." The top supervisors of each production base regularly hold a "Labor Safety and Health Conference" and implement various projects using the PDCA model to ensure the continuous improvement and achievement of our occupational health and safety goals.



#### ISO Management System

We obtained international standard certifications such as ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System and SA8000 Social Responsibility Management System. All the production bases implement third-party inspection every two years from the Responsible Business Alliance (RBA) to demonstrate to all stakeholders the company's determination to value environmental sustainability and occupational health and safety.



Notes:

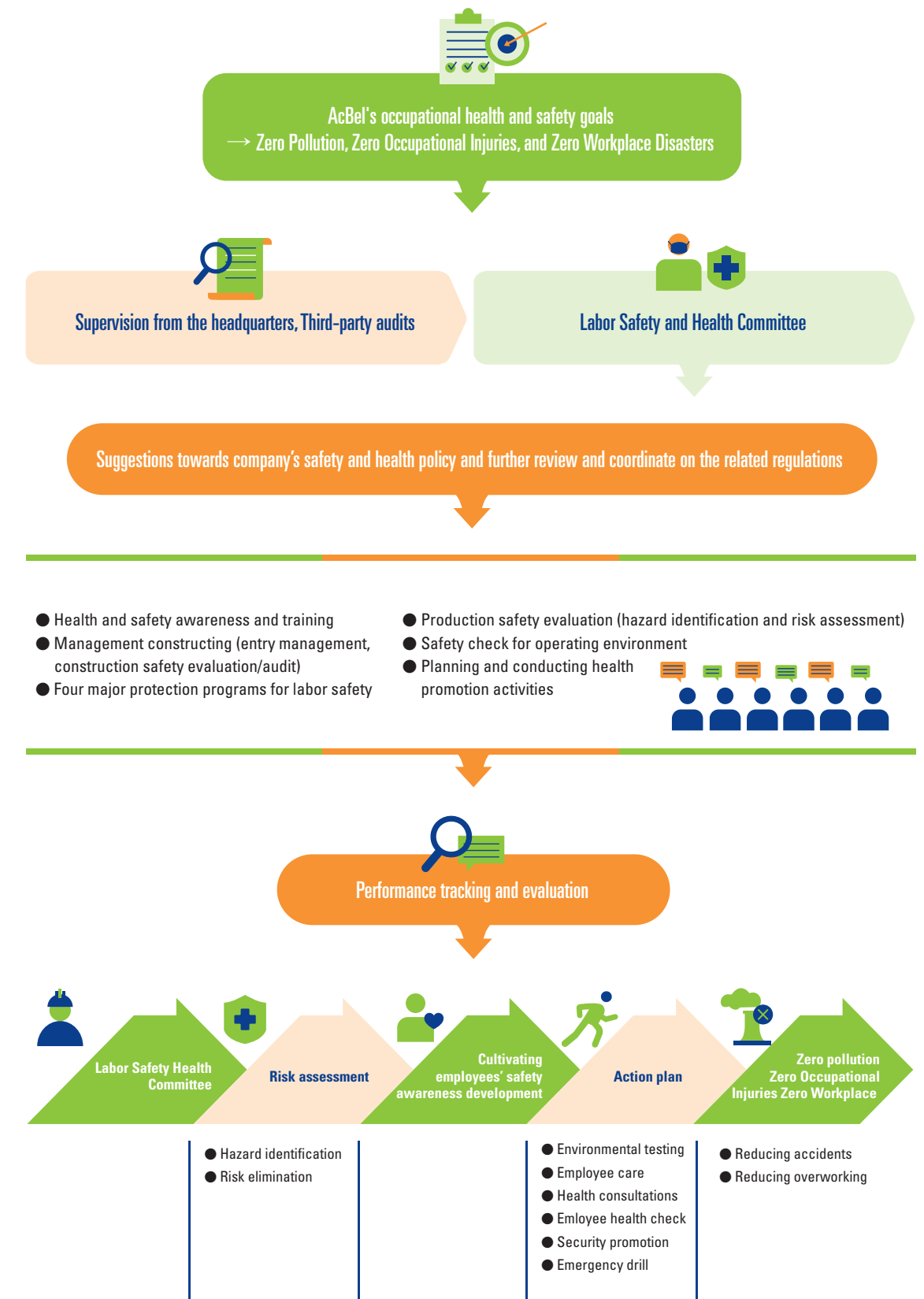
1. All the production bases have obtained international standard certification such as ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System and standards of Responsible Business Alliance; Tamshui Plant additionally obtained certification from SA8000 Social Responsibility Management System.
2. 87.74% of employees and contractors in all production bases are covered by ISO 45001 Occupational Health and Safety Management System. Because Qiyan Office Building is not covered within the range of ISO 45001, the coverage rate of ISO 45001 does not reach 100%.



### Occupational Health and Safety Management Approach and Goals

#### Occupational Safety and Health Committee

Following the laws and regulations in vigor, we established the "Occupational Safety and Health Committee" which composed of representatives from labor, employer, occupational safety & sanitation professional and medical professional of labor health in Taiwan to review, negotiate and supervise the implementation of various measures regarding employees health and workplace safety issues. Despite the fact that there are no compulsory laws and regulations in China and Philippines, AcBel organizing committees upholding "Zero Pollution, Zero Occupational Injuries, and Zero Workplace Disasters" and the committees are supervised and assessed regularly by the top management of each plant. Production bases are audited by third party or customers from time to time to improve employee occupational health and environmental safety.



Representatives of the Labor Safety and Health Committee in 2020

Plant Area	T	D	W	P
Item	Taiwan	Dongguan	Wuhan	Philippines
The Number of Committees	41	14	21	24
The Number of Labor Representatives	18	9	14	13
Percentage of Labor Representatives	43.90%	64.29%	66.66%	54.17%

Four Major Protection Project for Labor Health

In view of the structural changes derived from the internationalization of the industry, the government has required that companies should take measures to protect the physical and mental health of workers to enhance the overall competitiveness of the company. To be specific, the measures should emphasize on two aspects. One is the prevention of emerging work-related diseases such as shifts, work at night, long hours, repetitive work, abnormal workload, fatigue or stress, mental illness, workplace violence, etc. The other one is to prevent motherhood from being harmed from the increasing participation of domestic female labor force considering the differences in female labor physiology. Thus, the Four Major Protection Project includes: (1) Human hazard prevention plan, (2) Abnormal workload-induced disease prevention plan, (3) Maternal labor health in workplace protection plan, and (4) Unlawful infringement when performing duties prevention plan.

