

Sigurd 2022

Sustainability Report



Founded in 1996, Sigurd is a semiconductor packaging and test foundry services of independent suppliers. Possessing the most advanced technological equipment, technology and equipment in the market production lines, distributed in Taiwan and mainland China, provide complete supporting semiconductor back-end manufacturing services to customers.





About This Report

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

This Report is the 2022 sustainability report for Sigurd Microelectronics Corporation (hereinafter referred to as Sigurd). It is now the second sustainability report since its initial publication. The report follows the Global Reporting Initiative (GRI) Standards, adopts sustainability metrics as laid out in the Sustainability Accounting Standard Board (SASB), and the Task Force on Climate related Financial Disclosures (TCFD) framework to disclose environmental protection (E), social responsibility (S), and corporate governance (G) related issues, as well as the management policies and performance results of various material topics. Simultaneously, the report also explains communications and response expectations of stakeholders, as well as the impact of value chain identified environmental protection (E), social responsibility (S), and corporate governance (G).

Reporting Period and Frequency

- The information disclosed in this Report is from January 1, 2022 to December 31, 2022; and the disclosure period of the financial report is the same as that of the aforementioned sustainability report.
- Publication date of the previous report is September 2022; the report was published in Chinese and English versions, which can be downloaded from the ESG section of the official website.
- Publication date for this report is June 2023; the report will be regularly published annually in the future, and the publication date for the next report is expected to be June 2024.

Contact Point

- Responsible unit for the Sustainability Report: CE' s Office. If you have any comments or inquiries as to this report, please contact us.
- Tel: 886-3-5959213 #1517
- e-mail : ESG@sigurd.com.tw

Reporting Boundaries and Scope

Category	Reporting Scope	Financial Reporting Scope	External Assurance
Environmental Protection (E), Social Responsibility (S), Corporate Governance (G)	Beixing Plant, Zhongxing Plant, and Hukou Plant of Sigurd Microelectronics Corporation.	Please refer to pages 18-19 of the financial report for fourth quarter of reporting year 2022 for the enterprise entities included in the financial report.	Type 1 Moderate Assurance Level verification was performed by British Standards Institution (BSI) per AA1000AS v3 version regarding the content of this report.
Financial Information	Data from consolidated financial statements of Sigurd Microelectronics Corporation and subsidiaries (referred to as "Sigurd Group").	Data from consolidated financial statements of Sigurd Microelectronics Corporation and subsidiaries (referred to as "Sigurd Group").	Financial information is audited by PwC accounting firm and issued in the review report.

The CPA and BSI have no equity nor management level relationships with the Company; they have merely been authorized to perform external guarantee or assurance of financial report and sustainability report. Please find the financial report at <https://pse.is/57mpmz>



Table of Contents

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

[Letter from the Chairman...01](#)

[Letter from the President and Sustainable Development Committee Director General...02](#)

[01 Sustainability Strategy...03](#)

- I. Sustainable Development Committee..... 03
- II. Analysis of Material Topics..... 04
- III. References to Material Topics..... 11
- IV. Strategies and Short-, Medium- and Long- Term Goals..... 12
- V. Conditions of Short-Term Goal Attainments...13

[02 Corporate Profile...14](#)

- I. Business Strategies..... 14
- II. Governance Structure..... 17
- III. Governance Framework of the Board of Directors.....18
- IV. Functional Committees..... 23
- V. Senior Management.....24
- VI. Operational Performance..... 24
- VII.Public Associations..... 25

[03 Climate Change...26](#)

- I. Sigurd 's Climate Governance 27
- II. Sigurd 's Climate Strategies and Risk Management..... 28
- III. Sigurd 's Climate Metrics and Targets..... 30

[04 Environmental Protection...32](#)

- I. Environmental Protection Strategies.....33
- II. Energy and Resource Management..... 34
- III. GHG Emissions..... 35
- IV. Low Carbon Strategies and Action Plans..... 36
- V. Other Environmental Protection Measures...38

[05 Recruitment of Diversity...42](#)

- I. Human Rights and Labor Relations..... 42
- II. Remuneration Policy and System..... 44
- III. Comprehensive employee care and welfare...45
- IV. Complete Talent Cultivation.....48

[06 Corporate Social Responsibility...55](#)

[Working Together for Common Good..... 56](#)

[07 Healthy and Friendly Workplace...57](#)

- I. Covid-19 Epidemic Prevention Strategy.....58
- II. Occupational Safety and Health System.....59
- III. Employee Safety and Health.....61
- IV. Sound Medical System.....62
- V. Continuous Operation of Natural Disasters and Accidental Injuries.....63

[08 Innovation Management and Service Quality...64](#)

- I. Smart Factory with Innovation Management Builds Sigurd 's Competitiveness..... 65
- II. Creating Sustainable Manufacturing Power by Self-developing Our Own Machines..... 68
- III. Service Quality and Increased Customer Satisfaction.....70

[09 Corporate Governance...71](#)

- I. Legal Compliance.....72
- II. Integrity Management.....72
- III. Risk Management.....74
- IV. Information Security.....76
- V. Corporate Operation Continuity...78

[10 Supply Chain Management..79](#)

- I. Supplier selection and procurement strategy..... 80
- II. Supplier Management and Objectives..... 82

[11 Appendix...85](#)

- GRI Content Index..... 85
- Sustainability Disclosure Topics & Accounting Metrics.....95
- Verification Statement/ Certificate.....97





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Letter from the Chairman

Dear partners and friends who have been continuously watching Sigurd's sustainable development:

Looking back to 2022, the world had faced numerous economic, social, and geopolitical changes, including variables in globalization and free trade, regional lockdowns caused by COVID-19 pandemic, Russia-Ukraine War, global transportation bottleneck, and inflation pressure, which had brought challenges to the management tenacity of global supply chain and businesses' adaptability. All Sigurd staff have viewed the various challenges to be the time for self-cultivation; integrating internal and external partners has allowed the Company's operation physique to possess further tenacity and competitiveness. Sigurd is also grateful for the continual attention, support, and care that our collaborating partners and friends from all fields have given Sigurd over the years. Sigurd would like to take this opportunity to express its deepest appreciation.

In the previous reporting year, Sigurd Group did not only show a 12.07% growth in consolidated revenue, it also received recognition to be advanced to the category of top 21~35% listed companies in the 2023 Corporate Governance Evaluation results. Also, in response to climate change issues, Sigurd has also materialized its promises in concrete actions; the Board of Directors and the enterprise's Sustainable Development Committee have passed the major goal of attaining zero emission of greenhouse gas in 2050 and planned to gradually reduce the total greenhouse gas emission amount. In addition, corporate sustainable development missions on corporate governance, risk management, friendly environment, care for employees, and expanding community engagement have also been continuously reinforced, as Sigurd materializes its sustainability actions and injects positive momentum into the society. To respond to the trend of the world's sustainable development, Sigurd has also been continuously echoing the 17 Sustainable Development Goals (SDGs) of the United Nations via its concrete actions. At the same time, Sigurd has also been proactively materializing its sustainable missions of "materializing corporate governance", "promoting environmental sustainability", "establishing a friendly workplace", and "devoting in community engagement".

Sigurd believes that the core competitiveness of an enterprise has to be beneficial to the creation of social philanthropy while simultaneously making the efforts to promote supply chain and value chain. Future trend of global digitalized transformation still shows stable continual growth; and semiconductor packaging testing industry is also playing a critical role in the field of innovation technology. Sigurd will be utilizing innovative breakthrough techniques and high-quality services to propel wonderful environmental and social changes. The path of sustainability has no terminal stop-Sigurd Group will continue to deepen its advancement for sustainability issues and connect with its main business, as we build co-prosperous living sphere, supply chain, and value chain that pose positive impacts and strive for creating a sustainable and mutually beneficial vision.

Chairman of Sigurd





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Letter from the President and Sustainable Development Committee Director General

Over the recent years, following the rapid growth of global sustainable development, along with the negative impacts from torrential floods, heavy rains, droughts, heat waves, and other natural disasters that extreme weather bring, material ESG related topics under this drastically changing environment have also been valued by stakeholders and customers, making them the key indicators to evaluate the value of a business. Sigurd recognizes the inseparable correlation between the business sustainable operation and the diverse and drastically changing global development. Therefore, we have established and continued to develop various sustainable operation and management strategies that comply with international advocacies, as we fulfill business social responsibilities and collaboratively protect our living environment on Earth, that we all share.

“Materializing Corporate Governance”

With respect to corporate governance, the first TCFD report was published in 2022, disclosing that climate change adaptation and moderation management initiative has begun to take place through governance, strategies, risk management, metrics, and goals, and via establishing the Risk Management Committee in the same year. The Board of Directors also inspects the greenhouse gas promotion development and effectiveness management for all the subsidiaries of the Group each quarter, as Sigurd strides towards the advocacy of low-carbon sustainability.

“Environmental Protection and Sustainability”

With respect to environmental protection and sustainability, Sigurd proactively implements action plans of low-carbon strategies; materializes energy saving, water saving, waste reduction, and related actions to evolve towards sustainable packaging and testing; and proactively deploys plans to support the use of renewable energy.

“Smart Innovation Management”

With respect to smart innovation management, Sigurd has been continually promoting smart manufacturing factories, as it materializes utilizing smart management model to enhance the optimal exhibition of customer satisfaction performance. Sigurd autonomously researches and develops machineries to respond to the production demands from the customers’ various customization needs, providing customers diverse choices and more competitive resolution plans to optimize complex manufacturing procedure. Sigurd values the forward-looking techniques for low-carbon products to serve as its sustainable competitiveness.

“Green Operation and Supply”

For the materialization of green operation and supply management, Sigurd does not only care for the enterprise’ internal environment management and related education and training, it also focuses on supplier management, as Sigurd promotes the suppliers to collaboratively bear the environmental and social responsibilities. As a result, Sigurd has established a supplier management procedure to ensure that the enterprise’ sustainable development materializes execution of the procedure and supervision over the supply chain.

“Establishing a Friendly Workplace”

With respect to establishing a friendly workplace, Sigurd materializes labor rights strategies and provides diverse communication channels and routs. Under the premise of compliance with the laws, fairness, and reasonability, Sigurd strives to meet colleagues’ expectations and needs, enhance overall staff’s labor rights, and allow the workplace to achieve the state of barrierless communication. And facing the second half of “offense and defense” against COVID-19 in 2022, Sigurd’s Health Promotion Management Section continued and reinforced to provide employees pandemic related knowledge and everyday health information, creating a safe, assured, vigorous, healthy, and friendly workplace.

“Devoting in Community Engagement”

Devotion in community engagement and materialization of corporate social responsibility topics are one of the sustainable development strategies that Sigurd Group has been continuously reinforcing to materialize. Whether it is sponsoring preventive medicine at “Cardiovascular Genetic Research Project” of the National Taiwan University Hospital, materializing local care at Affiliated Flourishing Homeland of Shih Guang Nursing Institution with vehicle donations, or others, these are all representations of Sigurd’s compliance with its sustainable beliefs as Sigurd upholds to its grounded spirits and its attitude of co-living and co-prospering with the environment and the community, moving forward persistently along the path of corporate sustainability.

Lastly, Sigurd understands the expectations and needs from all fields, and Sigurd Group will continue to echo the United Nations sustainable development goals with its initiatives in practice. At the same time, Sigurd is also actively materializing its sustainable missions of “materializing corporate governance”, “environmental protection and sustainability”, “smart innovation management”, “green operation and supply”, “establishing a friendly workplace”, and “devoting in community engagement”. We are also asking our collaborating partners from all fields to continue following the Sigurd Group closely and joining us in supporting global sustainable development initiatives, as we resolutely safeguard and care for Earth that we all share!

President of Sigurd





One. Sustainability Strategy

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Formulating the sustainable development strategies with innovative thinking, Sigurd fulfills its commitments to all the ESG topics in a serious and responsible manner to steadily promote the Company's sustainable development, and continue to improve and strive for excellence, thereby obtaining the trust of all stakeholders, and maintaining long-term harmonious relations.

I. Sustainable Development Committee

Sigurd has established a Sustainable Development Committee, where the Chairman serves as the Committee Chairman, and the President serves as the Executive Committee Director General, and the Committee members are served by the top executives in Sigurd's various units. The Committee reviews, formulates, and promotes initiative strategies and risk management measures as it collaboratively confirms the short-, medium-, and long-term plans and manages performance results in order to facilitate subsequent reports to the Chairman and the Board of the Directors.

Each year, at least one report is presented to the Board of Directors on sustainable development strategies, action plans, and sustainable development related topics and information, including the overall strategic direction, goal setting and progress report, greenhouse gas inventory results, execution of green power purchase special projects, and more, in order to exhibit the Board of Directors' position as the highest governance and risk management unit of Sigurd.

Under the Sustainable Development Committee, Sustainable Development Department has been established along with functional grouping sections, such as "Section of Environmental and Occupational Safety and Health," "Green Operations Section," "Human Resources Section," "Innovation Management Section", "Governance Section" and "Social Relations Section", which will be adjusted or added depending on future needs.

Sustainable Development Department communicates and coordinates functional grouping and conducts routine meetings, and it is also simultaneously responsible for integrating the planning and promoting of sustainable development related topics; discussing and planning for the impacts on company business; making rolling adjustments on strategies, management policies, and short-, medium-, and long-term plans, which are also served as initiative strategies or references for resolution plans. Subsequently, the results will be reported to the Sustainable Development Committee; the Department then materializes the execution of the agreed content and performs status reports.

For functional grouping, responsible supervisors and members are designated amidst the colleagues in the Company's operation departments and sustainable development related areas, who collect trending topics in sustainable development within the government, among the customers, and around the world. Through corporate risk management and performance evaluation mechanism, each unit's identified risks and opportunity results are examined, and responsive execution progress and obstacles, as well as performance results are managed.



2022 Key Results of Sustainable Development Issues

Environmental Protection


- Completed greenhouse gas inventory and verification by third party PwC Accounting Firm for year 2022.
- Under the execution of water resource utilization management and water saving plans, water saving amount in year 2022 was approximately 4.7 million liters; the total water use amount declined by approximately 10.54%.
- Implemented change in manufacturing process; hazardous business wastes in 2022 were reduced by 41.06 tonnes as compared with those of 2021.

Social Responsibility

- ◆ Introduced automatic warehouse system and Smart PMI artificial intelligence technique.
- ◆ Sponsored Cardiovascular Molecular Genetic Research special project.

Corporate Governance

- ◆ In the overall ranking results of 2022 (the 9th) "Corporate Governance Evaluation", Sigurd's ranking increased significantly from 2021 ranking 6 (66%~80%) to 2022 ranking 3 (21%~35%).
- ◆ 2022 Taiwan Top 100 Best-Performing Business Leaders (Awarded 2022 Taiwan Top 100 Harvard Business Review (HBR) Best-Performing Business Leaders).

97	Sidney Huang	Chairman of Sigurd	Semiconductor Industry	
	First Year in Current Position	Year 2002	Reason of Service in the Position	Founder
	Accumulated Total Return on Equity during Duration of Service	651%	Accumulated Market Capitalization Growth (in NT\$100 million)	226
	Average EPS Each Quarter during Duration of Service	NT\$0.71	ESG Rating	Good

II. Analysis of Material Topics

1. Understand Organizational Context

(1) Identify Stakeholder:

Following the five principles (dependency, influence, tension, responsibility, diversity) laid out in AA1000 SES (Stakeholder Engagement Standard, 2015 edition), and referring to the stakeholders listed by peers, and upon confirmation by the Sustainable Development Committee through discussion, Sigurd identifies a total of 5 types of stakeholder groups as follows: employees, customers, suppliers, government entities, and non-government organizations and non-profit organizations.

(2) Collect Issues of Concern:

Analyze global trend, industry characteristics, internal and external business and activity conditions, as well as international standards and guidelines (GRI, TCFD, SASB). Collect and inventory sustainable issues of concern for a total of 22 issues of concern.

2. Identify Actual and Potential Impacts

In order to establish an industry paragon, Sigurd considers the rights of all stakeholders. Through the communication channels as shown in the table below, Sigurd responds, formulates, and executes action plans, as it continuously communicates, collects, and identifies the content and feedback of the actual and potential impacts of various issues of concern with the stakeholders, attaining sustainable development goals.

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Stakeholder: Employees

Engagement Goal:

There are more than 2,000 employees in total. Only by valuing the employees, treating them as the foundation of a company; having the goal of retaining the employees; upholding to respecting labor rights; implementing the strategies of cultivating talents; retaining talents, and diverse and smooth communication; and creating healthy and friendly workplace culture, would it be possible to stably pursue after sustainable development.

Relation with the Company:

All employees of Sigurd

Issues of concern:

- Remuneration and Benefits
- Human Rights Assessment and Labor Rights
- Workplace Health and Safety
- Organizational Identity and Retention
- Work-Life Balance
- Operational Performance

Communication Methods / Top Governance Unit Participant:

- Labor-Management meeting
- Welfare committee meeting
- Occupational safety and health committee / Meeting minute reviewed by the Directors
- Employee complaint and advice communication suggestion box and e-mail address
- Employee satisfaction survey
- Employee education and training
- Performance appraisal
- Newcomer interview
- Routine questionnaire distribution

Communication frequency:

- Quarterly
- Nonscheduled
- Quarterly
- Anytime
- Annually
- Nonscheduled
- Twice Annually
- Nonscheduled
- At least once a year

Engagement Effectiveness :

For further details, please refer to: Five. Recruitment of Diversity III. Comprehensive Employee Care and Welfare 1. Diverse and Smooth Communication Channels

Stakeholder: Customers

Engagement Goal:

A company is never free of interactions with customers. Only by maintaining close relationships, strengthening the Company's own smart innovation, and meeting customers' needs and satisfaction, would the Company be able to expand its development blueprints.

Relation with the Company:

Main customers

Issues of concern:

- Human Rights Assessment and Labor Rights
- Service Quality and Customer Rights
- Risk Control
- Business Continuity
- Information Security
- Innovative Technology and Services

Communication Methods / Top Governance Unit Participant:

- Company website
- Visiting customers
- Telephone number of point of business contact, e-mail, meeting, or other means of contact
- Exchange of executive visits /Attendance by Board member representative
- Customer audit
- Customer stationing at factory
- Supplier meeting held by customer
- Customer satisfaction survey
- Routine questionnaire distribution

Communication frequency:

- Anytime
- Nonscheduled
- Anytime
- Nonscheduled
- Nonscheduled
- Anytime
- Nonscheduled
- Annually
- At least once a year

Engagement Effectiveness :

For further details, please refer to: Eight. Innovation Management and Service Quality III. Continual Advancement of Service Quality and Customer Satisfaction



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Stakeholder: Suppliers

Engagement Goal:

Company's operation and development always require suppliers' support and concurrent growth. Therefore, with respect to the sustainable development issues that pursue after environmental protection, social responsibility, and corporate governance, continual communication and conjoint growth with the suppliers are further necessary to stride towards our common sustainable goals.

Relation with the Company:

Suppliers that provide raw materials, equipment or services to Sigurd

Issues of concern:

- Business Continuity
- Legal Compliance
- Ethics and Integrity
- Risk Control
- Fair Sourcing
- Supplier Corporate Governance Assessment

Communication Methods / Top Governance Unit Participant:

- Telephone number of point of procurement contact, e-mail, meeting, or other means of contact
- Supplier audit
- Advocacy of ESG sustainable management philosophy

Engagement Effectiveness :

For further details, please refer to: Ten. Supply Chain Management II. Supplier Management and Goals

Communication frequency:

- Anytime
- Nonscheduled
- At least once a year

Stakeholder: Government entities

Engagement Goal:

Our Company is a key player in the semiconductor industry, and it is further taking on the responsibility for social responsibility and national security. In light of this, Sigurd is upholding to its compliance with the policies of government entities and execution strategies, as it promotes the Company's sustainable development.

Relation with the Company:

Entities or enterprises of local government

Issues of concern:

- Environment Laws and Regulations (Greenhouse Gas Emissions, Energy Management, Climate Change Risks and Opportunities)
- Human Rights Assessment and Labor Rights
- Workplace Health and Safety
- Information Security

Communication Methods / Top Governance Unit Participant:

- Official Document
- Forums held by the competent authority / Attendance by Board member representative
- Discussions of trade association / Attendance by Board member representative
- Company website
- Routine questionnaire distribution

Engagement Effectiveness :

For further details, please refer to: Ten. Supply Chain Management II. Supplier Management and Goals

Communication frequency:

- Nonscheduled
- Nonscheduled
- Nonscheduled
- Anytime
- At least once a year



Stakeholder: Non-government organizations / Non-profit organizations

Engagement Goal:

Non-government organizations or non-profit organizations in Taiwan fully exhibit the responsibility of industry alliance and sustainable development. Therefore, through participating in the industry strategies and trends as conducted by industry related public welfare association and public welfare foundation, Sigurd obtains related information to advance the Company's sustainable development.

Relation with the Company:

Industry related public welfare association and public welfare foundation

Communication Methods / Top Governance Unit Participant:

- Company website
- Routine questionnaire distribution
- Seminar or forum / Attendance by Board member representative

Communication frequency:

- Nonscheduled
- At least once a year
- Nonscheduled

Issues of concern:

- Greenhouse Gas Emissions
- Energy Management
- Climate Change Risks and Opportunities
- Human Rights Assessment and Labor Rights
- Workplace Health and Safety
- Information Security

Engagement Effectiveness :

For further details, please refer to: Two. Corporate Profile VII. Public Associations

3. Assess Impact Significance

Regarding the content and feedback of the actual and potential impact of various issues of concern proposed by all stakeholders, degree of impact is assessed to be served as the key information for the Sustainable Development Committee to determine and prioritize the material topics of this reporting year and to be presented and reported to the Board of Directors.

4. Prioritize the Reporting Order of the Most Significant Impacts

In principle, after distributing questionnaires to the Chairman, President, and top executives in each unit, referring to the key information "Material Topics for Year 2022" as summarized in the previous 3 steps, inquiring comments from consultants and experts, and further analyzing the degree of impact of various issue in terms of "degree of impact of environmental protection, social responsibility, and corporate governance" and "possibility of occurrence of the issues", Sigurd then proceeds with prioritizing the order of the most significantly impactful issues of the reporting year to be the material topics, which are then served as the prioritized reporting order of this report.

For the material topics of the reporting year, Sustainable Development Committee prioritizes the order of all the issues per their total scores on degree of impact (total scores for "degree of impact of environmental protection, social responsibility, and corporate governance" and "possibility of occurrence of the issues"). The order ranked from the highest to the lowest score is shown in the following table. In principle, a total score of 176 is considered as the threshold for materiality. Then through discussing other factors, such as operational impact or customer demands, 4 issues (with total scores lower than 176) are included, for a total of 14 material topics. In each chapter of this report, Sigurd will respond with its methodology and management policies related to the material topics and formulate action plans and management measures.

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Issues of Concern	Positive/ Negative Impact	Assessment of Impact Significance	Actual/Potential Impact	Total	2022 Prioritization	2021 Prioritization
		Degree of Impact for Environmental Protection, Social Responsibility, and Corporate Governance	Issue Occurrence Frequency			
Customer Rights and Service Quality	Positive	110	90	200	1	9
Information Security	Negative	120	80	200	2	1
Innovation Management and Sustainable Manufacturing	Positive	105	84	189	3	12
Attracting and Cultivating Talents	Positive	100	88	188	4	11
Energy and Resource Management	Negative	107	80	187	5	13
Occupational Safety and Labor Health	Positive	106	77	183	6	7
Operational Performance (Shareholders' Equity)	Positive	111	71	182	7	2
Corporate Governance and Legal Compliance	Negative	107	73	180	8	5
Risk Management	Negative	109	68	177	9	8
Supplier Sustainability Management	Negative	99	77	176	10	17
Renumeration Benefits and Employee Care and Retention	Positive	99	76	175	11	10
Business Continuity	Negative	115	57	172	12	3
Integrity Management	Negative	112	50	162	13	6
Raw Material Usage Management	Negative	86	76	162	14	22
Climate Change Management Respons	Negative	91	68	159	15	16
Diverse Workplace	Negative	83	71	154	16	11
Water Resource Management	Negative	79	72	151	17	14
Waste and Hazardous Material Management	Negative	79	66	145	18	15
Greenhouse Gas Emission	Negative	81	60	141	19	19
Human Rights Assessment	Positive	82	58	140	20	4
Community Engagement	Positive	76	62	138	21	21

Note: Items highlighted in yellow are included as 4 issues (whose total scores are below 176).



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

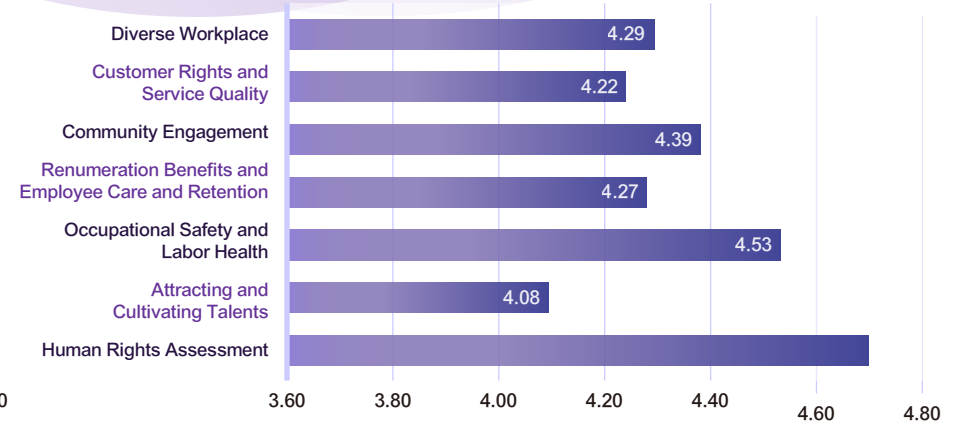
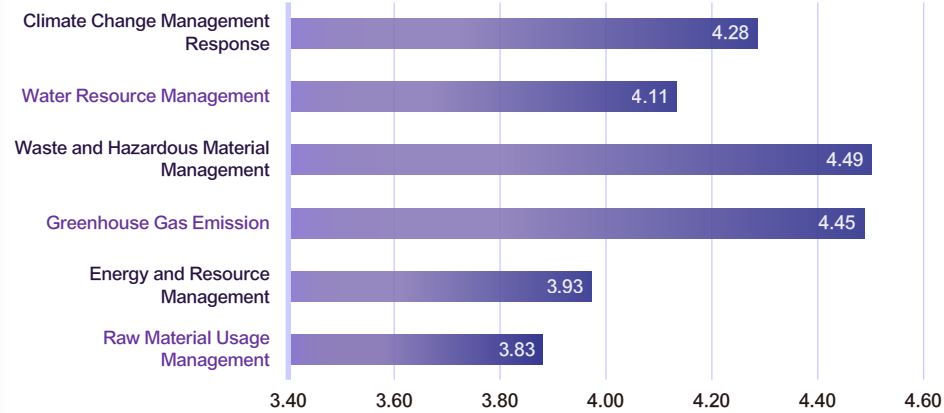
Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Degree of Concern of Stakeholders on Environment, Social Responsibility, and Environmental Protection



Note: To value stakeholders' feedback, Sigurd distributes questionnaires to stakeholders inquiring their comments on issues of concern. A total of 90 copies of questionnaires were returned, which were served as key reference data for the Company's top executives' assessment of degree of impact of sustainable issues and occurrence frequency.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

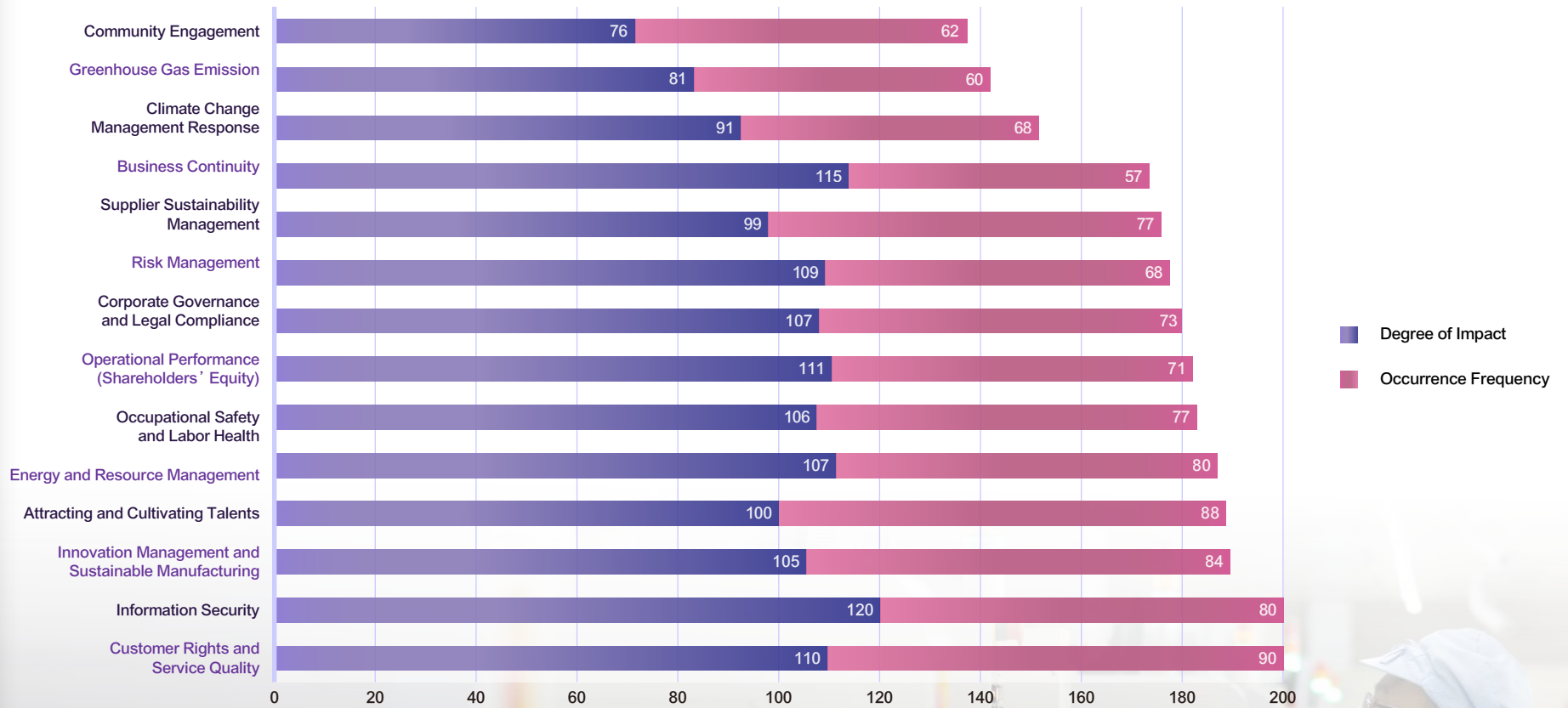
Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Degree of Impact and Occurrence Frequency of Issues of Concern





III. References to Material Topics

Based on the prioritization of the material topics, the corresponding GRI standards, SASB sustainability accounting standards, TCFD guidance, and respective chapters are listed in the following table.

No.	Item	Metric	Group of Stakeholders					Impact Aspect	Detail of Impact Assessment
			Employees	External					
				Customers	Suppliers	Government entities	Non-government organizations/ Non-profit organizations		
1	Energy and Resource Management	GRI302	-	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	Environmental Aspect Negative Actual Impact	Response to climate change is the key of the Company's sustainable development, a legal requirement, and market trend. Each year, Sigurd continues to devote resources and manpower to inventory greenhouse gas, reduce energy and resource (e.g. water, electricity, etc.) consumptions, and introduce green power use to reduce greenhouse gas emissions.
2	Greenhouse Gas Emission	GRI305	-	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	Environmental Aspect Negative Actual Impact	
3	Climate Change Management Response	TCFD	-	Business Relationship	Directly Induced	Indirectly Induced	Indirectly Induced	Environmental Aspect Negative Actual Impact	
4	Attracting and Cultivating Talents	GRI 401 GRI 404	Directly Induced	Business Relationship	-	Indirectly Induced	Indirectly Induced	People (Social Responsibility-Employee) Aspect Positive Actual Impact	In response to the requirements of the government's labor laws and regulations and the Responsible Business Alliance (RBA), concurrent with the Company's operational development, labor rights shall further be considered, e.g. no discrimination, diversified employment, and reasonable remuneration and bonus welfare system, etc., and the Company's workplace environment shall also be protected at the same time to control occupational safety and health risks and to promote the Company's wholesome development.
5	Occupational Safety and Labor Health	GRI 403	Directly Induced	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	People (Social Responsibility-Employee) Aspect Positive Actual Impact	
6	Customer Rights and Service Quality	Self-Selected Topic	-	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	People (Social Responsibility-Employee) Aspect Positive Actual Impact	Striving to pursue after meeting customers' expectations with high quality and high standards, diligently treating customers' every entrustment, and continuously expanding market influential power to materialize the goal of serving as the industry's benchmark.
7	Operational Performance (Shareholders' Equity)	GRI 201	Indirectly Induced	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	Economic (Corporate Governance) Aspect Positive Actual Impact	As Sigurd bears the expectations of all stakeholders, only through building a wholesome framework, thoroughly identifying and controlling various risks, promoting integrity management, and actively responding to all kinds of impact, would it be possible to ensure the Company's continual operation and stable pursuit after operational performance growth.
8	Corporate Governance and Legal Compliance	GRI 205	Indirectly Induced	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	Economic (Corporate Governance) Aspect Positive Actual Impact	
9	Risk Management	Self-Selected Topic	Indirectly Induced	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	Economic (Corporate Governance) Aspect Positive Actual Impact	
10	Business Continuity	Self-Selected Topic	-	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	Economic (Corporate Governance) Aspect Positive Actual Impact	
11	Information Security	Self-Selected Topic	Indirectly Induced	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	Economic (Corporate Governance) Aspect Negative Potential Impact	Only by protecting the Company's data security and actively safeguarding information and business secrets would it be able to effectively protecting customers' rights and enterprise competitiveness.
12	Innovation Management and Sustainable Manufacturing	Self-Selected Topic	Indirectly Induced	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	People (Social Responsibility-Customers) Aspect Positive Actual Impact	Creating enterprise sustainability capability with smart factory, application of new technology, and automatic equipment optimizing production procedure are Sigurd's key strategies for its future business development and environmental protection.
13	Supplier Sustainability Management	GRI 308 GRI 414	-	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	Environment, People (Social Responsibility) Aspects Negative Potential Impact	Suppliers are Sigurd's critical partners for the attainment of sustainable development. Only when suppliers possess the same philosophy and active attitude, would it allow the Company to effectively materialize sustainable development goals.
14	Community Engagement	Self-Selected Topic	-	Business Relationship	Business Relationship	Indirectly Induced	Indirectly Induced	People (Social Responsibility) Aspects Positive Actual Impact	Sigurd has been focusing on philanthropy business over the years, exhibiting enterprise social responsibility as it continuously devotes in aiding and supporting healthcare, education, environment, and philanthropy groups.

Note: According to GRI Standards, the descriptions of the specific at of impact boundary and evaluation on the correlation among key stakeholders are divided into three degrees of involvement: whether it directly causes this impact, causes the relevant impact together with other group, or is correlative to this impact through its business relationship.

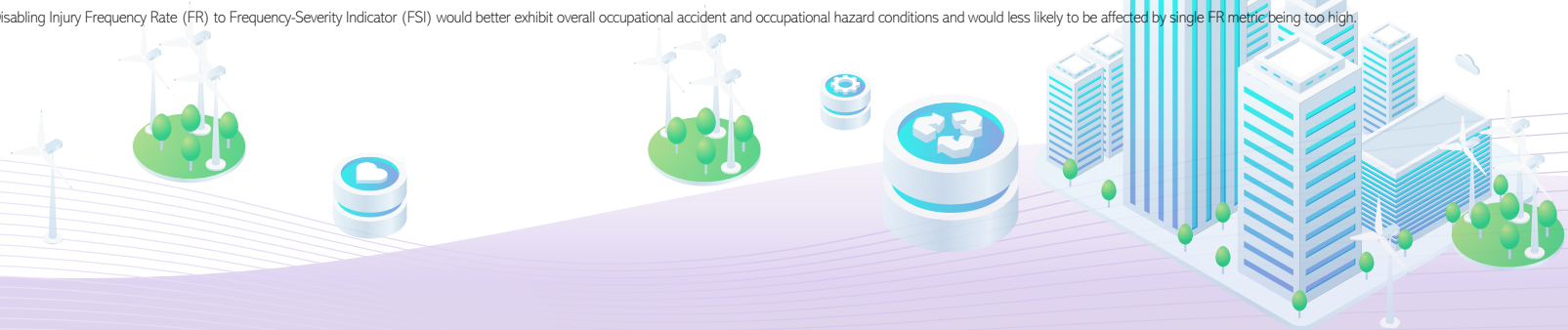
- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy**
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management



IV. Strategies and Short-, Medium- and Long- Term Goals

Aspect	Key strategies/ items	Short-term (2023)	Mid-term (2025)	Long-term (2030)	
Environmental	Towards net zero carbon emissions for the organization	<ul style="list-style-type: none"> Percentage of the reduction in greenhouse gas intensity against that in the base year (2021): 2% The total green power usage or carbon allowance occupied in the Company's total power consumption: 2% 	<ul style="list-style-type: none"> Percentage of the reduction in greenhouse gas intensity against that in the base year (2021): 5% The total green power usage or carbon allowance occupied in the Company's total power consumption: 5% 	<ul style="list-style-type: none"> Percentage of the reduction in greenhouse gas intensity against that in the base year (2021): 25% The total green power usage or carbon allowance occupied in the Company's total power consumption: 30% 	
		Respect of Human Rights Recruitment of Diversity Meritocracy	<ul style="list-style-type: none"> Human rights training completion rate: 95% Employee complaint settlement rate: 100% Number of persons diversely recruited: 10 	<ul style="list-style-type: none"> Human rights training completion rate: 98% Employee complaint settlement rate: 100% Number of persons diversely recruited: 15 	<ul style="list-style-type: none"> Human rights training completion rate: 100% Employee complaint settlement rate: 100% Number of persons diversely recruited: 20
			Healthy workplace Friendly workplace	<ul style="list-style-type: none"> FSI below 0.36. Occupational safety and health training completion rate: 95% 	<ul style="list-style-type: none"> FSI below 0.36. Occupational safety and health training completion rate: 95%
Smart factories boosting customer satisfaction	<ul style="list-style-type: none"> Top 10 customers of the Company\ Average score for customer satisfaction: 8 points With the implementation of smart factory stages, the percentage of the manpower effectiveness of each direct employee increased against that in 2021: 10% 			<ul style="list-style-type: none"> Top 10 customers of the Company\ Average score for customer satisfaction: 9 points With the implementation of smart factory stages, the percentage of the manpower effectiveness of each direct employee increased against that in 2021: 15% 	<ul style="list-style-type: none"> Top 10 customers of the Company\ Average score for customer satisfaction: 9 points With the implementation of smart factory stages, the percentage of the manpower effectiveness of each direct employee increased against that in 2021: 20%
	Joint sustainable development	<ul style="list-style-type: none"> Positive operating profits Completion rate of the training program for integrity management: 90% 		<ul style="list-style-type: none"> Positive operating profits Completion rate of the training program for integrity management: 100% 	<ul style="list-style-type: none"> Positive operating profits Completion rate of the training program for integrity management: 100%
		Legal compliance	<ul style="list-style-type: none"> Number of cases imposed upon a severe penalty (NT\$1 million or more) by the government: 0 Number of priority deficiencies identified in an RBA audit: 0 	<ul style="list-style-type: none"> Number of cases imposed upon a severe penalty (NT\$1 million or more) by the government: 0 Number of priority deficiencies identified in an RBA audit: 0 	<ul style="list-style-type: none"> Number of cases imposed upon a severe penalty (NT\$1 million or more) by the government: 0 Number of priority deficiencies identified in an RBA audit: 0

Note: Adjusting Disabling Injury Frequency Rate (FR) to Frequency-Severity Indicator (FSI) would better exhibit overall occupational accident and occupational hazard conditions and would less likely to be affected by single FR metric being too high.



- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy**
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



V. Conditions of Short-Term Goal Attainments

Aspect	Key strategies/ items	Goal for Year 2022	Performance for Year 2022	Sigurd Response
Environmental	Towards net zero carbon emissions for the organization	<ul style="list-style-type: none"> Percentage of the reduction in greenhouse gas intensity against that in the base year (2021): 2% The total green power usage or carbon allowance occupied in the Company's total power consumption: 2% 	<ul style="list-style-type: none"> Percentage of the reduction in greenhouse gas intensity against that in the base year (2021): 1.97% The total green power usage or carbon allowance occupied in the Company's total power consumption: 0% 	<ul style="list-style-type: none"> The increase scale of power consumption in kilowatt is higher than the increase scale of revenue, so the goal of reduction extent of carbon emission is unable to attain. Devotion in renewable energy assessment at yearend 2022; installation of green power facility is not yet completed, and introduction of green power usage is pending.
		<ul style="list-style-type: none"> Human rights training completion rate: 95% Employee complaint settlement rate: 100% Number of persons diversely recruited: 10 	<ul style="list-style-type: none"> Human rights training completion rate: 100% Employee complaint settlement rate: 100% Number of persons diversely recruited: 30 	<ul style="list-style-type: none"> Including RBA human rights training courses into annual training plan. Online education system notification and reminder for the employees are used for their prompt completion of the training. Establishing exclusive handling point of contact to be responsible for real-time handling of complaint cases until they are tracked and closed; fulfilling human rights safeguarding and protecting privacy of the interested parties. Participating in government collaboration and employment plans over the years; providing re-employment to indigenous people, employment opportunities to middle-aged and senior-aged people and physically disabled people.
Social	Healthy workplace Friendly workplace	<ul style="list-style-type: none"> FSI below 0.36. Occupational safety and health training completion rate: 95% 	<ul style="list-style-type: none"> FSI below 0.49. Occupational safety and health training completion rate: 100% 	<ul style="list-style-type: none"> There are numerous cases in Hukou Plant and Beixing Plant that require long days off due to occupational injury leave, which have led to failure to achieve the goal. Safety and health trainings are routinely held every year to build employees' safety awareness and reduce occupational hazards.
		<ul style="list-style-type: none"> Top 10 customers of the Company\ Average score for customer satisfaction: 8 points With the implementation of smart factory stages, the percentage of the manpower effectiveness of each direct employee increased against that in 2021: 10% 	<ul style="list-style-type: none"> Top 10 customers of the Company\ Average score for customer satisfaction: 9.03 points With the implementation of smart factory stages, the percentage of the manpower effectiveness of each direct employee increased against that in 2021: 6% 	<ul style="list-style-type: none"> Strict quality control is implemented to reduce occurrence of abnormality; Sigurd is also dedicated to complete commitment fulfillment of customer needs, timely reflect any issue, and assist resolving customers' obstacles. Customer satisfaction score in second half of 2022 shows an increase of 0.23 points compared with the score in the first half of the year. Probe Card automatic warehouse system simplification management was added in 2022, which has greatly lowered personnel's error occurrence rate and reduced occupational injuries; and for the SMART PMI function, AI replaces manual reading, which has increased personnel's work efficiency.
Governance	Joint sustainable development Legal compliance	<ul style="list-style-type: none"> Positive operating profits Completion rate of the training program for integrity management: 90% 	<ul style="list-style-type: none"> Positive operating profits Completion rate of the training program for integrity management: 100% 	<ul style="list-style-type: none"> During the pandemic, manpower was coordinated for personnel to work from home while ensuring that it did not affect production, as Sigurd adjusted operational strategies, dedicating to attain operational performance and meeting investors' expectations. Completed integrity education for the Board of Directors members and the employees.
		<ul style="list-style-type: none"> Number of cases imposed upon a severe penalty (NT\$1 million or more) by the government: 0 Number of priority deficiencies identified in an RBA audit: 0 	<ul style="list-style-type: none"> Number of cases imposed upon a severe penalty (NT\$1 million or more) by the government: 0 Number of priority deficiencies identified in an RBA audit: 0 	<ul style="list-style-type: none"> Strictly complying with all policies and laws; ensuring all operational activities meeting legal requirements. Materializing everyday management in all aspects of labor, health and safety, environment, and business ethics to meet RBA requirements. In cases of any noncompliant matters, immediate corrections and improvements need to be made.