Item	1 Human Hazard Prevention Plan	2 Abnormal Workload-induced Disease Prevention Plan	3 Maternal Labor Health in Workplace Protection Plan	4 Unlawful Infringement When Performing Duties Prevention Plan
Target / Goal	All employees, preventing musculoskeletal injuries caused by working environment and procedures	Employees have shifts, night work and/or heavy workload	Female employees who are pregnant or breastfeeding within 1 year after giving birth	All employees, preventing workers from being physically or mentally infringed due to the actions of others while on duty
Measures	<ul style="list-style-type: none"><li>● Survey and assessment of employee musculoskeletal symptoms and risk</li><li>● Implementation of hazard control, including: management improvement (health guidance) and work improvement (health protection measures)</li></ul>	<ul style="list-style-type: none"><li>● Using employees' overtime hours to identify and evaluate high-risk groups</li><li>● Evaluating overload risk factors by filling in the "Overload Assessment Questionnaire"</li><li>● Combining workload level and cardiovascular disease risk level to determine abnormal workload-induced disease risk grading and category management</li></ul>	<ul style="list-style-type: none"><li>● Using management, tracking, care and records to ensure the safety of employees' working environment and protect their physical and mental health</li><li>● Filling in the "Recommendation Form for Health and Work Suitability Assessment for Workers Had Pregnancy and Childbirth Within One Year"</li><li>● Health service medical professional and employee interview</li></ul>	<ul style="list-style-type: none"><li>● Hazard identification and risk assessment for prevention of illegal infringements in the workplace</li><li>● Risk control and improvement when implementing plans</li><li>● Preventive education and training of illegal infringements in the workplace</li><li>● Encouraging employees to report/appeal when they are illegally violated in performance of their duties</li></ul>

Safety Awareness and Occupational Disaster Prevention

The safety and health education and training courses are compulsory courses on OJT. Course contents include identification of hazardous substances, emergency escape drills, personal protective equipment, fire drill operations, AED training, etc. The goal is to reduce or eliminate the probability of risk occurrence within the workplace with awareness of ethical safety. Employees and contractors conducting special operation are required to obtain professional training certification and to wear personal protective equipment at work, with the same requirement applied to the contractors and on-site service providers. For employees working in a special or high-risk position, the company provides them with training and implementation of pre-employment medical examinations, on-the-job annual physical examinations, and leave medical examinations to protect the safety and health of employees. So far there has been no record of occupational diseases contracted by employees working in special or high-risk positions.

Training Programs for Occupational Safety Related Licenses

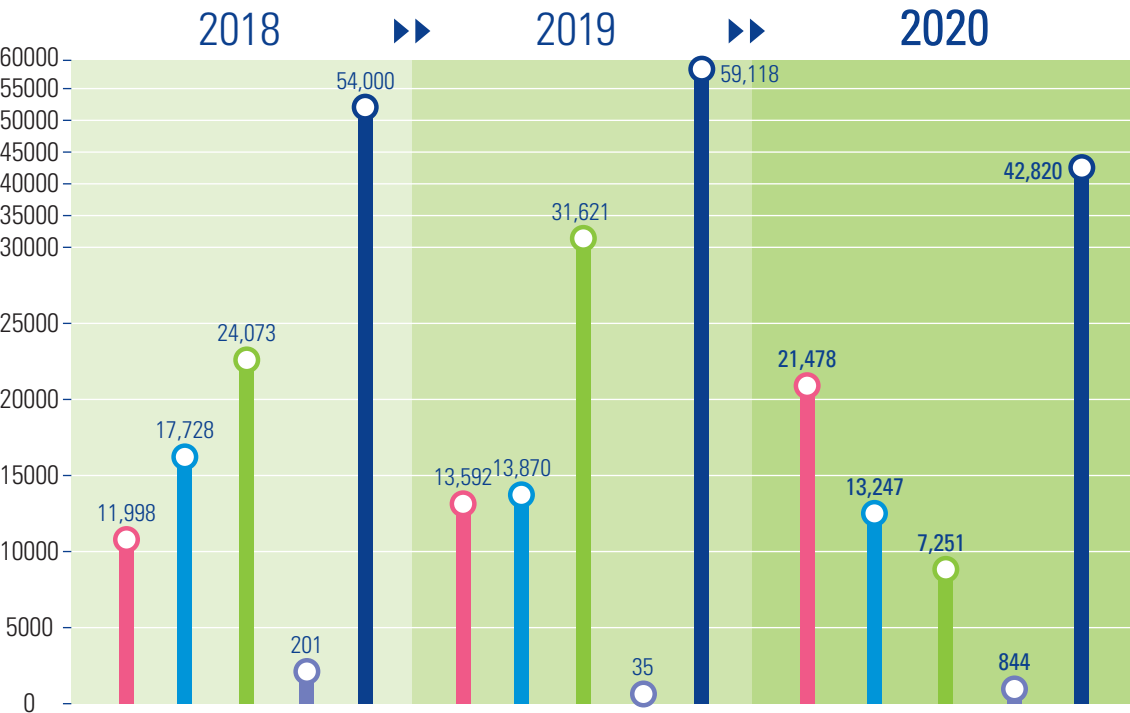
Employees	Training Items
Harmful Operation Manager	Training for supervisor in charge of organic solvent operation
	Training for supervisor in charge of lead operation
	Training for supervisor in charge of dust material operation
Fire Prevention Supervisor	Training for supervisor in charge of fire prevention
First-aid Personnel	Training for First-aid Personnel
Personnel for Special Operations and Safety and Health	Training for technician in charge of fork lift operation
	Training for operator in charge of special equipment of high pressure gas
	Training for fork lift operator
	Training for electrician
	Boiler and pressure vessel equipment operators
	Training for electrician in charge of high/low voltage operation
	Training for safety management of special equipment
	Training for operators in charge of non-ionizing radiation
	Training for chief supervisor in charge of safety production
	Training for operator in charge of safety production
Chemical Warehouse Manager	Training for hazardous chemical operation
Fire Control Room Operator	Training for fire control room certificate
Occupational Safety and Health Personnel	On-the-job education and training for class A safety and health business supervisor
	On-the-job education and training of class B occupational safety and health manager
	On-the-job education and training for class A occupational safety managers
	On-the-job education and training for class A occupational health managers
	Basic Occupational Safety and Health Training
Occupational Safety and Health Personnel	Lost Control Management Training
	Train the Trainers Training
	Emergency Preparedness & Response Training
	Work Environment Measurement / Industrial Hygiene Training
	Safety Program Audit Training
Philippines Plant	Construction Occupational Safety Training