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



Two. Corporate Profile

Having recognized in recent years that environmental protection is vital to the Company's survival and development in the society, that human rights policy and excellent customer service development are the foundation of the Company's sustainability, and that sound and materialized governance is an unshakable principle of business risk control, Sigurd, taking the preceding as its constant commitments, actively responds to the expectations and requests of its stakeholders, including employees, customers, shareholders', supply chains, public interest groups and competent authorities.

I. Business Strategies

Being the outsourced assembly and test factory for the Outsourced Semiconductor Assembly and Testing services (OSAT) since 1998, Sigurd has been devoted in providing the most advanced equipment, technology, and production lines, offering our customers thoroughly coordinated back-end semiconductor manufacturing services.

Consequently, our main businesses encompass designing, processing, testing, packaging, and burn-in processing, manufacturing, selling, and purchasing of various ICs. Specific service items include (1) various IC testing and wafer testing services; (2) RF module testing; (3) 8-inch and 12-inch Wafer Level Chip Scale Package (WLCSP), solder bumping and Cu-pillar related packaging technology; (4) wBGA packaging services. As the wafers for the packaging and testing are provided by internationally renowned semiconductor companies, the Company's market has been naturally determined by customers' needs.

In response to market application and needs, the Company has been continuously expanding its service areas, which include 5G, AI, meta-universe, IoT, low-orbit satellites, automotive electronics, vehicle-to-everything, high-performance computation, network communication, and other application needs. We have also been exploring 3nm technology and deepening 4nm capabilities, while we reinforce on researching and developing diverse packaging and testing technology. To achieve the aforementioned vision, Sigurd is further gradually striving towards advancing the automated extensiveness and depth of its smart factories and equipment to expand its scope of smart production.

For the rest of the Company's products, new products scheduled for development, and industrial value chain relevance, please refer to the information found in the Company's Annual Report for year 2022.

Company profile

- Organization type: Listed company
- Main business items: Design, processing, testing, packaging, and burn-in processing, manufacturing, selling, and purchasing of various ICs
- Main markets served: Worldwide
- Main customer type: Internationally renowned semiconductor companies
- Paid-in capital: NT\$4.57 billion
- Headquarter Location: Zhudong Township, Hsinchu County, Taiwan
- Total number of employees: 2,390 as of December 31, 2022



- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile**
- Climate Change
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Over the recent years, integrated device manufacturers have been facing exacerbating cost pressure, and along with the introduction of new models of packaging and testing technology, it has made integrated device manufacturers unable to undertake this type of investment and prompted them to lean towards focusing on its own core competitiveness. As a result, packaging and testing businesses are transferred to outsourced packaging and testing factories. At the same time, the packaging and testing industry needs continual investments in order to satisfy customers' needs and maintain its own competitiveness, thereby striding towards a state of eternal greatness.

Under this market trend, Sigurd, serving as a professional outsourced packaging and testing factory, has utilized its core competitiveness and niche products and technology to successfully obtain its prominent status in the market.

However, Sigurd is still facing numerous challenges in the industrial aspect. For example: to suppress inflation, all countries are implementing interest-raising actions, which has led to crises appearing in the financial system and increasing difficulties in enterprise financing; U.S.-China Trade War and Russia-Ukraine war have not ended yet, and it is causing heightened uncertainty in global economic growth and affecting performance of domestic and international demands; lastly, as impacted by geopolitics and the U.S. suppressing China's high-technology growth, countries in Europe and the U.S. are building semiconductor supply chains on their own in order to avoid the national economy to be swayed by semiconductor shortage, which has also led to higher uncertainty in semiconductor development.

Facing the challenges, Sigurd will continue to enhance its brand image and competitiveness in the market through the following competitive niches and countermeasures:

1. Highly experienced team:

The whole Sigurd management team possesses professional backgrounds; and department executives possess ample industrial experiences, which are beneficial to enhancement of overall competitiveness and the Company's sustainable management.

2. Niche production lines:

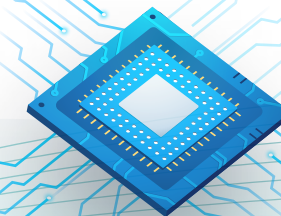
Cultivating in the packaging and testing industry; owning various advanced machineries in the testing business; and taking a leading position in Taiwan.

3. Superior quality:

Sigurd is devoted in enhancing product quality. In addition to introducing automatic production equipment and quality inspection equipment, manufacturing complying with standards and specifications provided in ISO articles leads to successive recipients of international maintenance and operation certifications, e.g. IATF 16949, ISO 26262, and related certificates. Supplemented with stringent quality management system and training employees of superior quality, stability of products and services are enhanced, winning customers' recognition and acknowledgement. With respect to automotive electronics, through our team's continual dedication, we have already passed strict reviews and approvals by leading European factories and obtained high marks. In terms of testing technology, regarding the highest level of packaging technology currently, coWos, Sigurd owns the unique testing technology and testing yield that surpass its peers, which has been widely acclaimed by its customers and has made Sigurd one of the few testing factories in Taiwan who is able to mass-produce.

4. Development of overseas markets:

The number of Sigurd's customers in the North American and Japanese markets in 2022 has increased as compared with the number in 2021, and Sigurd's development in the Chinese market has also created fairly good performance. Sigurd will continue to further develop its overseas market, as it devotes in adapting to the market needs from different countries and regions and understanding local industrial trends and customers' needs. Through market development and establishing diverse collaborative relationships with local partners, customized resolution plans are provided to satisfy the needs of customers located in different regions. As a result, overseas business income and profitability are augmented, brand popularity is enhanced, market share is increased, and continual growth is able to be materialized.





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

5. Reinforcing upstream and downstream collaborative relationships:

Sigurd has been dedicated in reinforcing collaborative relationships with upstream and downstream over the years, which include wafer foundries, equipment suppliers, and material suppliers, etc., thereby establishing superior supply chain partnerships, enhancing production efficiency, reducing costs, and ensuring product quality. Collaborations with wafer foundries is exceptionally critical for Sigurd. Wafer is the key raw material for the packaging and testing business, so by strengthening collaborative relationships with wafer foundries, it can be ensured that stable and competitive wafer products are supplied, while introduction of new technology and collaboration developments are accelerated. Close collaborations with equipment suppliers could ensure that Sigurd is able to use the most advanced packaging and testing equipment, so that production efficiency and product quality are enhanced. On the other hand, collaborations with material suppliers could ensure that Sigurd possesses high-quality packaging and testing materials that comply with environmental standards, so that it could provide customers more reliable products. Through reinforcing collaborative relationships with upstream and downstream, Sigurd could materialize higher supply chain effectiveness, strengthen competitiveness, and provide more competitive products and services.

6. Utilizing Big Data, AI technology, and high-performance computation equipment:

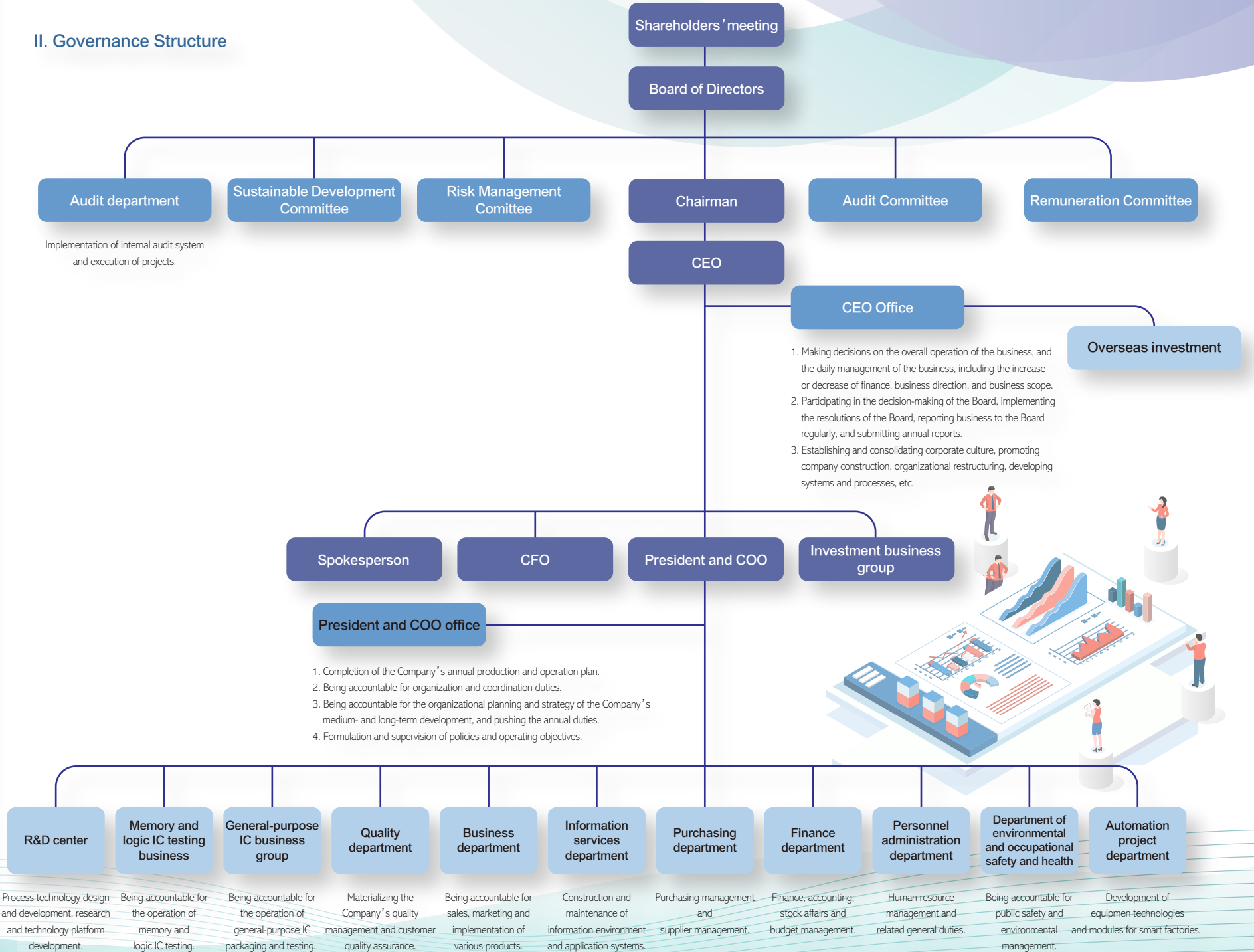
Sigurd will utilize Big Data, AI technology, and high-performance computation equipment to enhance production efficiency and product quality. The advanced production technology will assist Sigurd to materialize smart production and optimize manufacturing procedure. Through gathering and analyzing large amounts of production data, Sigurd is able to obtain valuable insights and predictions. By optimizing production process and enhancing production efficiency, it would simultaneously help to identify and predict potential production issues, so that countermeasures are implemented to avoid delays in production and derivation of quality issues. Application of AI technology can determine the complex tasks during the automatic production process, enhance production efficiency and standardization. For example, application of machine learning algorithm and visual identification technology are able to automatically inspect products' deficiencies and abnormalities, so that inspection accuracy and efficiency can be increased. Application of high-performance computation equipment can accelerate data handling and analyzing speeds, allowing Sigurd to more rapidly obtain production related messages and results while making immediate responses and adjustments. Through utilizing Big Data, AI technology, and high-performance computation equipment, Sigurd will be able to materialize the intellectualized, automatic, and optimized production process, so that production efficiency will be enhanced and costs will be reduced while ensuring products' quality stability and consistency.

The competitive advantages and strategies abovementioned will be beneficial for Sigurd to accelerate its research and development and to develop innovative applications, which will in turn enhance brand image and sustainability competitiveness.





II. Governance Structure



- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile**
- Climate Change
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

III. Governance Framework of the Board of Directors

(I) Selection of Board Directors

Election of Board Directors at the Company implements the system of candidate nominations. A term at the Board of Directors lasts for three years. Selection of Board members complies with the regulations set forth in “Company Memorandum and Articles of Association”, and the standards found in “Corporate Governance Best Practice Principles”, “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and “Article 14-2 of Securities and Exchange Act”. Academic and work experiences of the Director candidates are assessed per industrial experiences and professional capabilities to ensure diversity and independence. And according to Article 192-1 of the Company Act, shareholders holding shares that are more than 1% of total issued shares by the Company are permitted to send in written proposals of candidate lists of the Directors to the Company. Integrated consideration of suggestions from the stakeholders are then incorporated before being reviewed by the Board of Directors. However, company impact capability is currently not yet included as one of the key nomination factors. During the nomination and selection process, review and approval of the independence of Director candidates themselves, their spouses, and relatives within the third degree of consanguinity relative to the Company are performed. Through an open and just election procedure, the final election results are derived from voting at the shareholder meetings.

(II) Framework and Operation for the Board of Directors

For this year’s Board of Directors, there are 9 Directors placed, whose ages are distributed between 60~75 years old, and there are 4 of them who also serve as employees, which accounts for 44%; there are 3 Independent Directors, which accounts for 33%, who possess independence in exercises of power. For the ages of the Board Directors, there are 4 people aged 61~70 years old, and 5 people aged 71~80 years old. For future selections of Board members, we will continue striving for diverse compositions in terms of gender, nationality, and culture.

Amidst all Board members, there exist no familial relationships as regulated in Paragraphs 3 and 4 of Article 26-3 of Securities and Exchange Act. And to avoid improper conflicts of interests, Board members is complying with “Rules of Procedure for Board of Directors Meetings” and strictly adhering to avoidance of conflicts with respect to meeting proposals of related interests at stakes that involve self-interests, and they are also prohibited from participating in discussion and voting. Please refer to the Company’s Annual Report for year 2022 for the Directors’ influential power in the Company and their other related information.

The Chairman shall be elected by and from among the Directors of the Board, with at least two-thirds of the Directors being present and a majority of the Directors present concurring. The Chairman for this term is Mr. Shin-Yang Huang, who has leadership and communication skills in various departments, has led the Company to make profits year after year, and has a sustainable development blueprint and targets management capability for the ESG topics. As a result, it is through his rich experience in the industry and good communication with the Board Directors and various department heads that the customers’ requirements are precisely and effectively met, the sustainable development concepts with bigger picture formulated, and the stakeholders rewarded.

Board Members in Year 2022:

01

Chairman Huang, Hsin-Yang/Male

Specialization (including management capability for material ESG topics)

1. Graduated with Master of Business Administration from the National Taiwan University, possessing capabilities in the areas of finance, electronics manufacturing, production and manufacturing, business, accounting, information technology, marketing management, risk management, and ESG issues.
2. In terms of sustainable development issues, in addition to the Chairman’s own professional capabilities, corporate business and governance experiences, and promotion of environmental protection and social responsibilities, the Chairman also proactively participates in advanced studies in 2022. The Chairman further focuses on and takes on the leadership role in various material sustainable development topics, which encompass energy (resources) management, greenhouse gas emission, climate change management and response, talent attraction and cultivation, occupational safety and laborers’ health, customer rights and service quality, corporate governance and legal compliance, operation continuation, information security, innovation management and sustainable manufacturing, suppliers’ sustainability management, and community engagement.

Duties: CEO

Term of office: 06.10.2020~06.09.2023

Frequency of supposed attendance: 6

Frequency of actual attendance: 6

Attendance rate: 100%



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

02 Director Yeh, Tsai-Lien/Male

Specialization (including management capability for material ESG topics)

1. Graduated with an Executive Master of Business Administration from the National Chiao Tung University, possessing capabilities in finance, electronics manufacturing, production and manufacturing, business, information technology, marketing management, risk management, and ESG issues.
2. In terms of sustainable development issues, in addition to the Director's own professional capabilities, corporate business and governance experiences, and promotion of environmental protection and social responsibilities, the Director also proactively participates in advanced studies in 2022. The Director further focuses on and takes on the leadership role in various material sustainable development topics, which encompass energy (resources) management, greenhouse gas emission, climate change management and response, talent attraction and cultivation, occupational safety and laborers' health, customer rights and service quality, corporate governance and legal compliance, operation continuation, information security, innovation management and sustainable manufacturing, suppliers' sustainability management, and community engagement.

Duties: President and COO

Term of office: 06.10.2020~06.09.2023

Frequency of supposed attendance: 6

Frequency of actual attendance: 6

Attendance rate: 100%

03 Director Kuo, Hsu-Tung/Male

Specialization (including management capability for material ESG topics)

1. Graduated from Department of Electrical Engineering at the National Cheng Kung University, possessing capabilities in finance, electronics manufacturing, production and manufacturing, business, marketing management, risk management, and ESG issues.
2. In terms of sustainable development issues, in addition to the Director's own professional capabilities, corporate business and governance experiences, and promotion of environmental protection and social responsibilities, he also proactively participates in advanced studies in 2022. The Director further focuses on and takes on the leadership role in various material sustainable development topics, which encompass energy (resources) management, greenhouse gas emission, customer rights and service quality, innovation management and sustainable manufacturing, suppliers' sustainability management, and community engagement.

Duties: Deputy COO and Senior Executive Vice President

Term of office: 06.10.2020~06.09.2023

Frequency of supposed attendance: 6

Frequency of actual attendance: 6

Attendance rate: 100%

04 Director Wu, Min-Hung/Male

Specialization (including management capability for material ESG topics)

1. Graduated from Department of Electronic and Computer Engineering at the National Taiwan University of Science and Technology, possessing capabilities in finance, electronics manufacturing, production and manufacturing, business, accounting, information technology, marketing management, risk management, and ESG issues.
2. In terms of sustainable development issues, in addition to the Director's own professional capabilities, corporate business and governance experiences, and promotion of environmental protection and social responsibilities, the Director also proactively participates in advanced studies in 2022. The Director further focuses on and takes on the leadership role in various material sustainable development topics, which encompass climate change management and response, talent attraction and cultivation, occupational safety and laborers' health, corporate governance, and legal compliance.

Duties: CFO and Executive Vice President

Term of office: 06.10.2020~06.09.2023

Frequency of supposed attendance: 6

Frequency of actual attendance: 6

Attendance rate: 100%



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

05

Director Lin, Wen-Yuan (note)/Male

Specialization (including management capability for material ESG topics)

1. Graduated from Department of Healthcare Management at Yuanpei University of Medical Technology, possessing capabilities in finance, electronics manufacturing, production and manufacturing, business, information technology, and marketing management.
2. In terms of sustainable development issues, in addition to the Director's own professional capabilities, corporate business and governance experiences, and promotion of environmental protection and social responsibilities, the Director also proactively participates in advanced studies in 2022. The Director further focuses on and takes on the leadership role in various material sustainable development topics, which encompass corporate governance and legal compliance, customer rights and service quality, innovation management, and sustainable manufacturing.

Duties: -

Term of office: 06.10.2020~06.09.2023

Frequency of supposed attendance: 6

Frequency of actual attendance: 6

Attendance rate: 100%

06

Director Chiu, Ming-Chun/Male

Specialization (including management capability for material ESG topics)

1. Possessing capabilities in finance, electronics manufacturing, production and manufacturing, business, and risk management.
2. In terms of sustainable development issues, in addition to the Director's own professional capabilities, corporate business and governance experiences, and promotion of environmental protection and social responsibilities, the Director also proactively participates in advanced studies in 2022. The Director further focuses on and takes on the leadership role in various material sustainable development topics, which encompass corporate governance and legal compliance, customer rights and service quality, innovation management, and sustainable manufacturing.

Duties: -

Term of office: 06.10.2020~06.09.2023

Frequency of supposed attendance: 6

Frequency of actual attendance: 6

Attendance rate: 100%

07

Independent Director Wu, Wen-Ping/Male

Specialization (including management capability for material ESG topics)

1. Graduated with Master of Business Administration from the National Taiwan University, possessing capabilities in finance, electronics manufacturing, production and manufacturing, business, information technology, and risk management.
2. In terms of sustainable development issues, in addition to the Independent Director's own professional capabilities, corporate business and governance experiences, and promotion of environmental protection and social responsibilities, the Independent Director also proactively participates in advanced studies in 2022. The Independent Director further focuses on and takes on the leadership role in various material sustainable development topics, which encompass talent attraction and cultivation, customer rights and service quality, corporate governance and legal compliance, operation continuation, information security, innovation management, and sustainable manufacturing.