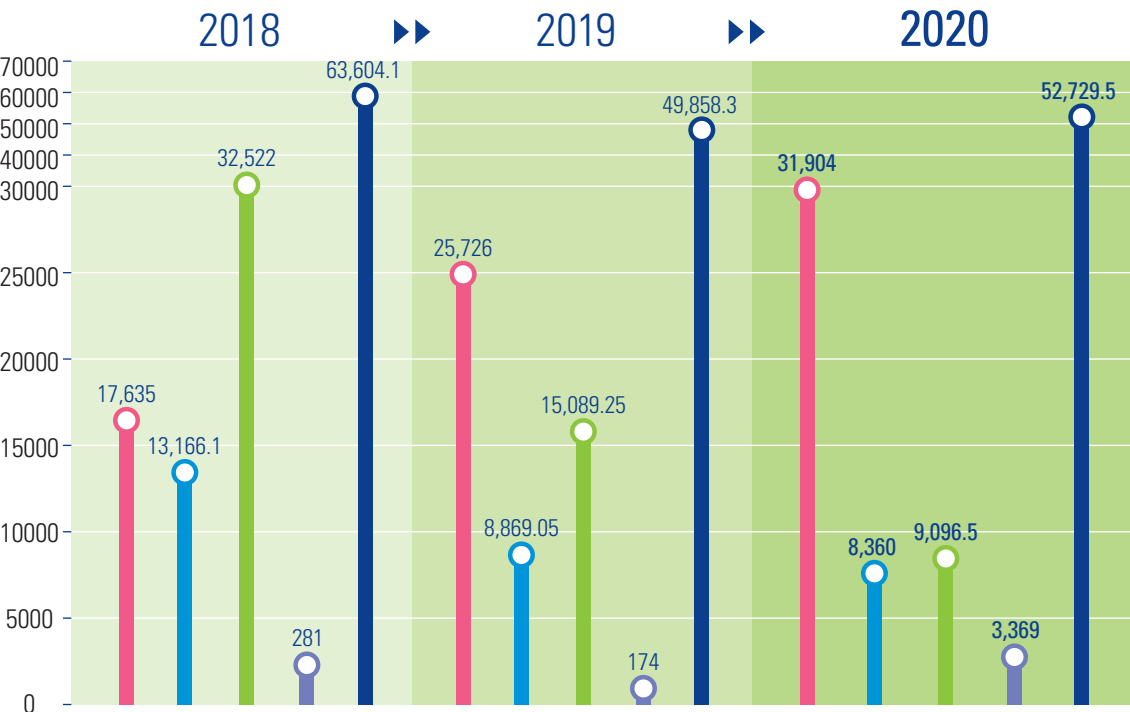
Environmental Education Promotion and Safety Training Achievements



The Number of Participants



Total Hours



Disaster Prevention Implementation Results

In 2020, all plants conducted 2 annual fire drills with all employees participated in and 1 first-aid personnel training, as well as multiple occupational safety and health education and training. The total number of trainees reached 42,820 with a total of 52,729.5 hours of training time. The training of occupational safety license personnel was handled in accordance with relevant laws and regulations.





In 2020, there was only one incident in which a cleaning contractor's employee accidentally fell on the site in the Tamsui plant, resulting in a fine of NT\$20,000 by the competent authority. The company has implemented relevant risk management and improvement measures to prevent the recurrence of such incidents.

In 2020, AcBel has strengthened the implementation of ensuring contractors and resident company signed labor safety clauses, agreed to abide by the company's labor safety policies and passed occupational safety education and training assessments. AcBel then review their labor insurance and accident insurance investment guarantees before allowing their personnel to work, lowering the chances for occupational accidents to occur.

In 2020, there were no serious or fatal occupational injuries or work-related injuries in AcBel's production bases, only minor injuries caused by negligence in operations and non-official accidents caused when commuting, and the injury rate (IR) was also lower the previous year. The number of work-related injuries has been reported through official channels by the responsible department. Implementing operation of post-injury handling and improving to prevent accidents from recurring.

Occupational Hazard Statistics

Item / Plant Area	Year	The Number of Injuries		Injury Rate (IR)		The Number of Loss Days		Loss Day Rate (LDR)	
		Male	Female	Male	Female	Male	Female	Male	Female
T Taiwan	2018	0	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0	0
	2020	3	4	0.31	0.68	50	20	5.25	3.41
D Dongguan	2018	7	3	0.34	0.23	259	403	12.60	31.41
	2019	7	3	0.39	0.26	140	114	7.79	9.96
	2020	2	3	0.13	0.29	16	266	1.05	25.53
W Wuhan	2018	1	1	0.10	0.14	1	2	0.10	0.27
	2019	3	2	0.36	0.26	82	95	9.87	12.53
	2020	3	1	0.39	0.15	58	5	7.68	0.74
P Philippines	2018	0	0	0	0	0	0	0	0
	2019	5	8	1.51	1.89	71	17	21.48	4.02
	2020	4	1	1.43	0.27	152	32	54.31	8.61

Item / Plant Area	Year	Total Working Hours		Total Working Days	
		Male	Female	Male	Female
 Taiwan	2018	1,563,720	880,464	195,465	110,058
	2019	1,766,000	1,070,000	220,750	133,750
	2020	1,906,000	1,174,000	238,250	146,750
 Dongguan	2018	4,112,000	2,566,000	514,000	320,750
	2019	3,596,000	2,290,000	449,500	286,250
	2020	3,057,912	2,083,968	382,239	260,496
 Wuhan	2018	1,910,000	1,478,000	238,750	184,750
	2019	1,662,000	1,516,000	207,750	189,500
	2020	1,511,048	1,359,408	188,881	169,926
 Philippines	2018	619,248	833,424	77,406	104,178
	2019	661,152	845,064	82,644	105,633
	2020	559,776	743,232	69,972	92,904

Notes:

- There are no work-related fatalities or severe occupational injuries or occupational diseases from 2018 to 2020. There were 10 incidents of false alarm in Tamsui Plant, while the other plants were none.
- Injury Rate (IR) = (Number of disabling injuries / Total hours of work) × 200,000
- Loss Day Rate(LDR) = (Total days lost due to disabling injuries / total hours of work) × 200,000
- Total Working Hours days = Days of work per employee per year × Number of employees of each gender in each plant
- Total Working hours = Hours of work per employee per year × Number of employees of each gender in each plant