Duties: Remuneration Committee and Audit Committee Convenor

Term of office: 06.10.2020~06.09.2023

Frequency of supposed attendance: 6

Frequency of actual attendance: 6

Attendance rate: 100%

08 Independent Director Lu, Chun-Jung (note)/Male

Specialization (including management capability for material ESG topics)

1. Graduated from Institute of Communications Engineering at National Yang Ming Chiao Tung University, possessing capabilities in finance, electronics manufacturing, production and manufacturing, business, marketing management, and risk management.
2. In terms of sustainable development issues, in addition to the Independent Director's own professional capabilities, corporate business and governance experiences, and promotion of environmental protection and social responsibilities, the Independent Director also proactively participates in advanced studies in 2022. The Independent Director further focuses on and takes on the leadership role in various material sustainable development topics, which encompass talent attraction and cultivation, customer rights and service quality, corporate governance and legal compliance, operation continuation, information security, innovation management, and sustainable manufacturing.

Duties: Remuneration Committee and Audit Committee Convenor
Term of office: 06.10.2020~06.09.2023
Frequency of supposed attendance: 6
Frequency of actual attendance: 6
Attendance rate: 100%

09 Independent Director Lin, Min-Kai/Male

Specialization (including management capability for material ESG topics)

1. Graduated with Master of Business Administration from the National Taiwan University, possessing capabilities in finance, business, accounting, marketing management, and risk management.
2. In terms of sustainable development issues, in addition to the Independent Director's own professional capabilities, corporate business and governance experiences, and promotion of environmental protection and social responsibilities, the Independent Director also proactively participates in advanced studies in 2022. The Independent Director further focuses on and takes on the leadership role in various material sustainable development topics, which encompass talent attraction and cultivation, customer rights and service quality, corporate governance and legal compliance, operation continuation, information security, innovation management, and sustainable manufacturing.

Duties: Remuneration Committee and Audit Committee Convenor
Term of office: 06.10.2020~06.09.2023
Frequency of supposed attendance: 6
Frequency of actual attendance: 6
Attendance rate: 100%

Note 1: On June 7, 2023, the Company conducted overall re-election of the Directors, electing 10 seats of Directors (including 4 seats of Independent Directors); Directors Lin, Wen-Yuan and Lu, Chun-Jung stepped down after the shareholders' meeting on June 7, 2023, and Directress Feng, Jui-Chen, Independent Director Tseng, Kuo-Hua, and Independent Directress Lai, Li-Hsing are newly elected and appointed.

Note 2: For details of the Directors' shareholding ratio and positions held simultaneously at other companies, please refer to pages 9~11, and page 210 of the Company's Annual Report for year 2022 (Annual Report website: <https://pse.is/56vx2z>).





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(III) Mechanism for Board of Directors' Supervision over Operation and Sustainable Development Issues

Board of Directors is the highest level of corporate governance and risk management supervision unit, who supervises the Company's development strategies, monitors the management level, and are accountable to the Company and the shareholders. In terms of the various operation processes, internal control and internal audit procedures within the corporate governance system, the Board further complies with the laws, the Company Memorandum and Articles of Association or shareholders' meeting resolutions to execute relevant affairs. In addition, the Board also needs to review and pass the annual financial reports and quarterly financial reports, the effectiveness assessment of internal control system, and resolution items from various functional committees.

The Board of Directors emphasizes on requirements of independent operation and transparency; both the Directors and Independent Directors are independently exercising their powers. Further, there are various functional committees that supervise their independence, assisting the Board of Directors to supervise the Company in its execution related to accounting, audit, financial reporting process and financial control, internal control and legal compliance, quality and integrity in investment policies as an effort to enhance the Company's governance performance.

In terms of sustainable development issues, the Board of Directors listens to initiative strategies and risk management measures for operation business and sustainability related issues through routine and unplanned meetings, in order to ensure contents and reports, execution obstacles and performance results, effective supervision progress and resource investments. Moreover, the Board also authorizes the President and the Sustainable Development Committee to be responsible respectively the operation business (including suppliers) and sustainability related issues, drafting and promoting climate change initiative strategies and risk management measures, confirming short-, medium-, and long-term plans and manages performance results. And depending on materiality of the issues, the President and the Sustainable Development Committee would report to the Board routinely or unplanned, listing related resolutions in meeting minutes and subsequent supervision progress.

Sustainable Development Committee and top executives of various units would discuss the material topics for each year's sustainability report and examines and reviews the report's content. And to achieve the comprehensiveness and accuracy of the sustainability report, an independent third-party verification institution is also authorized to perform verification of the report's content. Throughout the process, the Board and senior management either participate or appoint colleagues for the completion in a supportive and active attitude. Lastly, the sustainability report is presented to be viewed by the Board members before public issuance.

(IV) Directors' Advanced Studies

Through the routine and unplanned advanced courses on operation business and sustainable issues held by or registered through assistance by the Company's advisory unit, the Board members continue to enhance their related professional capabilities on corporate governance, legal knowledge, policymaking quality, and operational effectiveness. And the Board members then also possess a certain level of knowledge, awareness, and understanding of the latest trends on operation business and sustainable issues.

Advanced Courses for the Board of Directors in Year 2022

Course Name	Course Content	Hours	Material Topics Involved
Taiwan Corporate Governance Association/ Analysis of Global Tax Reform Trend and Taiwan's Controlled Foreign Company (CFC) System	<ul style="list-style-type: none"> Analysis of Taiwan's Implementation of CFC System Creating Transnational Double Taxation Issues Laws Analyses on Countries Implementing CFC System Adopting Deduction Law / Tax Exemption Law to Avoid Double Taxation Overseas Investment Income Effective Tax Rate Pre-Calculation Comparison for Countries Implementing CFC System 	3 Hours	Risk Management
Taiwan Corporate Governance Association/ New Version of Corporate Governance Blueprint and ESG	<ul style="list-style-type: none"> Information Disclosure Trend and Business Implication of ESG, TCFD, and SASB Focused by Competent Authority and Institutional Investor Corporate Governance 3.0, Green Finance 2.0, Corporate Governance Evaluation, and More SR/ESG Related Model Practical Analysis Enhancing Corporate Image and Effectiveness of Communication with Stakeholders-Value Maximization, Law Trends, Tools, and Cases 	3 Hours	Energy and Resource Management Greenhouse Gas Emission Climate Change Management Response Attracting and Cultivating Talents Occupational Safety and Labor Health Business Continuity Information Security
Law Advocacy/ Corporate Governance Codes of Practice	Corporate Governance Practical Course	1 Hours	Corporate Governance and Legal Compliance
Law Advocacy/ Integrity Management Codes	Integrity Management	1 Hours	Integrity Management
Prevention of Insider Trading	<ul style="list-style-type: none"> Law Advocacy Advocacy Manual Introduction to Laws and Regulations (Link to Stock Exchange Website) 	1 Hours	Corporate Governance and Legal Compliance



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(V) Directors' Remuneration and Performance

1. Remuneration of the Directors (including Independent Directors) can be categorized into two groups:

- Transportation Expenses: To compensate the fees for the Directors' trips to the Company or to conduct business activities with other parties for the Company.
- Remuneration: Per regulations of Company Memorandum and Articles of Association, in case of a profitable year, per profitability of the respective year, an amount of not higher than 3% of the profits are appropriated as Directors' remuneration; and resolution is made by the Board of Directors before being presented and reported at the shareholders' general meetings.

2. Remuneration and respective performance assessment of Individual Directors (including Independent Directors) follow the "Rules for Performance Evaluation of Board of Directors", the Company's operation condition of the year, each Director's participation in the Company's operation, performance, and contribution level. At the same time, peer standards, consideration of attendance rate, personal performance, and the Company's management performance are also referenced. After review and approval by the Remuneration Committee, remuneration and performance assessment are proposed and reported to the Board for review and passing.

3. For Directors' performance assessment, internal performance assessment of the Board of Directors (including Functional Committees) is routinely performed every year. Also, external professional independent institutions or external experts and scholars teams also routinely (once every three years) perform assessments. In future, Sigurd will further monitor sustainable development trends and continue to advance to include the Board members' impact management capabilities of the material ESG topics in the performance assessment items.

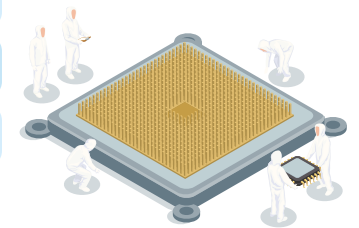
IV. Functional Committees

(I) Audit Committee

Sigurd's Audit Committee is comprised of 3 Independent Directors, who are responsible for executing the review and approval of adequate and appropriate presentation of financial statements, independence and performance of appointment (dismissal) of signing auditor, resolution of the Company's internal control and supervision of effective implementation, related laws and regulations followed by the Company, control of the Company's existing or potential risks, and other matters. (For further details, please refer to the Company's Annual Report for year 2022.)

At least one Audit Committee meeting needs to be convened every quarter, and additional meeting would be convened anytime as needed. In year 2022, 5 meetings were convened, and the attendance is shown as follows:

Identity	Name	Required Number of Meetings Convened	Actual Number of Meetings Attended	Number of Authorized Attendance	Actual Attendance Rate (%)
Independent Director	Wu, Wen-Ping	5	5	0	100%
Independent Director	Lu, Chun-Jung	5	5	0	100%
Independent Director	Lin, Min-Kai	5	5	0	100%



Also, communication between internal audit executives and auditors are described as below:

1. Audit Room follows annual plan and execute inspection and audit of internal control, cycle, and management methods, and it further delivers to all Audit Committee members for checks and reviews. During each Audit Committee meeting, internal audit supervisor reports state of audit business and communicates face-to-face with Independent Directors. In cases where incidents of material violations are discovered or when the Company encounters material losses, reports would be immediately made to be presented for approval, and the events would be notified to all Audit Committee members.

2. Each quarter, auditor reports the audit or review results of the financial statements, along with other communication matters of related laws, at the Audit Committee meeting. In cases when Independent Directors have any comments, they would bring forth for discussion or the auditor would supplement with explanation. When encountering special material conditions regarding the Company's finance and business, auditor would immediately report to the Audit Committee. Specifically, when the Board of Directors has any key related issues, auditor would be invited to attend the meeting to provide professional comments. With respect to execution in year 2022, communication channels with the auditor were smooth, and the communication was fine.



(II) Remuneration Committee

Sigurd's Remuneration Committee stands at a professional and objective point of view and provides performance assessments of the Directors, supervisors, and managers as well as assessments of the remuneration policies, systems, standards, and structures. The Committee then sends in its suggestions with the Board of Directors, serving as references for the Board's policies.

Organizational charter for the Remuneration Committee is set forth within the selection mechanism. The Committee is comprised by 3 Independent Directors; at least two meetings are convened every year, and further meetings are convened anytime as necessary. Meetings were convened 3 times in year 2022, and the attendance is shown in the following table:

Identity	Name	Required Number of Meetings Convened	Actual Number of Meetings Attended	Number of Authorized Attendance	Actual Attendance Rate (%)
Independent Director	Wu, Wen-Ping	3	3	0	100%
Independent Director	Lu, Chun-Jung	3	3	0	100%
Independent Director	Lin, Min-Kai	3	3	0	100%

V. Senior Management

Senior management team at Sigurd parent company and subsidiary companies all possess professional backgrounds. Executives in all departments have more than twenty years of working experiences in terms of related industrial experiences, with an average of more than ten years of experience. Their ample experiences are shown in various aspects, including industry's environmental changes, product development trends, production and manufacturing, and marketing and sales, which are beneficial to enhancement of overall competitiveness and the Company's sustainability management. Team members follow the Company's various internal operation guidelines to serve as the responsible units for business and supervision while they routinely report to the Board members. For the details of its composition structure, please refer to Sigurd's Annual Report for year 2022.

VI. Operational Performance

Sigurd's management is conservative, persistent, and stable, and it is dedicated to niche type packaging and testing developments. Through constructing a robust and comprehensive governance framework, Sigurd materializes identification and controlling of all types of risks, promotes integrity management and actively responds to various kinds of impacts, thereby ensuring the Company's continual operation, stably pursuing after growth in operational performance, meeting expectations of all stakeholders, as Sigurd identifies and responds to various impacts.

For further details of financial information, please refer to Sigurd's Company Annual Report for year 2022.

(I) Retained economic value analysis

Represented by NT dollars (in thousands)

Item	2022	2021	2020
Direct economic value (A)			
Gross Profit	5,528,534	4,948,458	3,609,353
Non-operating net income	811,619	387,620	59,391
Economic value distributed (B)			
Operating expenses	437,813	276,785	477,380
Employee salaries and benefits	1,264,039	1,231,276	793,228
Payments to funders	211,842	165,205	119,560
Government transactions	912,510	626,564	351,987
Retained economic value (A)-(B)	3,513,949	3,036,248	1,926,589



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(II) Overview of government financial subsidies

Item number	Country/government	Types of subsidies	Total amount (in NT\$)
1	Republic of China (Taiwan)	Tax deductions and credits	123,740,000
2	Republic of China (Taiwan)	Investment grants, R&D grants and other related types of grants	8,900,000

VII. Public Associations

Becoming official members of public associations, such as the SEMI, the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), the Hsin-Chu Industrial Society, The Institute of Internal Auditors-Chinese and the Hsinchu County Nurses Association, Sigurd has been actively participating in their activities.





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Three. Climate Change

Climate change is the Company's key sustainable development focus, as it dedicates resources and manpower in the reduction of energy consumption, as an effort to reduce greenhouse gas emission, thereby identifying climate change risks and responding to associated impacts.

Climate change has now become a global issue, especially that the drastic changes of Taiwan's laws and market have even become companies' irrevocable and systematic risks. Companies are facing material impacts in regard to the survival of environment, society, and humankind, as well as the continuation of companies, along with the challenges with respect to response strategies.

Being in the electronic components industry, Sigurd's business and products are bound to face the high level of greenhouse gas emission. As a result, Sigurd has been actively identifying, drafting and executing initiatives on ameliorating climate change, while striving to exhibit its influential power as a model enterprise to promote collaborations amongst value chains in order to respond to climate change risks and opportunities, continuing to enhance overall tenacity of the organization.

Accordingly, Sigurd follows Task Force on Climate-related Financial Disclosures (TCFD) to serve as the methodology for formulating the initiatives on ameliorating climate change. The Board of Directors and top executives are in charge of directing operational strategies, advancing measures in response to identified climate change risks and opportunities, and routinely tracking and supervising per set targets. At the same time, transparency of information related to disclosure of climate governance is enhanced to actively respond to and hope for exchanges with various industries, thereby promoting sustainability management.



I. Sigurd's Climate Governance

Climate change has already become a material topic that impacts the Company's sustainable development. Seeking a prudent response to this governance structure, three levels are established to be responsible for various tasks. In top-down leadership direction and supervision of performance, and with bottom-up execution materialization and reporting back on progress and obstacles, continual improvements on management cycle are attained.

(I) Board of Directors

Board of Directors is the highest level of governing unit, which has listed climate change as one of the material risks and has even recognized it as a future business development opportunity. Climate change then has been further integrated into the Company's risk management mechanism, where the Board would routinely listen to reports on climate change initiative strategies and risk management measures, confirming the reports' contents, obstacles during execution, and performance results, so that the Board is able to effectively supervise the progress and invest with resources. For example, with respect to greenhouse gas emission issue, the Board would listen to progress reports and performance results every quarter, exhibiting effective supervision, controlling, and management.

(II) Sustainable Development Committee

As climate change issue is the Company's material topic, it is included for discussions within the Sustainable Development Committee. The Executive Committee Director General routinely convenes meetings; the Committee members are consisted of top executives from all departments; and the Committee is also placed with planning personnel. In terms of task operations, the Sustainable Development Department would routinely organize the climate environmental trend issues proposed by the functional grouping sections and propose and present the organized results of climate change risks and opportunities as identified by various units.

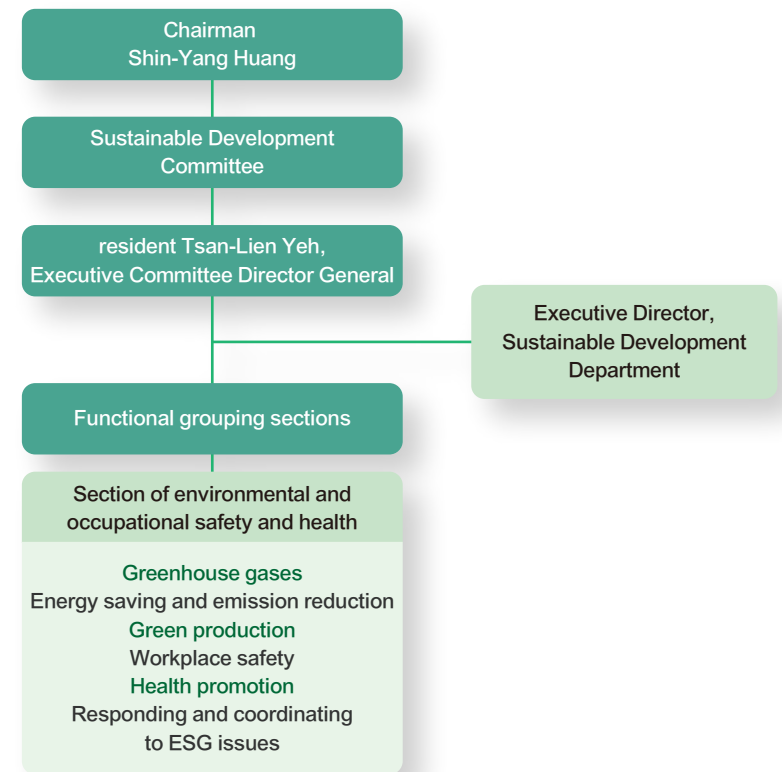
Regarding climate and environmental trend issues and identification results from various units, the Sustainable Development Committee examines, drafts, and promotes the initiative strategies and risk management measures on climate change, confirming the short-, medium-, and long-term plans and managing performance results in order to facilitate subsequent reports to the Chairman and the Board of the Directors.

(III) "Section of Environmental and Occupational Safety and Health"

"Section of Environmental and Occupational Safety and Health" governed by the Sustainable Development Committee is responsible for the Company's environmental protection, energy management, and greenhouse gas emission. The Section routinely gathers climate and environmental trend issues from the government, customers, peers, and around the world.

And through the Company's risk management mechanism and performance assessment mechanism, the Section examines the resulted climate change risks and opportunities as identified by various units, manages execution progress and obstacles of countermeasures, as well as the performance results.

Sustainable Development Department routinely convenes meetings to discuss and plan the impacts of the Company's business per the organized climate change issues abovementioned, serving as references for the climate change initiative strategies or resolutions.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

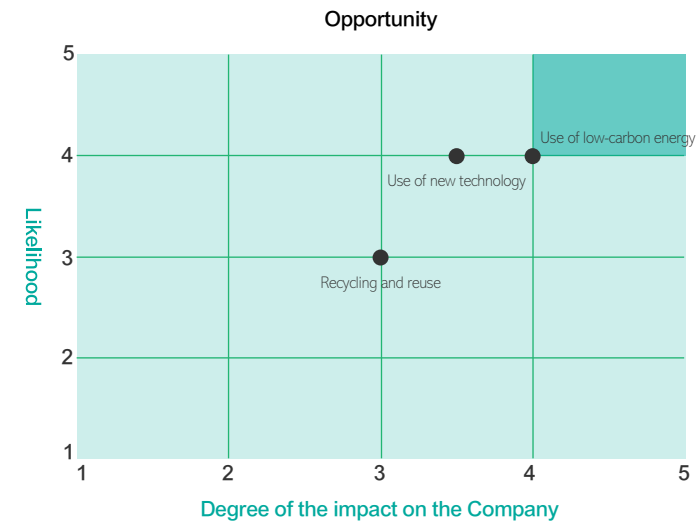
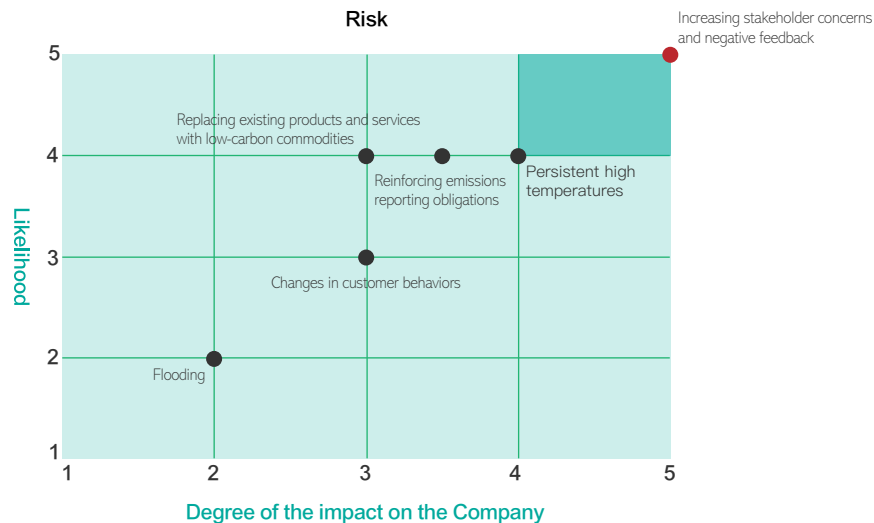
Corporate Governance

Supply Chain Management

Appendix

II. Sigurd’s Climate Strategies and Risk Management

(I) Sigurd refers to TCFD and its respective industrial guidance for the identification of climate change risks and opportunities, which are coupled with scenario analyses on discussions of strategies and respective countermeasures. In terms of materiality assessment of the finance and operation of climate change risks and opportunities, based on Sigurd’s expertise, experiences, and its industrial characteristics, along with the climate change issue analyses proposed by consultants and experts, as well as reference to the identification results in year 2021, Sigurd confirms the level of impact on the Company and occurrence possibility of various issues. For the risk issues of “increasing stakeholder concerns and negative feedback” and “persistent high temperatures”, and the opportunity issue of “use of low-carbon energy”, respective countermeasures will be subsequently formulated.