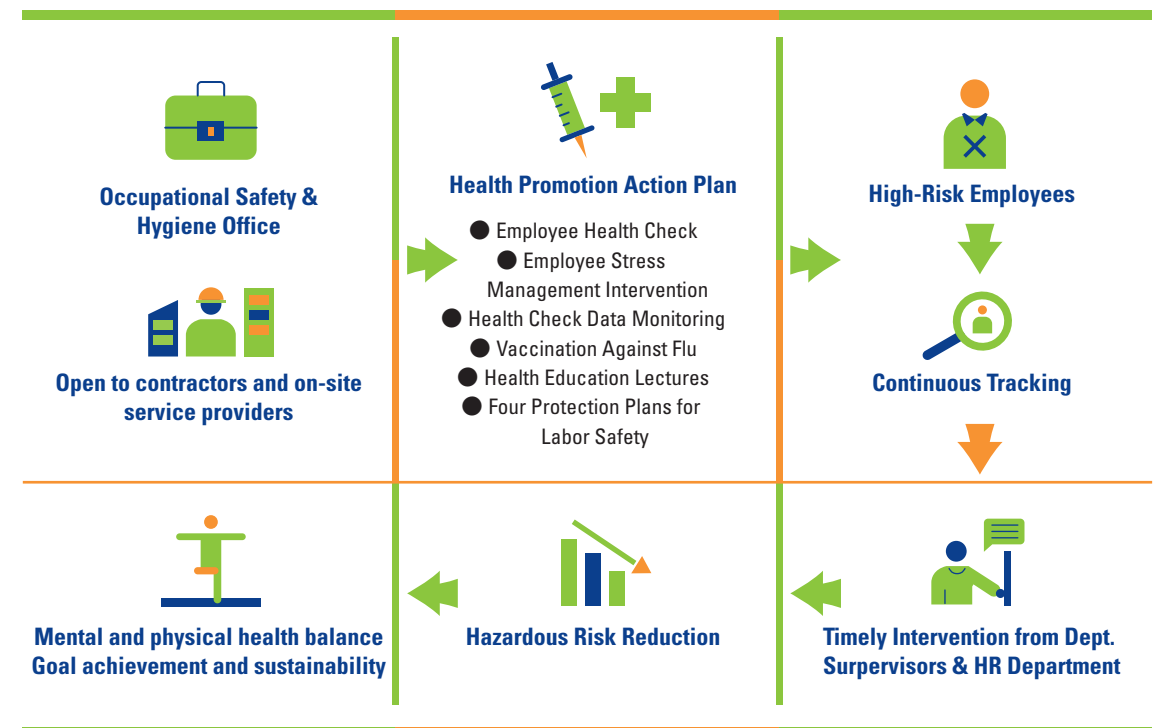
## Employee Health Promotion

AcBel offers annual free health check for employees indiscriminately which is better than law regulations, and also encourages contractors and on-site service providers in each plant to join. The participation rate of Tamsui plant even reached 94.22%. In addition, Tamsui Plant works with government health agencies and external medical units to provide cancer screening services such as oral cancer, colorectal cancer and cervical cancer to prevent the occurrence of diseases early.








Moreover, the Occupational Safety and Hygiene Office has built a health and safety inspection database in compliance with the company's confidentiality on personal data to track employees' health status while taking individuals' overtime record from HR into account. Through resident doctors' on-site consultations, overall health check and health-related speech, employees are benefited from convenient health advice and support.

In 2020, all production bases were cooperative to help prevent the expansion of the COVID-19 epidemic by strengthening disinfection of plants, body temperature measurement, mandatory mask wearing and control the flow of people to ensure the health and safety of the factory personnel. Furthermore, AcBel provided "paid epidemic prevention and care leave" and "family care leave" (Including 2 days with pay)" for employees to use flexibly.

In 2021, in line with the company's annual strategic goal of "Health and Well-being" for employees, Tamsui Plant will promote a series of health promotion activities including weight loss plans and walking activities to increase employees' willingness to participate and reduce personal health hazards.




## T Employee Health Check Statistics in Taiwan

Project							
Year	Employee Annual Health Check Up	Mammography	Pap Test	Examination of the Oral Cavity	Resident Physicians' Medical Consultations	Vaccination Against Flu	Examination of Stool Occult Blood
2020	1,427	10	25	-	151	41	-
2019	1,271	20	32	-	171	64	5
2018	1,178	23	28	74	129	63	94


## T The Number of Participants Served by Visually Challenged Massagists in Taiwan

Year	 The Number of Participants
2020	922

## D Employee Health Check Statistics in Dongguan Plant







Year	 The Number of Participants
2020	277
2019	423
2018	459

## W Employee Health Check Statistics in Wuhan Plant

Year	 The Number of Participants
2020	0
2019	219
2018	71

Note: Annual employee health check is an employee benefit provided by the company for free. The employees can participate in the health check freely. However, due to the pandemic, no health check was held in 2020.

## P Employee Health Check Statistics in Philippines Plant

Project	 Employee Annual Health Check Up	 Mammography	 Pap Test	 Examination of the Oral Cavity	 Health Consultation	 Vaccination Against Flu
Year						
2020	529	74	0	529	854	0
2019	575	68	68	575	920	92
2018	553	65	35	532	789	657

### Caring for Female Employees




AcBel attaches great importance to the working rights as well as labor force participation rate for our female employees. We are committed to not only improving working conditions for women and their employee benefits, but also providing exclusive measures or services to female workers including:

- (1) Providing nursery rooms and an unlimited breastfeeding breaks each day.
- (2) Legally providing maternity leave, parental leave, menstrual leave (only in Taiwan) and other work benefits.
- (3) In compliance with the government's "Workplace Maternal Labor Health Protection Program," the company's Occupational Medicine Doctor and nurses will implement health care for pregnant and lactating employees.
- (4) Taking the physiological needs of women into account, comfortable rest environment, health education, menstrual period related knowledge and doctor consultation are provided.
- (5) Cooperating with local health authorities to provide free mammography and pap smears (only in Taiwan).
- (6) Providing priority parking spaces for pregnant employee (only in Taiwan).

## T The Number of Applications for/Reinstatement from Maternity Leave Without Pay in Taiwan

Item	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
The Number of employees that were entitled to Maternity Leave	135	58	115	57	114	56
The Number of employees took Maternity Leave	1	4	2	3	0	6
The Number of employees who need to return to work in the year	1	8	0	4	2	5
The Number of employees that returned to work in the year	1	4	0	2	2	5
Return to Work Rate	100%	50%	-	50%	100%	100%
The Number of employees were still employed 12 months after their return to work	0	2	1	4	0	2
Retention Rate	0%	100%	100%	100%	NA	100%

### The Number of Applications for Maternity Leave in 2020

Item	Plant	 Wuhan	 Dongguan	 Philippines
The Number of employees that were entitled to Maternity Leave		0	14	20
The Number of employees took Maternity Leave		-	14	20
The Number of employees who need to return to work in the year		-	19	20
The Number of employees that returned to work in the year		-	19	23
Return to Work Rate		-	100%	100%
The Number of employees were still employed 12 months after their return to work		3	7	19
Retention Rate		100%	33.33%	82.60%

Notes:

1. "-" means not applicable.
2. The number of employees that were entitled to parental leave is calculated based on employees who applied for parental leave in 2017-2020.
3. Return to Work Rate = Total number of employees that did return to work after parental leave / Total number of employees due to return to work after taking parental leave
4. Retention Rate = Total number of employees retained 12 months after returning to work following a period of parental leave / Total number of employees returning from parental leave in the prior reporting period(s)
5. All personnel benefit from menstrual leave, maternity leave, parental leave and nursery leave regulated by local laws of where the plants located.