(II) Climate change risk issues are applied with an independent identification, assessment, and management procedure, which is managed and controlled by the Company’s internal established risk management mechanism. The climate change risk materiality, management measures, obstacles, and performance results identified by various unit are organized and presented to the Sustainable Development Department” and “Section of Environmental and Occupational Safety and Health” meetings. And subsequently, the discussed contents, formulated strategies, and risk management measures are presented and reported to the Sustainable Development Committee for examination, formulation, and promotion of climate change initiative strategies and risk management measures, as the Committee confirms short-, medium-, and long-term plans and manages performance assessment results. Lastly, serving as the highest governance unit, the Board of Directors supervises over the materialized contents and performance results of the climate change initiative strategies and risk management measures through risk management reports, audit reports, and performance assessment results, in order to ensure that material risk issues of climate change can be effectively managed and controlled.

(III) For the material climate risk issues of “increasing stakeholder concerns and negative feedback” and “persistent high temperatures” as identified this reporting year, after the operational procedure from the previous item, and by integrating internal professional technology, resources, and manpower with practical experiences and market changes, along with trend analysis results from external experts, the Company’s business and operational impacts will be confirmed via a rolling method to adjust risk management measures of the material climate change risk issues in response to the risks. Assessments are then performed to determine the necessity to subsequently initiate risk handling or transfer, or for the risks to receive assessment operation.



Results of Climate Risk Identification

Climate Risks	Assessment of Materiality and Financial Impact	Scenario analysis/Reference Scenarios and Apparent and Potential Risks	Strategies for addressing climate change
<p>Increasing stakeholder concerns and negative feedback</p>	<p>The <u>requirements</u> of laws and regulations, or government, and the <u>expectations</u> of stakeholders (e.g. Customers) are anticipated to cause impacts on the Company's operations in the near future. If no contingency measures are taken, it is reasonably predicted that all or part of the Company's business will be reduced, choked, or even lost.</p>	<p>■ Reference scenario: The national policy requires the Company to fully disclose its greenhouse gas emissions, so that stakeholders, such as investors or customers, are allowed to more easily obtain and grasp information, thereby increasing the Company's inventory and verification pressure of greenhouse gas emissions and product carbon footprints.</p> <p>■ Short- and medium-term risks: The actual inventory and verification of greenhouse gas emissions requirements will cause impacts on the overall control, reduction and supervision of the Company's greenhouse gas emissions, thereby affecting customer orders and investors' investment strength.</p> <p>■ Long-term risks: In view of Taiwan's Pathway to Net-Zero Emissions in 2050," and more and stronger energy saving and carbon reduction measures to be launched to answer the targets of significantly reducing greenhouse gas emissions internationally, the Company's stakeholders are bound to reduce the impacts on greenhouse gas emissions of their own entire organizations and of their own products to address the trends and legal requirements from home and abroad. Sigurd, as part of its customers' supply chain, will be further subject to more aggravated impacts.</p>	<p>■ Short- and medium-term strategies:</p> <ol style="list-style-type: none"> 1. Continuously engaging a third-party independent institute to conduct the greenhouse gas emissions verification in accordance with ISO14064-1, and comprehensively compile the Company's overall greenhouse gas emissions status. 2. Allocating budget to persistently activate a replacement mechanism for high-energy-consuming equipment and operations. 3. Planning for the acquisition and rate of renewable energy. <p>■ Long-term strategies: Aiming to continuously increase the proportion of renewable energy in the hope that the target of net zero carbon emissions will be achieved in the future.</p>
<p>Persistent high temperatures</p>	<p>The <u>requirements</u> of laws and regulations, or government, and the <u>expectations</u> of stakeholders (e.g. Customers) are anticipated to cause impacts on the Company's operations in the near future. If no contingency measures are taken, it is reasonably predicted that all or part of the Company's business will be reduced, choked, or even lost.</p>	<p>■ RCP 4.5 Scenario analysis In terms of the RCPs model (MIROC-ESM-CHEM model), with 23.33°C and 3.71 mm/day being the observed value in 2018, the RCP4.5 extrapolated to greenhouse gas (GHG) stabilization scenarios are: a comparatively estimated increase of 1.62°C, 2.05 mm/day in 2030, and a comparatively estimated increase of 1.51°C, 1.65 mm/day in 2050.</p> <p>■ RCP4.5 Medium- and long-term risks Although the greenhouse gas emissions are under control, the temperatures in summer and autumn are still generally high. The renewable energy resources not yet fully available may result in a lack of electricity, and an increasing possibility of power rationing.</p> <p>■ RCP 8.5 Scenario analysis In terms of the RCPs model (MIROC-ESM-CHEM model), with 23.33°C and 3.71 mm/day being the observed value in 2018, the RCP8.5 extrapolated to scenarios with high greenhouse gas (GHG) emissions are: an estimated increase of 0.24°C, 0.02 mm/day in 2030, and a comparatively estimated increase of 2.21°C, 2.63 mm/day in 2050.</p> <p>■ RCP 8.5 Scenario analysis With the less controlled greenhouse gas emissions, the ever-increasing global temperatures, the four seasons no longer obvious and the frequent hot weather that may break through the historical high temperature, a circumstance may occur that the industrial electricity consumption is marginalized by the electricity consumption for people's livelihood, and the possibility of frequent power rationing is increasing.</p>	<p>■ RCP4.5 Medium- and long-term risks</p> <ol style="list-style-type: none"> 1. Planning energy storage equipment or uninterruptible power facilities to address a lack of electricity consumption quota during power rationing. 2. Allocating budget to persistently activate a replacement mechanism for high-energy-consuming equipment and operations. 3. Planning the proportion of renewable energy to reduce or avoid the duration or extent of the production line suspensions caused by power rationing. 4. Regularly training employees on contingency mechanisms and drills on severe disasters (e.g. wind disaster, flood, etc.). <p>■ RCP8.5 Medium- and long-term risks</p> <ol style="list-style-type: none"> 1. Planning energy storage equipment or uninterruptible power facilities to address a lack of electricity consumption quota during power rationing. 2. Shortening the schedule of renewable energy in use, and planning a significant increase in the proportion of renewable energy year by year to avoid the duration or extent of the production line suspensions caused by power rationing. 3. Incorporating climate science and long-term forecasting to enhance resilience to climate events. 4. Regularly training employees on contingency mechanisms and drills on severe disasters (e.g. wind disaster, flood, etc.).

- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change**
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management



Results of Climate Opportunity Identification

Climate Opportunity	Assessment of Materiality and Financial Impact	Scenario analysis/Reference Scenarios and Apparent and Potential Risks	Strategies for addressing climate change
<p>Use of low-carbon energy</p>	<p>The <u>requirements</u> of laws and regulations, or government, and the <u>expectations</u> of stakeholders (e.g. Customers) are anticipated to cause impacts on the Company's operations in the near future. Consequently, Sigurd will deploy and promote the use of low-carbon energy in advance so that all or part of the Company's business will have a significant chance to increase (an increased turnover of over NT\$10 million) or advance the profitability period by 2 to 3 years.</p>	<p>Government policies and statutes will actively force companies to use low-carbon energy, and Sigurd's customer will also launch their low-carbon products in the market to avoid their products being subject to carbon taxes, thereby further affects product pricing and market share. Accordingly, the supply chain will be required to adopt a low-carbon strategy.</p> <p>■ Medium- and long-term opportunities:</p> <p>Increasing the proportion of renewable energy and reducing greenhouse gas emissions could lead to more quota of carbon taxes collected by governments and higher electricity prices, which can help reduce costs and augment budget space for R&D or purchase of low-carbon equipment or technologies. Moreover, Sigurd's reduction of the overall greenhouse gas emissions of its products and manufacturing processes is even more helpful to respond to customers' low-carbon product strategies, and strive for more orders to shape the Company's market brand effect.</p>	<p>Increasing the proportion of renewable energy and reducing greenhouse gas emissions could lead to more quota of carbon taxes collected by governments and higher electricity prices, which can help reduce costs and augment budget space for R&D or purchase of low-carbon equipment or technologies. Moreover, Sigurd's reduction of the overall greenhouse gas emissions of its products and manufacturing processes is even more helpful to respond to customers' low-carbon product strategies, and strive for more orders to shape the Company's market brand effect.</p>

III. Sigurd's Climate Metrics and Targets

- (I) In response to climate change derived transformation opportunities and brand strategies, Sigurd will augment its resources investments of renewable energies and energy-saving measures in the market, actively gather information on low-carbon raw materials, continue to research and develop low-carbon manufacturing process and technology, and ameliorating the impacts brought by climate change. At the same time, Sigurd begins to promote carbon footprints survey; while coordinating with introduction of tools, practical experiences and painstaking methodologies will continue to be accumulated.
- (II) Sigurd assesses scenario analysis results and value chain impacts, formulating the short-, medium-, and long-term plans and targets as shown in the following table in response to climate change risks and opportunities. And through the overall countermeasures and risk management measures abovementioned, the Company's metrics and targets established are attained. Rolling adjustment mechanism refers to that through routine performance assessments by the Sustainable Development Committee and functional grouping sections, climate change risks and opportunity items are included, climate change initiative strategies and risk management measures are examined, and short-, medium-, and long-term plans are optimized. Subsequently, performance results are presented and reported to the Board of Directors by the Committee and the sections as an act of supervision over the Company to thoroughly materialize the execution of climate change and sustainable development targets.
- (III) For details on greenhouse gas emission amounts in year 2022, please refer to Four - Environmental Protection chapter.



- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change**
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



Climate Risks and Opportunity Metrics and Targets

Climate risks	Climate opportunities	Overall Target	2022 Target	2022 Performance	2023 (Short-term)	2025 (Medium-term)	2030 (Long-term)	Contingency measures
Increasing stakeholder concerns and negative feedback/ Persistent high temperatures	Use of low-carbon energy	Greenhouse gas management in the factories	Percentage of the reduction in greenhouse gas emissions intensity of the respective year against that in the base year (2021): 2%	Percentage of the reduction in greenhouse gas emissions intensity of the respective year against that in the base year (2021): 1.97%	Percentage of the reduction in greenhouse gas emissions intensity of the respective year against that in the base year (2021): 2%	Percentage of the reduction in greenhouse gas emissions intensity of the respective year against that in the base year (2021): 5%	Percentage of the reduction in greenhouse gas emissions intensity of the respective year against that in the base year (2021): 25%	Sigurd will take the following measures: <ol style="list-style-type: none"> 1. Persistently perform greenhouse gas inventory and verification. 2. Planning to purchase green power plan: Planning to sign green power purchase contracts, and to purchase carbon credits for those greenhouse gases that cannot be reduced. 3. Fulfilling GHG reporting and control requirements, conducting regular GHG emissions inventory and verification, and further extend it to cover the product carbon footprint. 4. Eliminating high-energy-consuming equipment.
Increasing stakeholder concerns and negative feedback/ Persistent high temperatures	Use of low-carbon energy	Use of renewable energy in the factories	Assessment of the use of renewable energy.		The total green power usage or carbon allowance occupied in the Company's total power consumption of the respective year: 2%	The total green power usage or carbon allowance occupied in the Company's total power consumption of the respective year: 5%	The total green power usage or carbon allowance occupied in the Company's total power consumption of the respective year: 30%	

Note: For details on improvement methods, please refer to the Fourth Chapter-Environmental Protection.

- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change**
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



Four. Environmental Protection

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Organizational Net Zero Carbon Emissions

Sigurd is committed to responding to domestic and international regulations and trends, and to evaluating customer markets and industry characteristics. We continuously conduct greenhouse gas (GHG) inventories, and from there develop energy conservation and carbon reduction strategies and action plans. We ensure that these plans are implemented on schedule, and we are working towards the goal of achieving organizational net zero emissions.

No.	Item	2022 Goal	2022 Performance
1	Energy intensity against the previous year	A reduction of 1%	A reduction of 2.09%
2	GHG emissions intensity against the previous year	A reduction of 2%	A reduction of 1.97%
3	Number of penalties imposed by imposed by local government for violating environmental laws or regulations	0 case	0 case

Note: The GHG emission intensity is 0.03% short of the target (2%) in 2022. Despite the fact that it is reduced to 4.65% with the Scope 2 GHG emissions amounted to 77,969.4300 tCO₂e based on the emission factor of 0.495 kgCO₂e/kWh announced in June 2022, such data, without being verified by third-party institution, are therefore not included in this ESG report

“Energy and Resource Management” and “GHG Emissions” are taken as the major themes of environmental protection this year, which we will emphasize the current year’s performance, the impacts of our business activities and the measures taken in response to these impacts, as well as our future plans. In addition, we will disclose information on our activities related to the management of water resources, wastes, and hazardous substances, and demonstrate our efforts to implement environmentally sustainable development.





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

I. Environmental Protection Strategies

Persistently running the ISO 14001 environmental management system with the Plan-do-check-act (PDCA) cycle, a scientific methodology, Sigurd practices the yearly systematic inventory, risk assessment and review of its business activities, equipment, operating processes, services and product aspects to confirm the location, extent, time and activity trends of raw materials, processes, energy resources, waste, and resource recycling and reuse through data collection and analysis so that the Company's internal environmental protection statuses are effectively managed, deficiencies identified, and continuous adjustments made to achieve its sustainable development targets.

Sigurd materializes its environmental protection through the following strategies and action plans proposed in 2021:

■ Environmental assessment:

The Company conducts its regular and nonscheduled internal environmental assessments, of which the regular assessment is conducted every year to identify various environmental aspects, while the nonscheduled assessment is initiated when the Company develops or introduces new production processes, such as the introduction of new chemicals, machinery and equipment and the like. Preventive measures or risk management methods will be implemented depending on the assessment results.

■ Collection of laws and regulations:

Sigurd collects information on the environmental protection laws and regulations applicable to the Company, including laws and regulations that have been legislated or amended from home and abroad—WEEE, RoHS, and REACH, etc., to ensure that the raw materials, manufacturing processes and products used comply with domestic and international environmental protection requirements.

For those environmental protection laws and regulations once being newly added or amended, Sigurd will immediately draw up action plans to incorporate them into the Company's internal norms, with which to require that the Company as a whole and its supply chains shall comply.

■ Compliance assessment:

An assessment is conducted every six months to assess whether the environmental impacts require any correction and prevention so that extent of impact is subject to effective control, and the Company is in compliance with regulatory requirements. Meanwhile, the assessment results are also disclosed on the Company's internal website for employees to review and confirm.

■ Establishing management targets and action plans:

To materialize the management policy, Sigurd has formulated its own environmental management targets through the above-mentioned measures to supervise, urge and track the performance results. Where there are targets not achieved or action plans not materialized, improvements and adjustments will be made to facilitate the continuous improvement of the Company's environmental protection effectiveness.





II. Energy and Resource Management

(I) Energy management strategies

With reference to the ISO 50001 (EnMS) Energy Management Systems, Sigurd conducts systematic inventory, risk assessment, and review to identify business activities, equipment, operational processes, services, and product structures, and to collect information on the location and extent of energy use, as well as trends in time and activities. Sigurd utilizes the P-D-C-A cycle to improve its management methodology and analyze the results of data analysis to make rolling adjustments to its energy management strategies.

With “Smart Factory” and “Energy Conservation and Renewable Energy” as its main strategies, Sigurd will optimize its management mechanism and efficiency, and at the same time, introduce green alternative energy applications, which are expected to achieve the goal of reducing greenhouse gas emissions and move towards the Company’s SDGs..

(II) Energy management organization and architecture

The “Section of Environmental and Occupational Safety and Health” under the Sustainable Development Committee is responsible for energy policy, energy efficiency, energy conservation measures, and renewable energy usage assessment, formulating action plans, establishing short-, medium-, and long-term plans, and promoting factory management measures. The team also meets with the Sustainable Development Department on a regular basis to review the progress of implementation, and to discuss the impacts and trends associated with the Company, as well as the performance results and goal achievement status.

The Sustainable Development Department and the “Section of Environmental and Occupational Safety and Health” will regularly report to the Sustainable Development Committee on the progress of implementation, impacts and trends associated with the Company, performance results and goal achievement status. During the meetings, action strategies and risk management measures are reviewed, developed and proposed to confirm the progress of plan implementation and performance results. Ultimately, a summary of the meeting will be presented to the Chairperson and the Board of Directors for their effective oversight of progress and resource allocation.

(III) Energy usage

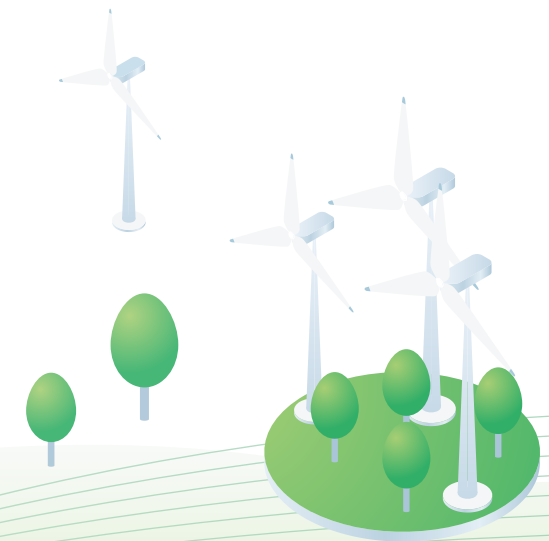
Most of Sigurd’s energy usage comes from the outsourced electricity used for activities, equipment, workflows, and processes in each of its factories, with a small amount of other energy sources used.

Analysis of Energy Use Over the Years				
Energy types	Unit	2022	2021	2020
Outsourced electricity	Megawatt hour (MWh)	157,514.000	157,414.400	139,263.213
Diesel	Liter	42,408.25	37,447.3	19,172.2
Gasoline	Liter	3,487.49	5,601.3	19,508.0
Energy consumption	Million joules	135,932,134.61	135,875,368.47	120,564,338.92
Energy intensity	Million joules/ Million NT dollars in revenue	12,835.69	13,109.28	14,345.57

Note 1: Adopted from the equivalent “Heat Content of Energy Product” in the 2021 ENERGY STATISTICS HANDBOOK issued by the Energy Administration, Ministry of Economic Affairs, where the heating value of electricity: 860kcal/kWh, diesel: 8,400kcal/L, gasoline: 7,800kcal/L, and natural gas: 8,900kcal/L.

Note 2: Energy intensity is calculated using operating income (million NT dollars in revenue) as the denominator.

Note 3: The data of outsourced electricity, diesel fuel and gasoline in Year 2021 were adjusted after the greenhouse gas inventory, among which the diesel fuel and gasoline were adjusted due to the diesel fuel used by trucks being miscounted as gasoline consumed at that time.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



III. GHG Emissions

(I) GHG Emissions Policy

Sigurd is well aware of the impact of GHGs on climate change and the environment. To fulfill our corporate responsibility for environmental protection, we are committed to greenhouse gas inventories to accurately grasp GHG emissions, establish a database, and propose GHG reduction action plans. We have established short-, medium-, and long-term plans, and we are committed to four points: 1.Continue to promote GHG reduction measures; 2.Actively evaluate and use renewable energy; 3.Comply with environmental regulations and international requirements; and 4.Respond to the net-zero emission target.

(II) GHG Management Organization and Architecture

The “Section of Environmental and Occupational Safety and Health” under the Sustainable Development Committee is responsible for energy policy, energy efficiency, energy conservation measures, and renewable energy usage assessment, formulating action plans, establishing short-, medium-, and long-term plans, and promoting factory management measures. The team also meets with the Sustainable Development Department on a regular basis to review the progress of implementation, and to discuss the impacts and trends associated with the Company, as well as the performance results and goal achievement status.

(III) GHG Inventory Status

In response to the “Sustainable Development Roadmap” promoted by the Financial Supervisory Commission, we will continue to promote ISO 14064-1 GHG inventory activities. The GHG emissions data in Year 2022, having been verified by PwC Taiwan, obtained an assurance report on May 31, 2023.

In the future, Sigurd will establish a yearly database and effectively manage the Company’s overall GHG emissions. We will strengthen information management to provide important references for future planning of GHG reduction policies and rolling adjustments to action plans.

GHG Inventory Status:

- Boundary: Taiwan factories (Pei-Shing Factory, Chung-Shing Factory, and Hu-Kou Factory)
- Base year: 2021
- The types and amounts of energy used were outsourced electricity, diesel fuel and gasoline, and the respective GHG emissions thereof are analyzed as the tables shown below.

Unit: tCO₂e

Greenhouse Gas Emissions Analysis			
Item	2022	2021	2020
Scope 1	530.0681	452.5037	144.7297
Scope 2	80,174.6260	80,123.9296	69,910.1332
Total	80,704.6941	80,576.4333	70,054.8629
GHG emissions intensity (tCO₂e/ Million NT dollars in revenue)	7.6207	7.7741	8.3356
Percentage of increase/decrease in GHG emissions intensity against the previous year	Reduced by 1.97%	Reduced by 6.74%	Reduced by 21.18%

Note 1: The GHGs are aggregated in terms of GHG emissions = Energy consumption x GHG emission factor x GWP value.