COVID-19 Contingency Measures

From the beginning of 2020, AcBel has launched a business sustainable operation plan. Through daily cross-plant epidemic prevention meetings, the safety of personnel and the normal production of labor are prioritized so that all production bases can operate smoothly. It includes the following measures:



- 1. Establishment of senior executive response team
  - (1) In response to the development of the epidemic, the team is tasked to perform risk grading according to the actual situation at any time, formulate personnel prevention strategies and dispatch materials timely when necessary.
  - (2) Unnecessary travel activities are strictly prohibited to reduce the risk of personnel infection; if there is an urgent need for business trips, the company will take the initiative to distribute the "epidemic prevention package."
- 2. Employee health monitoring and tracking mechanism
  - (1) AcBel has developed an information system on its own to grasp the residence, health status and contact information of all employees.
  - (2) Implementing personnel body temperature measurement and regular disinfection work, meanwhile starting a survey of employee and visitor footprint records.
  - (3) If there is a suspected fever, the employee is asked to self-quarantine and carry out self-health monitoring for 14 days. During this period, personal health status must be regularly reported so that the company can grasp the status of the employee.
- 3. Other epidemic prevention measures
  - (1) In 2020, conduct "work from home" drills. In 2021, the employees will be officially asked to work in shifts, work in different areas and/or work from home.
  - (2) In 2020, "Epidemic Prevention Care Leave" and "Epidemic Prevention Leave" are provided for employees to use when necessary. "Vaccination leave" will be added in 2021.
  - (3) In 2021, employee rapid antigen tests will be implemented by following the government's "Enterprise Antigen Rapid Test Guidelines."



07 Co-prosperity  
Social Participation

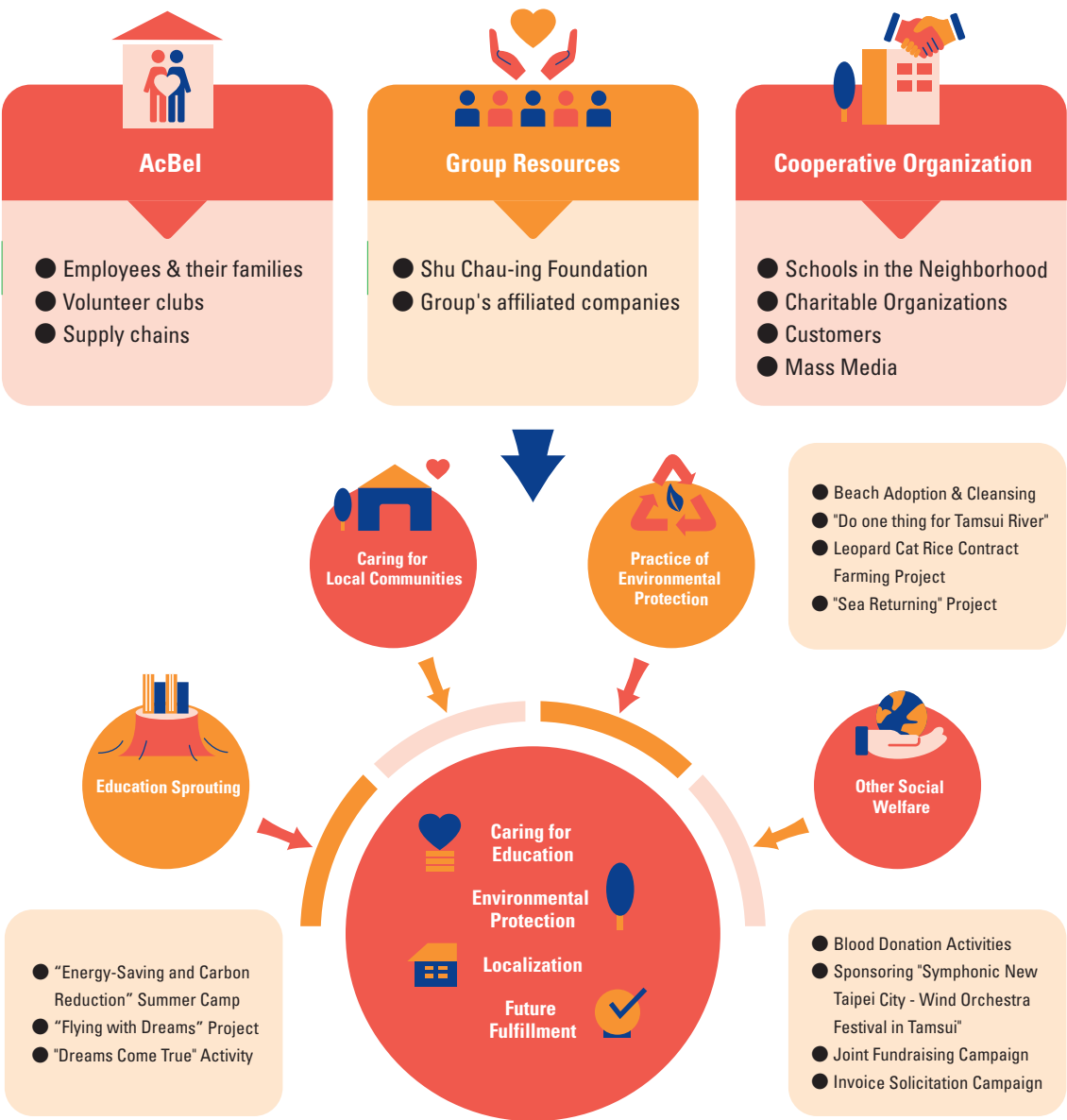


# Co-prosperity • Social Participation

AcBel firmly believes that the success of an enterprise comes from the support of the society. When an enterprise is successful, what it has taken from the society must be used in the society.

In the company's vision of "We Power the World - Become a Positive Energy for a Sustainable Cycle," our social participation is centered on "Caring for the Environment and Ecology, Taking Care of the Disadvantaged, and Becoming a Supporter of Positive Social Forces." AcBel's social participation in the local community is underlined by the fundamental concept of "Humanity". By accumulating spontaneous strength from supply chains, employees and their families, various resources are put into social participation and actively integrated into the local community, including Caring for Local Communities, Practice of Environmental Protection and Education Sprouting, jointly implementing goals of "Caring for Education, Environmental Protection, Localization and Future Fulfillment."