Note 2: The GHG emission factors are based on the “GHG Emission Factor Management Sheet (Version 6.0.4) issued by EPA, Executive Yuan.”

Note 3: The adopted GWP values are from the IPCC 2021 sixth assessment report.

Note 4: The electricity carbon emission factors are based on the Electricity Emission Factors of 0.509/0.502/0.509 kgCO₂e/kWh respectively for 2019 to 2021 announced by the Energy Administration, Ministry of Economic Affairs.

Note 5: The emissions data for the base year Year 2021 was adjusted as a result of an assurance report dated December 30, 2022, which was verified by PwC Taiwan.

Note 6: The GHG emissions intensity (tCO₂e/ Million NT dollars in revenue) is rounded to the fourth decimal place.

Unit: tCO₂e/ year

Emissions of seven GHGs in Year 2022								
Factory	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total annual emission equivalents of seven GHGs
Pei-Shing Factory	20,320.2428	76.5800	0.5733	22.8294	0.0000	0.0000	0.0000	20,421.178
Chung-Shing Factory	16,768.8688	53.2305	0.3549	34.7093	0.0000	0.0000	0.0000	16,858.3471
Hu-Kou Factory	43,203.9583	156.3684	0.8463	73.1159	0.0000	0.0000	0.0000	43,425.1690
Total								80,704.6941

Note: Rounded to the 4th decimal place.

- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change
- Environmental Protection**
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

IV. Low Carbon Strategies and Action Plans

Sigurd is committed to achieving net-zero emissions by improving energy efficiency, implementing energy conservation measures, and evaluating the use of renewable energy. The Company also takes a variety of other GHG reduction measures to achieve its goal.

Sigurd continued to pursue its low-carbon strategies In Year 2022. With the Company's energy usage and GHG emissions being primarily from outsourced electricity, Sigurd will focus on equipment replacement and energy conservation awareness campaigns. These measures will help the Company to effectively respond to future carbon fees for GHGs and the risks of climate change.

1. Energy Conservation and Carbon Reduction Activities

- (1) Improving the efficiency of equipment and facilities through regular maintenance and repairs;
- (2) Establishing energy procurement requirements that prioritize the purchase of appliances and equipment with qualifications such as the Energy Conservation Label, Water Conservation Label, Energy Star, or Energy Conservation Device;
- (3) Replacing traditional electronic lamps in parking lots with LED energy-saving lamps;
- (4) Raising the temperature of air conditioners in clean rooms from 22 to 23 degrees Celsius;
- (5) Implementing AI smart electricity control for offices and parking lot lighting energy control and saving; and
- (6) In Year 2022, Sigurd invested a total of NT\$22.27 million in energy conservation improvement activities at its Pei-Shing, Chung-Shing, and Hu-Kou factories to comprehensively reduce GHG emissions. In the future, Sigurd will also successively procure green electricity to further reduce GHG emissions.

2. Process and equipment energy-saving projects in the Pei-Shing Factory

Pei-Shing Factory: In Year 2022, Pei-Shing Factory saved a total of **863,261 kWh** of electricity, thereby reducing Scope 2 GHG emissions by **439.4000 tCO₂e/year**.

- (1) Pei-Shing First Factory replaced the fins of the 1000RT cooling water tower to increase heat dissipation and enhance the efficiency of the ice and water chillers, costing NT\$860,000 and reducing GHG emissions by 17.3000 tCO₂e/year;
- (2) Pei-Shing First Factory replaced three blower motor inverters for air handling units on the third floor to save energy, costing NT\$150,000 and reducing GHG emissions by 74.2000 tCO₂e/year;
- (3) Pei-Shing First Factory added 500RT High Efficiency and Inverter Energy Saving chillers with an investment of NT\$7.5 million, reducing GHG emissions by 128.9000 tCO₂e/year; and
- (4) Pei-Shing Second Factory added 200HP fixed-frequency double-stage screw air compressors with an investment of NT\$300 million, reducing GHG emissions by 219.0000 tCO₂e/year.

3. Process and equipment energy-saving projects in the Chung-Shing Factory

Chung-Shing Factory: In Year 2022, Chung-Shing Factory saved a total of **805,305 kWh** of electricity, thereby reducing Scope 2 GHG emissions by **409.9000 tCO₂e/year**.

- (1) Chung-Hsing Second Factory replaced motor equipment by replacing ice chilled water pump motors and cooling water pump motors with IE3 high-efficiency motors, with an investment of NT\$520,000, which reduced GHG emissions by 10.8000 tCO₂e/year;
- (2) Chung-Hsing Second Factory installed 1200RT cooling tower fins to increase heat dissipation and enhance chillers' efficiency, investing NT\$1.5 million and reducing greenhouse gas emissions by 63.1000 tCO₂e/year;
- (3) The space on the fifth floor of Chung-Hsing Second Factory was re-planned, the air-conditioning efficiency was improved, and a more energy-saving FFU system (fan filter unit) was adopted. NT\$5 million was invested, reducing GHG emissions by 230.9000 tCO₂e/year; and
- (4) Both Chung-Hsing first and second factories installed additional cooling towers, and added dosing systems and discharge equipment to prevent fin scaling and algae growth, thereby improving chillers' efficiency, with an investment of NT\$380,000, which reduced the GHG emissions by 105.1000 tCO₂e/year.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

4. Process and equipment energy-saving projects in the Hu-Kou Factory

Hu-Kou Factory: In Year 2022, Hu-Kou Factory saved a total of **1,154,264 kWh** of electricity, thereby reducing Scope 2 GHG emissions by **587.5200 tCO₂e /year**.

- (1) Hu-Kou First Factory replaced the failed blower motor inverter for the air handling unit on the third floor with a new AHU309 blower motor 10HP *1 inverter, costing NT\$50,000 and reducing GHG emissions by 12.1500 tCO₂e/year;
- (2) Hu-Kou Second Factory replaced the heat dissipation materials of four LRC-N-600-C4 x4 cooling towers on RF-7F with new ones, investing NT\$2 million and reducing GHG emissions by 172.2300 tCO₂e/year;
- (3) Hu-Kou Second Factory added inverter control to one 75HP chilled water pump of PCW#4 chiller at the RF-PCW machine room, investing NT\$500,000 and reducing GHG emissions by 227.8300 tCO₂e/year;
- (4) Hu-Kou Second Factory added inverter control to 5 sets of 5HP blower motors of the exhaust fans at the BI area on third floor, investing NT\$40,000 and reducing GHG emissions by 75.9400 tCO₂e/year; and
- (5) A total of 150 indoor fan blowers on various floors of both Hu-Kou first and second factories were undergone cleaning and maintenance, costing NT\$650,000 and reducing GHG emissions by 99.3700 tCO₂e/year.

Effectiveness of Energy Saving Projects in Reducing Energy Consumption		
Factory/Item	Number of kWh (in thousands) of electricity saved	Reduction of energy consumption (in millions of joules)
Pei-Shing Factory	863.26	3,107,595.06
Chung-Shing Factory	805.31	2,898,963.16
Hu-Kuo Factory	1,154.26	4,155,157.14
Total	2,822.83	10,161,715.36

Note 1: Formula for calculating reduction of energy consumption: (number of kWh (in thousands) of electricity saved *860 kcal calories/kWh*1000*1000)/0.2389/1,000,000 (megajoules)

Note 2: All data are rounded to the second decimal place.

5. Employee Awareness and Lifestyle Response Plan

- (1) Encouraging employees to reduce the use of elevators wherever it is reasonable to do so;
- (2) Reminding employees to keep doors and windows closed in air-conditioned areas;
- (3) Promoting the practice of turning off unnecessary lighting;
- (4) Promoting the practice of manually turning off the power of electrical equipment during off-duty hours, weekly breaks, and consecutive holidays to reduce standby power consumption., such as rice cookers, water heaters, computers, printers, and office equipment;
- (5) Holding regular communication sessions with all employees to raise awareness of energy conservation; and
- (6) Using activities, emails, or other channels to promote energy conservation and environmental protection to employees on a regular basis.

6. Continuous Improvement Mechanism

- (1) Regularly reviewing the utilization of contracted capacity annually to ensure the implementation and effectiveness of low-carbon strategies and action plans; and
- (2) Actively searching and evaluating improvement measures and opportunities for energy conservation and carbon reduction.



V. Other Environmental Protection Measures

1. Water resource management

Subject to the Company's industry characteristics that rely on stable water supply resources, Sigurd considers water supply resources as the key to its continuous operations. Currently, the water supply resources of the Pei-Shing Factory, Chung-Shing Factory and Hu-Kou Factory come from tap water and groundwater, of which their waters are in the Touqian River Basin (Pao-Shan Reservoir) and the Shihmen Dam. In particular, the Pei-Shing Factory, located in a water resource protection and water-sensitive zone, has not yet caused any impact on the local waters.

Factory area	Water supply source	Effluent destination
Pei-Shing Factory	Touqian River Basin	Longen Weir water collection plant
Chung-Shing Factory	Pao-Shan Reservoir	Touqian River
Hu-Kou Factory	Touqian River/Shihmen Dam	Sewer-connected Center, Hsinchu Industrial Park

Subject to climate change in recent years that has been affecting rainfall and water availability, and thereby resulting in corresponding water resource management risks, the areas where the Company is currently located actually did not suffer from any economic loss or disaster due to water issues in 2022. However, to effectively manage the use of water resources and reduce the impacts on the ecological environment, Sigurd will continue to strengthen its water resource management measures and monitor and respond to them in a timely manner to ensure the Company's continuous operations, where the preceding measures adopted are listed in the following:

- (1) Investing in recycling facilities to recycle the RO wastewater generated in the process of manufacturing pure water for domestic toilet flushing and air-conditioning water replenishment. The current recycling situation is described as follows:
- (2) Regularly calibrating the water meters to ensure the correctness of water consumption data, collecting and analyzing the overall water consumption status.
- (3) Replacing outdated water usage equipment with water efficiency equipment marked with water efficiency labels.
- (4) Promoting the correct concept of water usage and posting water conservation slogans near water usage equipment to cultivate water conservation habits.

Unit: million liters

Water Consumption in 2020 ~2022			
Type of water in use	2022	2021	2020
Tap water	300.36	327.06	359.57
Groundwater	48.06	62.40	44.35
Total water consumption	348.42	389.46	403.92
Total effluent amount	120.70	149.14	178.28
Total amount of recycled water	4.68	4.00	3.64
Water saving rate	1.34%	1.03%	0.90%
Intensity of water usage (Tons/Million NT dollars in revenue)	32.90	37.58	48.06
Carbon emissions (kgCO₂e)	52,959	59,198	61,396

Note 1: CO₂ equivalent emissions per ton of water consumption = 0.152 KgCO₂/ton (tap water bill).

Note 2: The formula for calculating the water-saving rate of water consumption: the total amount of recycled water /the total amount of water consumption.

Note 3: The data for Year 2020 and Year 2021 are adjusted: In Chung-Hsing Factory's Year 2021 statistics, its consumption of tap water originally compiled based on meter reading record is replaced with on water bills, and its groundwater estimation method for Year 2021 is based on water meter records this time, thereby leading to slight adjustment of the values referred.

Note 4: All data are rounded to the second decimal place.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



In Year 2022, with the implementation of the Water Utilization Management and Water Conservation Program, about 4.68 million liters of water were saved, and the total water consumption was reduced by about 10.54%.

Unit: Million liters

Year	2022	2021	2020
Total Water Consumption	348.42	389.46	403.92
Annual decrease rate in water consumption	10.54%	3.58%	-

2. Wastewater management

Considering the significance of corporate and social responsibility, environmental protection, and earth sustainability, Sigurd has a dedicated unit responsible for wastewater generated from manufacturing processes or domestic use, and formulates the “Wastewater Management Procedure” and “Instructions for Wastewater Operation,” according to which all wastewater is practically treated in wastewater treatment facilities subject to regular maintenance; the effluent, having been treated by the effluent treatment facilities and been confirmed as in compliance with the effluent water standards, is discharged to the industrial wastewater treatment station of the Touqian River/Water Collection Plant for uniform treatment, while the remaining sludge is removed and disposed of by qualified waste service providers. Up to now, Sigurd’s effluent has been treated and discharged at designated locations in accordance with the regulations, without any significant impact on local areas of water usage.

The wastewater treatment adopted is through biological, physical, chemical, and recycling treatment methods, meeting the local legal regulations and standards. Besides, the quality of wastewater discharged is tested every six months, the test results of which are qualified to meet the discharge standards set by the competent authorities.

Actively reviewing and improving the effluent pollution prevention system at the Company’s factory areas to address the issues of complying with the environmental laws and regulations on effluent discharge standards, and to prevent the impacts of even stricter environmental statutes and standards in the future, Sigurd will continue to invest in improving the efficiency of its effluent treatment facilities and developing internal effluent discharge control standards that are better than those required by statutes to reduce the impact of environmental pollution.

Unit: in tons

Effluent Discharges in 2020~2022				
Factory area	Effluent destination	2022	2021	2020
Hu-Kou Factory	Sewer-connected Center, Hsinchu Industrial Park	46.46	49.21	55.41
Chung-Shing Factory	Touqian River	74.24	99.93	122.87
Pei-Shing Factory	Longen Weir water collection plant	N/A	N/A	N/A
Total		120.696	149.14	178.28
Total effluent discharge intensity (tons/Million NT dollars in revenue)		11.99	14.39	21.21

Note 1: N/A means no relevant statistical information is available for disclosure.

Note 2: All data are rounded to the second decimal place.

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

3. Waste and hazardous substance management

Sigurd has formulated its “Waste Management Procedure” and “Instructions for Classification of Wastes” to carry out various waste control operations. All kinds of waste are classified and stored in the prescribed places according to their characteristics, and then entrusted to qualified waste service providers officially recognized by the environmental protection authorities for removal or reuse. Meanwhile, Sigurd will continue to maintain the effectiveness of its ISO 14001 environmental management system and promote the following measures:

(1) Waste reduction measures

I. Due to the increase of Sigurd’s operational activities, product quantity and employee number, the quantity of garbage disposal has also increased accordingly. Therefore, Sigurd has been started to actively promote resource recycling, classification and weighing as shown in the table below:

Type of Waste	Unit	2022	2021	2020
Paper	Kilogram	263,640	329,783	279,245
Plastic	Kilogram	44,857	46,461	30,695
Scrap iron	Kilogram	22,906	32,074	1,176
PET bottles	Kilogram	2,886	2,293	2,098
Aluminum cans	Kilogram	28,505	24,276	22,138
Miscellaneous (such as glass)	Kilogram	519	665	670

Note 1: The Company entrusts catering companies to handle all food waste. In order to ensure the flow of food waste, the Company pays factory visits and conducts on-site audits to catering companies every year to confirm that the food waste flow of catering companies is properly handled.

Note 2: All data are rounded to the units digit.

II. Ongoing management of domestic waste reduction by taking measures, such as using stainless reusable food ware, taking meals as needed to reduce food waste, offering plastic-free (PET bottles) beverages in vending machines, fully adopting dissolvable toilet paper, and banning paper cups in meeting rooms.





(2) Waste recycling, reuse and exchange operations

I. Recycling the scrap raw materials, and then sending them to qualified scrap metal reuse manufacturers for precious metal refining.

Year	2022	2021	2020	Total
Recycled amount (kg)	13,018.1	6,166.8	5,987.5	25,172.4

II. For the removal and transportation of those non-recyclable wastes, dedicated personnel are set up to manage and inspect them, and legal and qualified manufacturers are entrusted to dispose of them in accordance with the statutes. For example, those non-recyclable wastes are categorized as general business waste, and hazardous business waste, with the distinctions described as below:

Unit: in tons

Type of waste	Type	Item	2022	2021	2020
General waste	D-0299 Scrapped plastic mixture	Landfilled/Incineration amount	74.9	106.5	90.1
	D-0799 Scrapped wood mixture	Landfilled/Incineration amount	12.9	20.7	14.7
	D-0899 Scrapped fiber or mixtures of other cotton, cloths and the like	Landfilled/Incineration amount	0.4	0.7	0.6
	D-0902 (*Note 2) Inorganic sludge	Recycling amount	16.4	0	0
	D-1399 Other singular non-hazardous scrapped metals or metal waste mixtures	Recycling amount	0	0.01	0.02
	D-1801 General garbage generated in business activities	Landfilled/Incineration amount	125.7	139.5	166.0
	H-0002 Domestic garbage of business employees	Landfilled/Incineration amount	32.84	29.9	19.2
	R-0201 Waste plastic	Recycling amount	15.4	10.1	0
	Type R (*Note 3) Aluminum foil bags, waste pallets	Recycling amount	12.6	14.4	17
Hazardous waste	C-0110 (*Note 2) Copper and its chemical compounds	Landfilled/Incineration amount	0	46.6	0
	E-0217 Scrapped electronic parts and components, leftover scrap and defective goods	Recycling amount	13.0	6.2	6.0

Note 1: The data in this table are all presented in terms of removal declaration amount, rounded to the first decimal place except D-1399, to the second decimal place.

Note 2: Unable to change the Business Waste Cleaning Plan due to the Environmental Impact Assessment (EIA) performed in 2020, Sigurd finished the treatment of its copper sludge (C-0110) at the end of 2021. Afterwards, Sigurd autonomously inspected the sludge produced in the later stage, and found it was inorganic sludge (D-0902).

Note 3: Description of type R: In 2020, to reduce the amount of waste produced, the serviceable pallets were put to use again. On the other hand, the discarded pallets (R-0701) were effectively reused through seeking the manufacturers capable of providing recycling services. With the gradually increasing awareness of renewable energy in recent years, Sigurd also continues to pay attention to the government's promotion policies, and actively seeks solutions to reduce the amount of waste. In July 2021, Sigurd cooperated with manufacturers to produce solid recovered fuel (SRF) from production line waste into energy with the relevant "Waste-to-Energy" technology. SRF has three advantages in low fuel cost, low environmental impact and being applicable to high energy efficiency boilers and combustion facilities, which allow to achieve the idea of turning waste to gold.

III. To reduce hazardous industrial waste, the Company made process changes in Year 2022, reducing its hazardous industrial waste by 41.06 metric tons compared to Year 2021. The amount of waste generated in Year 2022 was 230.72 metric tons, a decrease of 29.79% compared to the amount of waste generated in Year 2021. The Company promises it will continue to reduce the total amount of waste and implement waste resource recovery so as to achieve waste reduction.

Unit: tons

Year	2022	2021	2020
Hazardous industrial waste	11.68	52.74	5.99
Non-hazardous industrial waste	219.04	275.89	275.28



Five. Recruitment of Diversity

Management Approach

Respect of Human Rights, Recruitment of Diversity, Industry-Academia Win-Win, and Meritocracy

Depending on the demand for talents, Sigurd recruits through a variety of channels, including human resources banks, social media platforms, local government recruitment, campus expositions, industry-academia cooperation programs, talent hunting companies, employee referrals, and online recruitment. Adhering to labor laws and regulations and, Sigurd is committed to the principle of promoting labor rights and interests. It upholds a non-discriminatory and respectful attitude towards employees, and adopts a diversified employment strategy to enrich the staff structure.

Through reasonable salary, bonus, and welfare systems and a sound talent training mechanism, Sigurd promotes outstanding talents, establishes the self-worth of employees, and creates performance and sharing together to identify and respond to shocks.

No.	Item	Year 2021 Goal	Year 2021 Performance
1	Closure rate of employees' complaints related to human rights	100%	100%
2	Number of penalties imposed by local government for violating labor statutes or agreements	0 case	0 case
3	Number of diversified recruits	10	10

I. Human Rights and Labor Relations

Valuing and supporting human rights protection considerably, Sigurd internally requires compliance with local statutes and the Responsible Business Alliance (RBA) Code of Conduct so as to maintain employee dignity, enhance labor rights, and strives to promote human rights policies, on which a framework for business development, formulation and implementation of rules and regulations is thereby established.

As of December 31, 2022, Sigurd assures the public that it never engages in child labor, gender discrimination, forced labor, prevents or hinders employees' freedom of association, and has not yet received any complaints related to human rights.