In response to climate change, AcBel attaches importance to environmental sustainability. Starting from 2021, we will incorporate the important material topic of water resources regarding environmental sustainability issues into our social participation actions to protect precious water resources together.



# 7.1 Social Welfare

## Caring for the Locals

With the collective efforts from our employees as well as their family, community schools, welfare foundations and mass media, AcBel has demonstrated our passion for giving back to society and extending social influence. Starting from caring for the locals, including education support for disadvantaged children in schools, caring for the local environment and ecology, etc., we will practice our determination to invest in social welfare.

## Education Sprouting

AcBel believes that education can influence a child's future, so we provide fair opportunities for children from disadvantaged families to have diversified learning opportunities. Since 2010, the company has incorporated supplying education resources for students in elementary schools into the main part of its social welfare investment. By the investment of manpower and resources as well as collaboration with schools and teachers, children with unlimited futures from disadvantaged families can be helped to learn and grow smoothly.

## Environmental Protection Practice

Seeing that environmental pollution becomes more and more serious, AcBel has been supporting a 3 year project - "Do One Thing for Tamsui River" Initiative launched by "CommonWealth". AcBel signed "Tamsui River Convention" as a corporate citizen, seeking to protect Tamsui River's ecosystem by combining the strength of the company and its employees from the responsible aspect of environmental sustainability.



"CSR@CW" [Yearly Initiative of the River System] 2020 Do One Thing for Tamsui River  
<https://csr.cw.com.tw/special/20>



Volunteering Leave with Pay / Charity Leave

AcBel encourages employees to participate in volunteer activities. For increasing employees’ motivation, the company provides paid volunteering leave and activity subsidies, so that employees can take paid holiday when participating in the company's volunteer activities.

In addition, starting from 2020, we also provide our employees with four hours of paid charity leave per year to motivate employees to step outside of the office as well as participate in external charity events, keep flexibility for employees to devote themselves into charity events and enhance their willingness of joining social service activities.

Note: There is no limit on the number of hours per year for volunteering leave, yet the leave is only available for AcBel's self-organized volunteer activities. There are a total of four hours of charity leave per year, which can be used to sign up charity events by the employees. Both of these leaves are paid leave.

“Energy-Saving and Carbon Reduction” Summer Camp

Every summer, AcBel organizes a series of “Energy-saving and Carbon Reduction” activities for children of our employees. In 2020, AcBel collaborated with Yu-Ying Elementary School, Tamsui Elementary School and Jhongtai Elementary School in Tamsui District to host the “Energy-saving and Carbon Reduction” summer camp with a total of 95 participants. This year, the summer camp includes lessons about aquatic ecosystem and energy-saving knowledge, with a field learning trip organized to Shezidao Wetlands. Through in-class learning and participation in field trips, the goal of promoting environmental protection education can be realized. From 2018 to 2020, a total of 250 students from 7 different elementary schools participated in this camp.

Year		2018	2019	2020	Total
“Energy-Saving and Carbon Reduction” Summer Camp	The Number of Participating Employees	14	7	6	27
	Performance	52 students from 1 elementary school	103 students from 3 elementary school	95 students from 3 elementary school	250 students from 7 elementary school

“Flying with Dreams” Project

In 2020, AcBel participated in “Flying with Dreams” project proposed by Shu Chau-ing Foundation, and a total of NTD 588,560 was raised to help 35 children from disadvantaged families to fulfill their dreams of cultivating diversified talents. This project had benefited 92 children from 2018 to 2020 and accomplished their talent cultivation plan.

Year		2018	2019	2020	Total
Flying with Dreams	The Number of Participating Employees	271	282	285	838
	Amount	489,500	547,256	588,560	1,625,316
	The Number of Children Supported	27	30	35	92

“Dreams Come True” Activity

AcBel collaborated with Shu Chau-ing Foundation to organize “Gifts from Faraway Activity” in 2020. 39 children were provided with Christmas gifts from the activity, and a bridge of friendship was built between the employees and children. A total of 163 children have received presents from their dream lists for Children's Day from 2017 to 2020.

Year		2018	2019	2020	Total
Dreams ComeTrue	The Number of Participating Employees	13	77	39	129
	The Number of Children Supported	65	59	39	163





Blood Donation Activity

In 2020, a joint effort with Taipei Blood Donation Center organized one “Heart-Warming Blood Donation” at Tamsui plant, and 107 bags of blood were collected through the donation of a total of 64 employees. In total, 630 bags of blood were collected from 2018 to 2020.

Year		2018	2019	2020	Total
Blood Donation Activity	The Number of Participating Employees	207	106	64	377
	Bags of Blood Collected	348	175	107	630

Beach Adoption & Cleansing

Due to geographical location of Tamsui Plant, with only 10-minute drive to Jhouzihwan Beach in Tamsui District of New Taipei City, AcBel actively participated in "Beach Adoption Program" by Environmental Protection Administration, in which 450 meters of the beach has been adopted by AcBel. Furthermore, AcBel organized twice beach cleansing activities with our employees and their families on the adopted beach area in 2020 to maintain cleanness on the beautiful beach. Through practical actions, we devoted the care to local beach ecosystem.

“Do One thing for Tamsui River”

In response to the initiative, “Do One Thing for Tamsui River,” held by Common Wealth Magazine, AcBel participated in "Roll-up the Sleeves, Make Rivers Clean" activity in 2020. Multiple corporations summoned their staff to care for local water quality and ecological changes in Tamsui River as well as arouse their awareness of caring about local environment protection. Around 200 kilograms of waste was collected in the activity, which let more people become aware of the importance of protecting Tamsui River and the surrounding environment.

Leopard Cat Rice Contract Farming Project

In response to “Leopard Cat Rice Contract Farming Project,” AcBel assisted farmers in Fengshuwo, Tongxiao Township, Miaoli to plant rice in a non-toxic, pesticide-free, and land-friendly way to regain the watershed. The goal of the action is to let rodents and hares come to forage naturally while providing Leopard Cats hunting opportunities, rebuild a healthy ecological chain of farmland and create an endless food chain. To achieve the goal, AcBel has promised to purchase 6,528 catties of local rice production, which will be donated for consumption by disadvantaged families and alternative gifts for Chinese New Year, so that this environmental and ecological sustainability can be extended to more stakeholders.

Sea Returning Project

In 2021, we expect to implement the "Sea Returning Project" in conjunction with Business Today Magazine. With the combination of environmental protection groups and recycling manufacturers, we will make coastal beach cleaning more meaningful. The main purpose of this activity is to return plastic waste materials such as marine waste bottles to recycling manufacturers. Through their waste plastic recycling technology, they can convert the waste plastic bottles into blue and white slippers which symbolize the image of Taiwan and return them to the circulation of market, making pure coastal beach cleaning activities more meaningful.