Labor Human Rights Strategy

Committed to protecting human rights, Sigurd, in all matters relating to recruitment, employment, compensation, benefits, rewards, job assignment, training opportunities, promotion, demotion, dismissal, or retirement, upholds the principle of equal opportunity for all employees. The Company does not engage in or support discrimination based on race, ethnicity, color, height, weight, vision, place of birth, military status, nationality, ethnicity, social origin, social class, ancestry, religion, sex, sexual orientation, family responsibilities, marital status, union membership, any status protected by national law, political affiliation, age, pregnancy (childbirth), physical disability, medical condition, medical examination results, physical illness, or other undue discrimination as perceived by public order and morality.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity**
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix

Human rights police and materialization measures		
Policy aspect	Description of materialization measures	2022 Performance
No use of child labor or forced labor	It is expressly stipulated within the Company that employees under the age of 16 shall not be appointed.	No violation occurred.
No discrimination	Recruitment and promotion is not subject to discrimination based on race, ethnicity, color, height, weight, vision, place of birth, military status, nationality, ethnicity, social origin, social class, ancestry, religion, sex, sexual orientation, family responsibilities, marital status, union membership, any status protected by national law, political affiliation, age, pregnancy (childbirth), physical disability, medical condition, medical examination results, physical illness, or other undue discrimination as perceived by public order and morality.	No discrimination complaint occurred.
Gender-friendly workplace	Measured of sexual harassment prevention and related policies are formulated.	No complaints of workplace harassment, bullying, or abuse occurred.
Recruitment of diversity	<ol style="list-style-type: none"> 1. Recruiting diverse talents through long-term cooperation with government units, such as employment service centers, Council of Indigenous Peoples, and the Departments of Labor Affairs. 2. Participating in a workplace training experience program for indigenous youths graduating from colleges and universities/ Conducting various visits for middle-aged and indigenous job seekers. 3. Participating in various middle-aged and indigenous ethnic recruitment activities. 4. Long-term participation in various government employment promotion programs: Job Shortage Incentive, Workplace Learning and Readjustment Program, Employment Incentive Program, Youth Employment Navigation Program, Secure Employment Program and the like. 5. Targeting specific groups by inviting government's enterprise counseling teams to visit the site to conduct redesign of middle-aged duties and redesign of physically handicapped duties, so as to improve the working environment for middle-aged and physically handicapped employees and assist them in securing employment. 	Responding with active participation.
Overseas recruitment	<ol style="list-style-type: none"> 1. Sticking to the Responsible Business Alliance (RBA) Code of Conduct: All expenses incurred by admitted foreign migrant workers due to hiring or employment, statutory fees, and airfare fees shall be fully paid by Sigurd. 2. Non-discrimination: Job seekers through overseas recruitment are not subject to discrimination based on race, ethnicity, color, height, weight, vision, place of birth, military status, nationality, ethnicity, social origin, social class, ancestry, religion, sex, sexual orientation, family responsibilities, marital status, union membership, any status protected by national law, political affiliation, age, pregnancy (childbirth), physical disability, medical condition, medical examination results, physical illness, or other undue discrimination as perceived by public order and morality. 3. Audits: Annual audits against domestic human resources agencies are regularly performed, and where overseas recruitments during the year are in need, on-site or online audits against overseas human resources agencies are conducted as well, to ensure that the recruitment process of imported migrant workers is legal and that their human rights are protected. 	No discrimination complaint occurred.
Education and training	The Company has been offering training courses on human rights and labor rights advocacy since 2017, such as orientation for new recruits, annual human rights policy training, and other human rights-related courses for all employees, together with occasional internal advocacy operations.	Training completion rate in Year 2022 is 100%.

Committed to protecting the employment rights and interests of all employees, Sigurd enters into standard employment contracts with all its employees to ensure their rights are protected. In addition, Sigurd has established policies based on labor laws and regulations, and the Responsible Business Alliance (RBA) Code of Conduct, which are the Company's highest guiding principles and are publicized to all employees. These policies are evaluated and adjusted at quarterly labor-management meetings, thereby promoting human rights protection and the safeguarding of labor rights and interests to fulfill Sigurd's corporate social responsibility.



II. Remuneration Policy and System

Adhering to the idea of profit sharing with employees to attract outstanding talents, motivate and retain existing employees, Sigurd complies with Taiwan's labor laws and regulations in terms of starting pay, method for deciding pay grade, bonuses and employee remuneration. The employees are evaluated primarily on the basis of their education, work experience, professional skills, job responsibilities, and future growth and performance, without any differentiation or discrimination based on race, class, language, religion, politics, nationality, gender, age, marriage or union status.

Principles of Remuneration	
Item	Description
Remuneration	Depending on the Company's overall operation, pay adjustment is made according to individual's performance.
Bonus/Dividend	<ul style="list-style-type: none"> ■ Based on the operating results of the current year, the Company will allocate a certain percentage of the profits to be shared with the top performers who have good performance or who have made contributions to the Company. ■ Three Chinese festival bonuses: Dragon Boat Festival Bonus, Mid-Autumn Festival Bonus, and Spring Festival Bonus.

The remuneration for senior management, such as president and vice presidents, consists of a fixed remuneration formed by salary and food allowance, supplemented by a floating remuneration formed by bonus and employees' compensation, awarded depending on the Company's annual operating performance, and according to the usual level of the industry, their education (experience), positions and duties, performances. Statures of reward and punishment, and their relevance to the Company's operating performance and risks, ultimately followed by the submittal of the Remuneration Committee to the Board for review and approval.

Sigurd's Remuneration Committee meets regularly to discuss, evaluate and review the Company's overall remuneration policy and system based on the Company's operating performance, social price index, industry remuneration levels, the experience and professional skills demanded in the job-seeking market, and the like. The conclusions reached at the preceding meetings are then submitted it to the Board for review and approval. It is hoped that through an effective rolling adjustment mechanism, the fruits of the Company's success will be shared with employees to affirm their efforts of and serve as an incentive for them to continue to break through.

Moreover, to adhere to the provisions of Article 4, Subparagraph 4, Item 1, of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," the Company's "Analysis of the Number, Average and Median Salaries of Full-time Employees in Non-management Positions" is formulated as below.

Unit: NT dollars/in thousands

Analysis of the Number, Average and Median Salaries of Full-time Employees in Non-management Positions			
Year	2022	2021	2020
Number of full-time employees	2,297	2,263	2,027
Percentage increase in the number of full-time employees over the previous year	1.5%	11.6%	10.8%
Average salary of full-time employees	806	760	710
Percentage increase in the average salary of full-time employees over the previous year	6%	7%	0.4%
Median salary of full-time employees	631	588	568
Percentage increase in the average salary of full-time employees over the previous year	7.3%	3.5%	0.9%

Note 1: Excluding employees in supervisory positions

Note 2: The annual average number of full-time employees is adopted.

Note 3: The data in this analysis table is rounded to the first decimal place.

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



III. Comprehensive employee care and welfare

(I) Diverse and unobstructed communication channels

Valuing the opinions and feelings of employees on the development of the organization or various operations, Sigurd provides diverse and unobstructed communication channels or grievance mechanisms through ways, such as staff suggestion box, email, telephone, and direct appointment. Meanwhile, to provide employees with opportunities to make comments or suggestions at any time and easily, Sigurd conducts regular or occasional ongoing advocacy with all employees to ensure that they are fully aware of and willing to use the communication channels or complaint mechanisms to assist employees in resolving payroll, fairness and other rights and interests issues. Upon receipt of employees' suggestions or complaints, the Company will adopt a positive and prudent attitude to adequately communicate with them about the handling measures so that their opinions can be handled as soon as possible, by which to promote the optimization of rules and regulations, properly close the cases, strive to meet employees' expectations and needs in compliance with laws and regulations, fairness and reasonableness, enhance the labor rights of all employees, and promote a barrier-free workplace.

Channels for communication of complaints and suggestions

Item	Description
Communication mechanism	<ul style="list-style-type: none"> Upholding an encouraging attitude, the Company maintains unobstructed complaint channels, where employees can enjoy the assistance of their direct supervisors in handling their complaints, or they can express their complaints directly to the human resources unit. Employees are allowed to make suggestions for improvements in operations and various measures, unfair treatment, discovery of wrongdoing, sexual harassment, or other rights to protect their life and work concerns.
Staff suggestion box/Email	Regularly collecting employees' opinions and related suggestions by designated personnel allows that their opinions and suggestions are dealt with in a timely manner, and that the rules and regulations can be optimized, thereby enhance their rights and interests.
Employees' welfare committee	Holding regular and nonscheduled meetings of the employees' welfare committee, which are used to discuss and plan employee benefits, which are designed to boost morale and strengthen labor relations.
Labor-management meeting	<ul style="list-style-type: none"> Holding quarterly labor-management meetings, which are used to coordinate labor-management relations, improve work efficiency, and promote cooperation and communication between employers and employees. During the meetings, labor dynamics is reported, and labor conditions, labor welfare planning, work rule revisions, work environment and employee opinion statements and the like are discussed.
Occupational safety and health committee	<ul style="list-style-type: none"> Holding quarterly occupational safety and health committee meetings. Handling review, coordination and recommendations on occupational safety and health related matters. Reviewing various occupational safety and health proposals.
Other means	Conducting employee satisfaction surveys, new recruit interviews, occasional employee outreach and the like.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



(II) Adequate employee care system

To enhance employees' labor rights and interest, Sigurd regards that it can be only achieved by has establishing an adequate employee care system, and designing diversified employee care and welfare measures and activities.

Type	Purpose	Employee care and welfare measures and activities
Employee Leaves	Allowing employees to fully rest, to balance between family and life, and to construct their leisure life and hobbies.	Granting employees with various types of leaves in accordance with the Labor Standards Act, or with leaves without pay in case of longer leave of absence for childcare, military service, major injuries or illnesses, upon the expiration of which they may apply for a reinstatement.
Club activities	Cultivating their interests and activities they prefer beyond their work.	Giving financial subsidies and resources to the leisure clubs with different attributes autonomously organized by employees.
Leisure/ Convenience Facilities	Building a friendly working environment through hardware facilities that enhance employee care space and provide direct access to convenience.	<ul style="list-style-type: none"> ■ Employee cafeteria/dormitory ■ Convenience store ■ Breastfeeding (collection) room/medical room ■ Playground ■ Car and motorcycle parking lot ■ Coffee maker ■ ATMs
Health examination	Continuously caring for and tracking employees' health.	<ul style="list-style-type: none"> ■ Regularly arranging health examinations for employees, including physical examinations, routine blood examinations, vision examinations, hearing examinations, liver function examinations, blood lipid examinations, urine examinations, chest X-rays and other examinations, and, in particular, additional colorectal cancer screening (fecal occult blood test, blood sampling for colorectal cancer indicators), diabetes screening (blood sampling for glycated blood pigment), and electrocardiogram screening superior to what is required by laws and regulations for those middle-aged and elderly colleagues aged 45 or above. ■ Health examinations for supervisors.
Employee Assistance Program (EAP)	To identify and address the needs of employees, to build a friendly and healthy workplace, and to promote the physical and mental health of employees.	Working with the Taiwan Lifeline International on the Employee Assistance Program (EAP) to offer consulting regarding career and work, family and parenting, gender emotions, physical and mental stress, and legal issues by professional counselors in English and Chinese through hotline, mailboxes, and face-to-face interviews.
Group insurance	To make up for the inadequacy of National Health Insurance so that the livelihood of employees and their dependents can be better protected, thereby achieving labor harmony.	Group Insurance: Life Insurance, Critical Illness Insurance, Accidental Injury Insurance, Accidental Medical, Hospitalization Medical, Cancer Insurance, Occupational Disaster Insurance.
Other benefits	Employees are entitled to enjoy birthday gift vouchers, three-Chinese-festival gift vouchers, wedding and funeral subsidies, commendations to outstanding employees, commendations to long-tenured employees, and the like.	

- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity**
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(III) Parental Leave

To comply with the requirements of labor statues, such as the Labor Standards Act and the Act of Gender Equality in Employment, and to protect employees' rights and interests and allow them take care of their livings and families so that they feel worry-free during the work, Sigurd offers leaves without pay for baby-rearing to employees without discrimination on genders. All the eligible employees may apply for such leaves without pay for baby-rearing:

Summary of Employees' asking leave without pay and reinstatement for baby-rearing								
Year/Gender	Number of employees eligible for asking parental leave in the same year	Number of employees asking parental leave in the same year	Number of employees supposed to be reinstated (A)	Actual number of employees reinstated (B)	Reinstatement rate (B)/(A)	Number of employees who reinstate their jobs for more than 12 months upon the expiration of their leaves without pay for baby-rearing and being reinstated (C)	Actual number of employees reinstated from their leaves without pay for baby-rearing of the previous year (D)	Retention rate (C)/(D)
2022/Female	62	10	12	8	67%	2	2	100%
2021/Female	63	23	8	2	25%	3	5	60%
2020/Female	65	16	13	6	46%	1	1	100%
2022/Male	89	3	4	2	50%	0	2	N/A
2021/Male	101	4	2	2	100%	1	1	100%
2020/Male	104	3	3	1	33%	0	0	N/A

(IV) Retirement system

Employees eligible for the legal imperative of voluntary retirement or forced retirement may apply for retirement at any time, and the payment standards for pensions shall be handled in accordance with the relevant regulations of Taiwan's Labor Standards Act and Labor Pension Act. The Company has established a Supervisory Committee of Labor Retirement Reserve in full accordance with the provisions of the Labor Standards Act to accurately manage the appropriation and payment of retirement reserves, or to appropriate pensions to employees on a monthly basis in accordance with the Labor Pension Act.

(1) Retirement system per the Labor Standards Act:

The Company appropriates labor pension reserve funds of the total monthly salaries of employees and deposits such amount in the Company's "designated labor pension reserve funds account" opened at the Bank of Taiwan.

(2) Retirement system per the Labor Pension Act:

The Company on a monthly basis contributes labor pension funds in terms of six percent (6%) of the employee's monthly salary to individual labor pension accounts at the Bureau of Labor Insurance for employees; employees may also voluntarily contribute their pension deposits withheld from their monthly salaries according to their voluntary contribution rates to said individual labor pension accounts.



IV. Complete Talent Cultivation

(I) Sigurd's Employee Structure

Sigurd's recruitment of diversity policy requires the Company to confirm whether job candidates' decisions are voluntary, without any violation of human rights, or illegality. Furthermore, Sigurd adheres to that all employees shall work voluntarily, provides reasonable break time for employees, and will not restrict employees' personal liberty without any due cause; where there is a need to require employees to work overtime, the Company has to obtain their consents without forcing them to work; and employees have the right to resign or terminate their labor agreements with the Company at any time after giving reasonable notice.

Analysis of Sigurd's Employee Structure						
Year	2022		2021		2020	
Item	Male	Female	Male	Female	Male	Female
Full-time job	1,266	1,124	1,227	1,202	1,165	1,225
Total	2,390		2,429		2,390	

Note: There were no significant changes in the total number of employees during the reporting period.

With Sigurd's upholding an attitude of respect for employees, reasonable remuneration system, comprehensive employee care mechanism, and prudent and comprehensive talent cultivation mechanism, despite of certain employees planning to leave the team in 2022, the Company will continue to attract new talents to join Sigurd's team and move towards the common idea together.

Statistics of Departed Employees in 2020 ~2022							
Gender	Age (Please specify the age range)	2022		2021		2020	
		Number of persons	Ratio	Number of persons	Ratio	Number of persons	Ratio
Female	Aged under 29 (inclusive)	72	10.30%	54	7.33%	348	6.39%
Female	Aged between 30 (inclusive) and 39 (inclusive)	121	14.07%	115	12.46%	88	9.43%
Female	Aged between 40 (inclusive) and 49 (inclusive)	35	5.84%	58	10.27%	55	10.24%
Female	Aged above 50 (inclusive)	7	3.02%	10	4.90%	7	4.14%
Subtotal		235	20.91%	237	19.72%	198	16.16%
Male	Aged under 29 (inclusive)	110	15.74%	89	12.08%	60	7.99%
Male	Aged between 30 (inclusive) and 39 (inclusive)	83	9.65%	95	10.29%	78	8.36%
Male	Aged between 40 (inclusive) and 49 (inclusive)	28	4.67%	47	8.32%	52	9.68%
Male	Aged above 50 (inclusive)	8	3.45%	16	7.84%	4	2.37%
Subtotal		229	18.09%	247	20.13%	194	16.65%
Total		464	19.41%	484	19.93%	392	16.40%

Note 1: Based on the statistics of employees on December 31, 2022, the end date of the reporting period.

Note 2: The total number of employees in the corresponding category is used as the denominator for the calculation of the respective proportion, e.g. the denominator used to calculate the proportion of the departed male employees aged under 29 (inclusive) is the total number of employees aged under 29 (inclusive).

Note 3: The denominators of the subtotaled proportions of the departed male and female employees are the total number of male and female employees respectively, while the denominator of the totaled proportion of the departed employees is the total number of employees.

Note 4: No significant changes in the total number of employees occurred during the reporting period.

- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Statistics of New Recruits in Year 2020-Year 2022

Gender	Age (Please specify the age range)	2022		2021		2020	
		Number of persons	Ratio	Number of persons	Ratio	Number of persons	Ratio
Female	Aged under 29 (inclusive)	92	13.16%	104	14.11%	191	25.43%
Female	Aged between 30 (inclusive) and 39 (inclusive)	58	6.74%	61	6.61%	121	12.97%
Female	Aged between 40 (inclusive) and 49 (inclusive)	18	3.01%	13	2.30%	53	9.87%
Female	Aged above 50 (inclusive)	72	0.86%	2	0.98%	8	4.73%
Subtotal		170	15.12%	180	14.98%	373	30.45%
Male	Aged under 29 (inclusive)	137	19.60%	33	4.48%	231	30.76%
Male	Aged between 30 (inclusive) and 39 (inclusive)	78	9.07%	36	3.90%	136	14.58%
Male	Aged between 40 (inclusive) and 49 (inclusive)	33	5.51%	17	3.01%	57	10.61%
Male	Aged above 50 (inclusive)	7	3.02%	4	1.96%	9	5.33%
Subtotal		255	20.14%	90	7.33%	433	37.17%
Total		425	17.78%	270	11.12%	806	33.72%

Note 1: Based on the statistics of employees on December 31, 2022, the end date of the reporting period.

Note 2: The total number of employees in the corresponding category is used as the denominator for the calculation of the respective proportion, e.g. the denominator used to calculate the proportion of the new male recruits aged under 29 (inclusive) is the total number of employees aged under 29 (inclusive).

Note 3: The denominators of the subtotalled proportions of the new male and female recruits are the total number of male and female employees respectively, while the denominator of the totaled proportion of the new recruits is the total number of employees.

Note 4: No significant changes in the total number of employees occurred during the reporting period.

Employee Satisfaction Survey

Sigurd regularly conducts an annual employee satisfaction survey to assess employee satisfaction with the Company's benefits and management policies. The survey results are used to improve the Company's operations and management. The survey covers six major dimensions: company overall environment, interpersonal communication, company benefits and policies, learning and development, quality awareness, and company image and competitiveness. The survey results are reviewed at a management review meeting attended by the general manager and senior management. Open-ended suggestions are also discussed at labor-management meetings.

Employee Satisfaction Survey Analysis Year 2020-Year 2022			
Year	2022	2021	2020
Employee Satisfaction	3.91	3.92	3.85

Note: The score for the employee satisfaction survey in Year 2022 met the standard set by the Company, namely 3 points as the passing score.



Sigurd's security, cleaning and catering services are commissioned to outsourced external vendors to assist the Company's normal operating activities:

Non-staff analysis table for Year 2020-Year 2022							
Item	Job Type	Relationship with the organization	Organizational Activities	Job Description	Number of people in Year 2022	Number of people in Year 2021	Number of people in Year 2020
1	Contractor	Commission contract	Factory security service	Access control, inspection, registration and ID card replacement for employees, customers, vendors, construction and delivery personnel accessing the plant	23	23	23
2	Contractor	Commission contract	Factory security service	Environmental cleaning contracting work in the factory area	52	50	50
3	Contractor	Commission contract	Convenience store	Providing convenient grocery service	3	3	2
4	Contractor	Commission contract	Catering service	Contracting for company catering	7	8	7
5	Contractor	Commission contract	Catering service	Answering and transferring calls and assisting with general affairs	3	3	3
Total					88	87	85

Note 1: Based on the number of non-staff colleagues at December 31, 2022, the end date of the reporting period.

Note 2: No significant changes in the total number of non-staff workers occurred during the reporting period.

- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity**
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Being without any differentiated or discriminatory measures in employment or remuneration due to race, class, language, religion, politics, nationality, gender, age, marriage or trade union status, etc., Sigurd's diversified distribution of employees in 2021 is shown as the following table.

Diversified Distribution of Employees									
Employee Category		Year 2022		Total	Ratio	Year 2021		Year 2020	
		Male	Female			Male	Female	Male	Female
Age	Aged under 29 (inclusive)	427	272	699	29%	428	309	402	349
	Aged between 30 (inclusive) and 39 (inclusive)	406	454	860	36%	411	512	411	531
	Aged between 40 (inclusive) and 49 (inclusive)	317	282	599	25%	286	279	280	257
	Aged above 50 (inclusive)	116	116	232	10%	102	102	81	88
Total		1,266	1,124	2,390	100%	1,227	1,202	1,165	1,225
Education attainment	Below ordinary or vocational high school graduation (inclusive)	239	342	581	24%	255	351	250	373
	College graduation (including university, junior college, or polytechnic institute)	935	756	1,691	71%	880	818	822	824
	Master graduation	89	26	115	5%	89	33	89	28
	Ph. D graduation	3	0	3	0%	3	0	4	0
Total		1,266	1,124	2,390	100%	1,227	1,202	1,165	1,225
Position	Supervisor position (team leader position or above)	134	43	177	7%	135	54	134	45
	Non-supervisor position	1,132	1,081	2,213	93%	1,092	1,148	1,031	1,180
Total		1,266	1,124	2,390	100%	1,227	1,202	1,165	1,225
Miscellaneous	Physical and mental disabilities	15	5	-	-	14	2	14	2
	Foreign nationality	195	408	-	-	172	470	140	500

Note 1: The statistic figures reported in the table were obtained on December 31, 2021, the end date of the reporting period.

Note 2: There were no significant changes in the total number of employees during the reporting period.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(II) Well-established talent cultivation mechanism

Sigurd has established relevant training regulations, planned relevant training courses according to functional and professional requirements, and provided an open and diversified learning environment in terms of internal training, external training, KM (Knowledge Management System), study circle, on-line learning platform, physical library, supervisor/peer mentoring and the like. Meanwhile, the Company strives to enhance the professional competence and core competitiveness of employees by providing a training system for new recruits, professional training, management training, liberal training and self-enlightenment.

In addition, by providing measures of job series/grade planning, job rotation, special assignment and overseas assignment, the Company therefore allows employees to adequately plan their careers, thereby constructing a well-established talent cultivation mechanism to enhance employees' knowledge and improve their overall quality.