Other Activities

In 2020, AcBel held a "Joint Fundraising Campaign" to launch a spontaneous fundraising activity for all employees. A total of 399 employees participated in the activity, and NT\$784,257 was raised and donated to various charities. From 2018 to 2020, a total of NT\$2,047,936 was raised.

Year		2018	2019	2020	Total
Joint Fundraising Campaign	The Number of Participating Employees	254	289	399	942
	Amount (NTD)	514,109	749,570	784,257	2,047,936

In 2020, AcBel sponsored "Symphonic New Taipei City - Wind Orchestra Festival in Tamsui" events for NT\$50,000, supporting local schools' wind band in Tamsui to conduct music feasts so that local residents had the opportunity to listen to high-level performances of wind orchestra and let music and art naturally blend into their life. Since 2010, we have also cooperated with "Chung Yi Social Welfare Foundation" to encourage children of our employees to participate in the Invoice Soliciting Campaign during summer vacation every year. All collected invoices are donated to Chung Yi Social Welfare Foundation to help orphaned children. Starting from the main business, AcBel builds shared happiness and value and fulfills the responsibility of corporate citizenship by combining its own expertise and thinking about how to create influence as well as combining local thinking. AcBel looks forward to sowing the seeds of happiness for the society and allowing the seeds to sprout smoothly with continuing irrigation of caring. By doing so, we expect the seeds to grow, thrive, bring beneficial influences to the society and form a positive cycle.





ASSURANCE STATEMENT

SGS TAIWAN LTD.’S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ACBEL POLYTECH INC.’S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2020

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ACBEL POLYTECH INC. (hereinafter referred to as ACBEL) to conduct an independent assurance of the Corporate Social Responsibility Report for 2020 (hereinafter referred to as the Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification during 03/03/2021~05/19/2021. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all ACBEL's Stakeholders.

RESPONSIBILITIES

The information in the ACBEL's CSR Report of 2020 and its presentation are the responsibility of the directors or governing body (as applicable) and management of ACBEL. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all ACBEL's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options		Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B	AA1000ASv3 Type 1 (AA1000AP Evaluation only)	Moderate

Assurance has been conducted at a moderate level of scrutiny

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Select specific reporting criteria included in the contract

Reporting Criteria Options	
1	GRI Standards (Core)
2	AA1000 Accountability Principles (2018)
3	SASB

AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) at a moderate level of scrutiny; and evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from ACBEL, being free from bias and conflicts of interest with the organisation, its subsidiaries, and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS



#### Inclusivity

ACBEL has demonstrated its commitment to stakeholder inclusivity through formalised commitment from the highest governing body. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

#### Materiality

ACBEL has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

#### Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. Specific performances related to material topic are recommended to be reported in a more balance way to address stakeholder concerns.

#### Impact

ACBEL has performed processes to understand, measure, evaluate and manage the organisation's impacts that are applied across the organisation under the governance of senior management. Qualitative and quantitative measurements are presented to communicate the specific performances. However, the sustainability context of each impact should be described more clearly to allow a better understanding of the potential direct, indirect, positive and negative impacts.

#### GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, ACBEL's CSR Report of 2018, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of ACBEL's involvement with the impacts for each material topic (103-1), and how efforts were given to mitigate the impacts.

#### SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

ACBEL adopted SASB's Standard, RESOURCE TRANSFORMATION SECTOR - ELECTRICAL & ELECTRONIC EQUIPMENT INDUSTRY STANDARD, VERSION 2018-10 to communicate their sustainability accounting performance to their investors. ACBEL has determined which disclosed topics and associated metrics are financially material to its business and has illustrated appropriately in the content index. By using both GRI and SASB standards together, the efficiency of communication and the identification of material issues are substantially increased during the whole reporting preparation process. For future reports, it is recommended to use analytical methodologies to obtain relevant financial materiality information for product lifecycle management.

Signed:

For and on behalf of SGS Taiwan Ltd.



David Huang  
Senior Director  
Taipei, Taiwan  
22 June, 2021  
[WWW.SGS.COM](http://WWW.SGS.COM)



TWLPP5008 Issue 2104

#### GRI Standards - Material Topics Index- Core Option

Index	Description	Page	External Assurance
GRI 102 : General Disclosures 2016			
Organizational Profile			
102-1	Name of the organization	1	●
102-2	Activities, brands, products, and services	16	●
102-3	Location of headquarters	12	●
102-4	Location of operations	12-13	●
102-5	Ownership and legal form	1	●
102-6	Markets served	12-13	●
102-7	Scale of the organization	12	●
102-8	Information on employees and other workers	124	●
102-9	Supply chain	15	●
102-10	Significant changes to the organization and its supply chain	1, No significant changes	●
102-11	Precautionary Principle or approach	48, 52	●
102-12	External initiatives	60, 80, 159	●
102-13	Membership of associations	59-60	●
Strategy			
102-14	Statement from senior decision-maker	8-10	●
102-15	Key impacts, risks, and opportunities	50-51	●
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	42	●
102-17	Mechanisms for advice and concerns about ethics	38, 54-55	●
Governance			
102-18	Governance structure	24-25	●
102-19	Delegating authority	24-25	●
102-20	Executive-level responsibility for economic, environmental, and social topic	24-25	●
102-21	Consulting stakeholders on economic, environmental, and social topics	24-25	●
102-22	Composition of the highest governance body and its committees	41	●
102-23	Chair of the highest governance body	42	●
102-24	Nominating and selecting the highest governance body	43	●

GRI Standards - Material Topics Index- Core Option

Index	Description	Page	External Assurance
102-25	Conflicts of interest	43	●
102-26	Role of highest governance body in setting purpose, values, and strategy	24-25, 41	●
102-27	Collective knowledge of highest governance body	43, 45, 57	●
102-28	Evaluating the highest governance body's performance	43	●
102-29	Identifying and managing economic, environmental, and social impacts	24-25	●
102-30	Effectiveness of risk management processes	24-25	●
102-31	Review of economic, environmental, and social topics	24-25	●
102-32	Highest governance body's role in sustainability reporting	3, 24-25	●
102-33	Communicating critical concerns	24-25	●
102-34	Nature and total number of critical concerns	43	●
102-35	Remuneration policies	46-47	●
102-36	Process for determining remuneration	46-47, 130	●
Stakeholder Engagement			
102-40	List of stakeholder groups	27-28	●
102-41	Collective bargaining agreements	Has no any collective bargaining agreement.	●
102-42	Identifying and selecting stakeholders	28	●
102-43	Approach to stakeholder engagement	32-36	●
102-44	Key topics and concerns raised	32-36	●
Reporting Practice			
102-45	Entities included in the consolidated financial statements	1	●
102-46	Defining report content and topic Boundaries	27-28	●
102-47	List of material topics	29-30	●

GRI Standards - Material Topics Index- Core Option

Index	Description	Page	External Assurance
102-48	Restatements of information	No significant changes	●
102-49	Changes in reporting	1, 30, No significant changes	●
102-50	Reporting period	1	●
102-51	Date of most recent report	1	●
102-52	Reporting cycle	1	●
102-53	Contact point for questions regarding the report	3	●
102-54	Claims of reporting in accordance with the GRI Standards	2	●
102-55	GRI content index	167-172	●
102-56	External assurance	164-166	●
GRI 103 : Management Approach 2016			
GRI 200 : Topic-specific standards 2016			
Category : Economic			
Topic : Economic Performance			
103-1-103-3	Management Approach	14	●
201-1	Direct economic value generated and distributed	15	●
201-2	Financial implications and other risks and opportunities due to climate change	81-85	●
201-3	Defined benefit plan obligations and other retirement plans	129	●
Topic : Market Presence			
103-1-103-3	Management Approach	129-130	●
201-1	Ratios of standard entry level wage by gender compared to local minimum wage	130	●
201-2	Proportion of senior management hired from the local community	125	●
GRI 300 : Topic-specific standards 2016			
Category : Environmental			
Topic : Materials			
103-1-103-3	Management Approach	109-110	●
301-3	Reclaimed products and their packaging materials	66-68	●
Topic : Energy			
103-1-103-3	Management Approach	76-77	●
302-1	Energy consumption within the organization	90-93	●
302-2	Energy consumption outside of the organization	90-93	●
302-3	Energy intensity	90	●
302-4	Reduction of energy consumption	86-88	●

GRI Standards - Material Topics Index- Core Option

Index	Description	Page	External Assurance
Topic : Emissions			
103–1–103–3 Management Approach		76–77	●
305–1	Direct (Scope 1) GHG emissions	94–96	●
305–2	Energy indirect (Scope 2) GHG emissions	94–96	●
305–3	Other indirect (Scope 3) GHG emissions	94–96	●
305–4	GHG emissions intensity	94–96	●
305–5	Reduction of GHG emissions	89, 94–96	●
GRI 400 : Topic-specific standards 2016 & 2018			
Category : Social			
Topic : Employment			
103–1–103–3 Management Approach		118	●
401–1	New employee hires and employee turnover	127	●
401–2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	133–136	●
401–3	Parental leave	155	●
Topic : Occupational Health and Safety (2018)			
103–1–103–3 Management Approach			●
403–1	Occupational health and safety management system	145–147	●
403–2	Hazard identification, risk assessment, and incident investigation	147	●
403–3	Occupational health services	152–154	●
403–4	Worker participation, consultation, and communication on occupational health and safety	145–148	●
403–5	Worker training on occupational health and safety	148–151	●
403–6	Promotion of worker health	148, 152–154	●
403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	148	●
403–8	Workers covered by an occupational health and safety management system	146	●
403–9	Work-related injuries	151–152	●
403–10	Work-related ill health	152	●

GRI Standards - Topics Index excluding Material Topics

Index	Description	Page	External Assurance
GRI 200 : Topic-specific standards 2016			
Category : Economic			
Topic : Procurement Practices			
204–1	Proportion of spending on local suppliers	115	●
Topic : Anti-corruption			
205–1	Operations assessed for risks related to corruption	54–55	●
205–2	Communication and training about anti-corruption policies and procedures	57	●
205–3	Confirmed incidents of corruption and actions taken	58	●
Topic : Anti-competitive Behavior			
206–1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	58	● No such incident happened
GRI 300 : Topic-specific standards 2016, 2018 & 2020			
Category : Environmental			
Topic : Water and Effluents (2018)			
303–3	Water withdrawal	120	●
Topic : Waste (2020)			
306–1	Waste generation and significant waste-related impacts	96–97	●
306–2	Management of significant waste-related impacts	96–97	●
306–3	Waste generated	96–97	●
306–5	Waste directed to disposal	99	●
Topic : Environmental Compliance (2016)			
307–1	Non-compliance with environmental laws and regulations	6	●
Topic : Supplier Environmental Assessment (2016)			
308–1	New suppliers that were screened using environmental criteria	114	●
GRI 400 : Topic-specific standards 2016			
Category : Social			
Topic : Labor/Management Relations			
103–1–103–3 Management Approach		118	●
402–1	Minimum notice periods regarding operational changes	118	●
Topic : Training and Education			
404–1	Average hours of training per year per employee	139–141	●
404–3	Percentage of employees receiving regular performance and career development reviews	128	●

GRI Standards - Topics Index excluding Material Topics

Index	Description	Page	External Assurance
Topic : Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	124-125	●
405-2	Ratio of basic salary and remuneration of women to men	130	●
Topic : Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	7, 58	●
Topic : Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	58	● No such incident happened
Topic : Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	58	●
Topic : Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	142	●
412-2	Employee training on human rights policies or procedures	142	●
Topic : Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	114	●
Topic : Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	70	●
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	7	● No such incident happened
Topic : Marketing and Labeling			
417-1	Requirements for product and service information and labeling	67-69	●
417-2	Incidents of non-compliance concerning product and service information and labeling	7	● No such incident happened
417-3	Incidents of non-compliance concerning marketing communications	7	● No such incident happened
Topic : Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	7	● No such incident happened
Topic : Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	7, 58	●

SASB Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Category	Accounting Metric	Page
Energy Management	RT-EE-130a.1	Quantitative	(1) Total energy consumed (GJ) (2) Percentage grid electricity (3) Percentage renewable	90
	RT-EE-150a.1	Quantitative	Amount of hazardous waste generated (T), percentage recycled	98-99
Hazardous Waste Management	RT-EE-150a.2		Number and aggregate quantity of reportable spills (kg), quantity recovered (kg)	99
Product Safety	RT-EE-250a.1	Quantitative	Number of recalls issued, total units recalled	74
	RT-EE-250a.2		Total amount of monetary losses as a result of legal proceedings associated with product safety	7
Product Lifecycle Management	RT-EE-410a.1	Quantitative	Percentage of products by revenue that contain IEC 62474 declarable substances	67
	RT-EE-410a.2		Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	68
	RT-EE-410a.3		Revenue from renewable energy-related and energy efficiency-related products	68
Materials Sourcing	RT-EE-440a.1	Discussion and Analysis	Description of the management of risks associated with the use of critical materials	110-111, 116
Business Ethics	RT-EE-510a.1	Discussion and Analysis	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	55-57
	RT-EE-510a.2	Quantitative	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	58
	RT-EE-510a.3		Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	58
Activity Metrics	RT-EE-000.A	Quantitative	Number of units produced by product category	14
	RT-EE-000.B		Number of employees	12