■ Training for new recruits

Orientation training is arranged by offering the courses on company profile, precautions for newcomers, personnel management system, liberal education, professional expertise, safety and health, environmental protection, internal management norms and practices to ensure that the new recruits are aware of the Company's policies, government statutes and things to be followed about their rights and work.

■ Liberal training courses for all employees

To comply with the Company's objectives and customers' requirements, annual mandatory liberal training courses (on RBA advocacy, human rights policy, corporate ethics, anti-corruption policy and procedures, environmental safety policy, labor safety and health, contingency exercises, etc.) are arranged to ensure that all employees are fully aware of those issues.

Of the above liberal training courses offered, the training completion rates of courses on human rights policy, and anti-corruption policy and procedures reached 100%.

■ Training given by professional categories

Appropriate professional training courses are provided by various positions, levels and seniority:

- (1) Verification courses for specific units: Verification courses strengthening quality awareness are arranged for the employees of specific units to maintain quality yield and achieve customer satisfaction.
- (2) Total Quality Management Courses: Besides the basic quality-related courses offered, other courses that promote quality management-related activities and implement concepts are also arranged.
- (3) Management function training courses: Courses that enhance leadership skills of the management, and team cohesiveness are arranged; meanwhile, activities of employees' sharing their attainment experience from external training are organized, and unit courses are open for elective study



Overall, Sigurd expects that employees can accumulate their work experience through a systematic model and continuously improve their professional abilities, which not only contributes to their work contents, but also to the Company's performance. Consequently, Sigurd has been actively promoting and funding measures to design various channels for employees to receive relevant training on the content of their duties. The training courses, trainees and total training hours that have been implemented in 2022 are as shown in the table below.

Total Training Hours Implemented by Training Course Types in 2022

Training course type	Number of lectures (in lectures)	Number of classes (in classes)	Number of trainees (in trainees)	Training hours (man-hours)
Management type	6	2	144	594
Professional expertise type	408	3	17,742	25,386
Liberal training type	161	2	31,974	52,666
Quality type	15	3	802	5,381
Training for new recruits	4	48	586	5,660
Internal lecturer	3	2	75	525
Total	597	60	51,323	90,212

Summary of Total Number of Trainees and Hours of Training in 2022

Item	Male	Female	Supervisor position	Non-supervisor position	Regular	Nonscheduled
Total number of employees	1,266	1,124	177	2213	623	1,767
Total training hours	24,470	26,823	2,814	48,479	15,333	35,960
Average training hours	19	24	16	22	25	20

Note: The statistic figures reported in the table were obtained on December 31, 2022.

Industry-Academia Joint Talent Cultivation Program

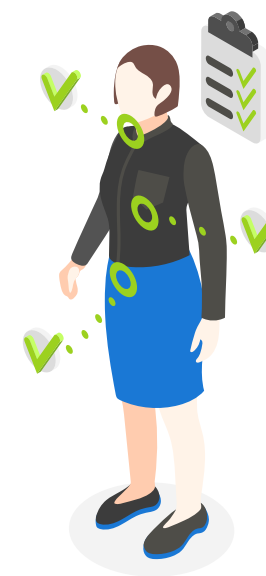
Sigurd has been working with universities and colleges for a long time to cultivate talents and conduct industry-academia collaboration, allowing university or college students to experience the industry and understand the semiconductor testing processes and knowledge early. In so doing, the industry-academia integration is expected to be further materialized, and students may join or stay at Sigurd after graduation to accumulate their professional expertise consistently.

(1) Corporate visits:

The total number of visitors has reached 1,989 since 2012, with over 90% satisfaction.

(2) Corporate internships:

Sigurd has already enrolled 585 students from 43 departments of 18 universities and colleges in its internship program since 2012. In 2022, internship cooperation between the Department of Information Management of Tunghai University and the Department of Business and Management of Ming Chi University of Technology was newly incorporated.



- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity**
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(3) Industry-Academia Consortium Collaboration:

For the past four years, Sigurd has been co-organizing the “Industry Elite Program in Semiconductor Packaging and Testing” with Minghsin University of Science and Technology, and the “Semiconductor Talent Cultivation Program” at the high school level, which allows students to learn semiconductor skills from the high school level onwards, and to cultivate future semiconductor industry talents through the industry-academia cooperation. In 2022, the “Semiconductor Talent Cultivation Program” with Chi Ping Senior High School was newly added to strengthen students’ technical and practical skills, and allow them to explore their own areas of interest in practice.

(4) Various Industry- Academia Technical Programs:

In addition to Taiwanese students, Sigurd’s various industry-academia technical programs are also actively reaching out to foreign students and overseas Chinese students from Indonesia, Thailand, Malaysia, the Philippines, and Vietnam. The graduates of the above programs will initially be arranged to work in the manufacturing department, where they are nurtured by the junior supervisors to gain practical experience, and those with outstanding performance can even be transferred to engineering units; currently, 451 talents have been nurtured by various industry-academia technical programs. The results of the 2022 industry-academia technical programs were honorably reported in the Global Views Monthly at a special interview on Special Plan for Talent Cultivation (see Global Views Monthly, Issue 430, April 2022), as well as at an interview invited by the IC Broadcasting Co., Ltd., Hsinchu City (listen to the program made by the IC Broadcasting Co., Ltd. on April 23, 2022).

(III) Performance Appraisal

Performance appraisal is not only a tool used by the Company to assess employees’ performance, but also has to be a platform and a timing for mutual communication of duties or contents. Therefore, it is quite necessary to conduct performance appraisal periodically, where the performance appraisal items and weightings are set separately for the work contents, general and professional functions of employees.

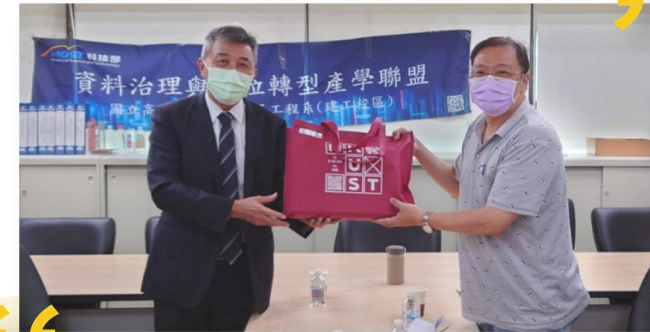
Through the performance appraisal mechanism established, employees and supervisors are allowed to communicate with each other in a timely manner, so that employees can know the contents, reasons and results of each quarter’s performance appraisal, and make their corresponding career plans for the Company’s future management strategies, objectives and management measures; likewise, supervisors are also able to understand their team members’ ideas, philosophies, obstacles and needs, so that they can offer resources and advices to their team members in a timely and reasonable manner.

Given that the performance appraisal results are linked to promotion, salary adjustment and bonus distribution, Sigurd is therefore committed to building a fair, reasonable and effective performance appraisal mechanism for appraising the operating performance of individual departments and the entire Company, and adjusting it on a rolling basis with an expectation of achieving the operating performance targets of individual departments and the entire Company.

Ratios of Sigurd’s employees subject to regular performance appraisals in Year 2021 are summarized in the following table.

Item	Gender		Position	
	Male	Female	Supervisory position	Non-supervisory position
Number of employees	1,252	1,101	176	2,177
Total number of employees	1,266	1,124	177	2,213
Ratio	99%	98%	99%	98%

Note: The statistic figures reported in the table were obtained on December 31, 2022.





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Six. Corporate Social Responsibility

Management Policy

Working with Commitments for Social Common Prosperity and Common Good

Sigurd has long been concerned about public welfare, and has continuously invested in healthcare, education, the environment, and assistance and support for public welfare organizations as part of its corporate social responsibility.

No.	Item	Year 2022 Goal	Year 2022 Performance
1	Bringing common prosperity and common Good to local community	2 events/year	2 events/year
2	Medical public benefit support series	1 piece/year	1 piece/year
3	Sustainability of public benefit	1 event/year	2 events/year





Working Together for Common Good

Upholding the spirit of “Working with Commitments for Social Common Prosperity and Common Good,” our original intent towards sustainable development, Sigurd spares no effort to continuously devote itself in various fields of social care concepts. In addition to helping to provide resources for disadvantaged groups, our Employee Family Day, devised by combining the spirit of corporate social responsibility, also extends our care to employees’ families and their family members. The Employee Family Day intends to encourage employees to pursue the physical and mental health of their families, which is the most important key to society composition, and help boost tourism in the local community, thereby facilitating more local cultural exchange opportunities to reach our goal of Working with Commitments for Social Common Prosperity and Common Good.”

■ Bringing common prosperity and common Good to local community:

“The Green Symphony,” surround by Feifeng Mountain in Qionglin Township, Hsinchu County, is a natural paradise with gurgling brooks and lush greenery. With the Covid-19 being gradually lifted in the end of 2022, Sigurd held its forest picnic family day at “The Green Symphony” since the Covid-19 outbreak. A total of 2,695 employees and their families were invited to walk into this natural green park. The event was a great success, combining the concepts of employee relations and corporate social care by having fun with parents and children, exchanging pleasantries with colleagues after a long time, supporting local tourism, and inviting more than 20 amateur artisans to join this event.

■ Medical public benefit support series:

In Taiwan, about 100-150 children and young adults die suddenly from hereditary genetic arrhythmias each year. The average age of death from heart disease in Taiwan is also declining. Due to the current national health insurance payment mechanism, it is not yet possible to widely screen for high-risk groups or patients with a family history through genetic testing to provide preventive treatment. To address this gap, Sigurd sponsored the “Cardiovascular Molecular Genetics” research program with NT\$1 million in 2022, providing research funding to the Cardiovascular Team of National Taiwan University Hospital to purchase information analysis computer equipment. Inspiringly, there were 252 patients with sudden arrhythmic death syndrome (SADS) were diagnosed in Taiwan through molecular genetic analysis in 2022 thanks to that comprehensive screening and preventive care can effectively reduce the severity of the disease when it occurs acutely. In the future, Sigurd will also plan to support patient associations and a series of activities, jointly striving for protect the happiness and health of the next generation through Taiwan’s medical public benefit.

■ Sustainability of caring:

The Grown-up with Hands Family, affiliated to the Catholic Shih-Guang Home for the Disabled, is located in Zhudong Township, Hsinchu County, Taiwan. As a social welfare organization having been established for 14 years, the Home is committed to caring for people with moderate, severe, and profound intellectual disabilities and multiple disabilities and providing a small, community-based environment where people with intellectual disabilities can live and work together. Being a long-time supporter of the Grown-up with Hands Family, Sigurd not only offers scholarships to resident students but also ever donated a car worth NT\$200,000 to help them with transportation needs on rainy days. The car provides a safe and convenient way for them to go to the doctor, participate in social activities, and explore the community, and helps to ensure that they can enjoy a convenient and quality life!

■ Sustainability of education:

Upholding the concept of “Care for the children of other family as we care for our own” and recognizing the impact of “childlessness” on the development of the country and society, Sigurd also actively participates in local education construction. In 2022, Sigurd donated NT\$160,000 to the Erchong Elementary School in Zhudong Township, Hsinchu County for the opening of a new school building on its 102nd anniversary, providing a better equipped and safer learning environment for the local students of the area where the Company situates.

By combining operational activities and community participation as the main axis of every resource investment, Sigurd expects to deepen the connection of local communities with the concept of community care from its own industry, and continue to drive the common prosperity and common good of sustainable social development.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



Seven. Healthy and Friendly Workplace

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Management Policy

Healthy Workplace, Friendly Workplace

Actively promoting the awareness of workplace health and safety, and upholding the spirit of continuous improvement, Sigurd regularly and appropriately enforces comprehensive assessment measures to ensure the Company's implementation of occupational safety and labor health as a strategy for identifying and responding to impacts.

No.	Item	2022 Goal	2022 Performance
1	Frequency-Severity Indicator (FSI)	Below 0.36	0.49

Note 1: The goal was changed from the original "number of occupational accidents" to the "Frequency-Severity Indicator (FSI)," which can better reflect the overall occupational accident and injury situation, and is less likely to be affected by the excessive single indicator of FR&SR.

Note 2: The FSI in 2022 was 0.49, which did not reach the goal due to several cases at Hu-Kou Factory and Pei-Shing Factory requiring longer periods of occupational sickness leave (given the FSI of Pei-Shing Factory being 0.95, Chung-Shing Factory 0.00, and Hu-Kou Factory 0.50).

Sigurd has established a number of management measures to protect and care for employees and long-term contractors in terms of occupational safety and health.





I. Covid-19 Epidemic Prevention Strategy

As Covid-19 was still severe in 2022, Sigurd assigned members to establish the Sigurd Epidemic Prevention Team in accordance with the government’s policy to develop a “Coronavirus Disease 2019 (COVID-19) Response Manual”. We established strategies and measures to prevent and respond to the epidemic, such as: general knowledge of response, preparation of epidemic prevention materials, implementation of regional triage offices and restaurants, and other necessary management issues. We also follow the guidelines and epidemic prevention strategies issued by the Centers for Disease Control (CDC) and make timely revisions, and publish epidemic prevention measures and information through internal announcements.

Applicable to	Control measures during the Covid-19
<p>Employees</p>	<ul style="list-style-type: none"> ■ Daily temperature measurement and online self-health reporting are required before entering the factory. Employees with abnormal results will be prohibited from entering the factory. ■ In the event of a positive COVID-19 test, the employee will be contacted by the company nurse for support and education on medical treatment. The employee will also be provided with self-care information. ■ Employees with suspected symptoms or a history of close contact with a confirmed case will be provided with home rapid test kits. These employees will also be given paid leave for quarantine, which better than the legal requirements. ■ Indirect employees can choose to work from home. ■ Foreign employees are given a daily allowance for COVID-19 prevention. ■ Employees who travel for work are given an “epidemic prevention kit” that includes an N95 mask, isolation gown, and a box of rapid test kits.
<p>Premises</p>	<ul style="list-style-type: none"> ■ The cafeteria has been modified to include partitions. The previous buffet system has been replaced with a system of issuing lunchboxes. ■ Public areas are disinfected monthly. In the event of two or more confirmed cases in the same area at the same time, the area will be disinfected.
<p>Medical Supplies</p>	<ul style="list-style-type: none"> ■ If there are more than three consecutive holidays, the whole factory will distribute home rapid screening test kits, and only those who test negative are allowed to enter the factory. ■ One box of masks is issued to each employee every four months.

To keep the Company’s continuous operation and reduce the risk of spreading the disease to employees, Sigurd invites group of doctors from the medical center to take care of employees’ health. In addition to providing night clinics, a consultation clinic with a video doctor was opened during the Covid-19 to provide employees with convenient health services, and a nurse practitioner continued to follow up on the phone to care for the employees. Sigurd’s Epidemic Prevention Team monitors changes in Covid-19 situation at all times, adjusts the workplace epidemic prevention policy on a rolling basis, and implements stringent epidemic prevention measures so that employees can go to work with peace of mind.



- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace**
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



II. Occupational Safety and Health System

To comply with local laws and regulations, international standards and the Responsible Business Alliance (RBA) Code of Conduct, Sigurd has vigorously introduced I ISO 45001 “Occupational Safety and Health Management System” into all operations in our factories in Taiwan, and implemented the P-D-C-A philosophy of continuous improvement to build a comprehensive occupational safety and health management system. This occupational safety and health management system protects the safety and health of workers entering the Sigurd site, and ensures that we can successfully pass the rigorous verification by third-party independent certification agencies and maintain the effectiveness.

Sigurd has set up an occupational safety and health management unit with full-time, dedicated personnel who have obtained relevant licenses in accordance with the law and regularly attend training or seminars. The Occupational Safety and Health Committee has been established to respond to the local occupational safety and health laws and regulations. It aims to implement, supervise and direct the safety and health management matters according to its authority, and to coordinate and guide the employees to implement them.

The Occupational Safety and Health Committee has established management representatives to give rulings and instructions on issues related to occupational safety and health, and holds quarterly meetings to discuss occupational safety and health issues. Therefore, the quarterly meeting covers: occupational safety and health policy, occupational safety and health management plan, safety and health education and training, operation environment monitoring plan, monitoring results, health promotion, safety and health proposal, automatic inspection and safety and health audit, preventive measures for hazards in operation area, machinery and equipment, occupational disaster investigation report, on-site safety and health management performance, contracted business safety and health management, and occupational safety and health management law review, etc.

Also, the Occupational Safety and Health Committee has labor representatives who can convey information to the safety and health managers of relevant units to prevent or reduce the occurrence of occupational safety incidents and protect the safety and health of employees through various improvement and preventive measures.

In summary, Sigurd follows the internal occupational safety and health related regulations and performs hazard identification and risk assessment on a regular or nonscheduled basis (e.g., changes in operating activities or abnormal occurrences). If the risk assessment result exceeds the acceptable risk level of the Company, we shall carry out risk management measures such as transferring, offsetting or strengthening the management of the negative impact, and continuously seek the best improvement solution to protect the working environment and safety and health of our employees. To this end, Sigurd takes the following measures to ensure the working environment and safety and health of our employees.

Aspect	Content
Working environment control	<ul style="list-style-type: none"> ■ We provide a bright and clean working environment. ■ We conduct regular environmental inspections, such as temperature, humidity, lighting, noise, and toxicity measurements, to comply with local laws and standards. ■ From time to time, dedicated personnel will conduct on-site inspections, including all fire-fighting equipment and measures. ■ The working environment is adjusted according to the recommendations of the on-site doctors and plant nurses.
Education and training	<ul style="list-style-type: none"> ■ We regularly hold safety and health-related courses. ■ We develop the review mechanism of each hazardous operation and preventive measures. ■ We promote and provide health knowledge to employees and contractors ■ The medical office provides health care and epidemic prevention information to employees and contractors from time to time, so that employees and contractors can obtain correct and effective safety and health information and AED+CPR first aid training once every two years.

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Aspect	Content
<p>Protective and immediate first aid equipment</p>	<ul style="list-style-type: none"> ■ We continuously provide the necessary protective equipment for employees. ■ We regularly replace old with new protective equipment. ■ We seek new equipment or better protective kits in a timely manner. ■ We have oxygen cylinders, first aid bags, stretcher, wheelchair, and four AEDs (Automated External Defibrillator) in the whole factory.
<p>Health Examination</p>	<ul style="list-style-type: none"> ■ New employees are reimbursed for their health examinations after they start work. ■ Health examinations and special health examinations are conducted for employees and contractors on a regular basis, bettering than legal requirements. ■ Additional screenings for diabetes, colorectal cancer, and electrocardiograms are provided for middle-aged and older employees. ■ Employees and contractors are given health knowledge counseling and education by a professional doctor. ■ Employees and contractors with abnormal examination results are managed in tiers and included in individual health guidance programs to provide more comprehensive health and safety management.
<p>Protection of women employees</p>	<ul style="list-style-type: none"> ■ Pregnant women and mothers within one year of childbirth are scheduled for factory doctor interviews, exceeding related labor laws for women's protection. ■ Pregnant women working in clean rooms are provided with pregnancy armbands to facilitate identification and provide a safe working environment for pregnant women. ■ Pregnant women are encouraged to report their pregnancy, and a "mommy bag" with gifts is prepared as a thoughtful gesture. ■ The factory has added multiple breastfeeding rooms.
<p>Mental Health</p>	<p>In addition to regular employee care by nurses and factory doctors, in the event of a special major incident or accident, the company will refer employees to the external Lifeline Association's EAP employee assistance program, which provides psychological counseling in Chinese and English and counseling for career and work, family and parenting, interpersonal relationships, mental and physical stress, and legal consultation through hotlines, emails, and interviews.</p>
<p>Continuous Review Mechanism</p>	<ul style="list-style-type: none"> ■ The Occupational Safety and Health Management System (ISO 45001) has been introduced and verified, and is continuously and regularly verified by third-party verification organizations. ■ Based on the results of environmental inspection reports and historical records, we conduct reviews and improvements in accordance with the principle of P-D-C-A continuous improvement.



III. Employee Safety and Health

To ensure the health and safety of its employees and long-term resident contractors at workplace, Sigurd collects domestic and international information on actual cases from the industry, authorities, etc. on a regular basis/ from time to time, and analyzes and reviews them to prevent the occurrence of similar situations. Additionally, the dedicated department conducts regular inspections and risk assessments every year, and sets higher-risk industrial safety items as improvement targets for continuous tracking and refinement.

Sigurd provides a bright and clean working environment and conducts regular inspections of the working environment, including temperature, humidity, lighting, noise, toxic and hazardous substances, etc., to comply with national standards and within allowable concentrations, and continues to analyze and improve according to the records kept. In addition to the provision of protective gears, dedicated personnel also visit the site from time to time to inspect the equipment and management measures to prevent employees from being exposed to dangerous labor conditions or working environments. Sigurd also takes an encouraging and non-punitive attitude and actively promotes the idea that if employees or suppliers find any hazards or dangers, they can first notify the unit manager or contact person, and then the unit manager or contact person shall notify the relevant units for handling, or through the labor representatives of the Occupational Safety and Health Committee, to bring up the issue for discussion. In case of an immediate hazard or danger, the employee or supplier will not be adversely affected if they leave the workplace or state and follow the aforementioned notification or disaster handling procedures.

If an occupational accident unfortunately occurs within the Company, an accident investigation mechanism has been established to investigate and analyze the direct, indirect and basic causes of the accident, and to develop improvement plans and implement and continuously track them, plus follow-up care and hygiene education given by the Health Promotion Management Team to prevent the recurrence of similar accidents. Besides, Sigurd registers the relevant hours on the designated website of the Council of Labor Affairs every month in accordance with the regulations.

In addition, Sigurd has a mechanism to deal with occupational accidents that result in injury or death of workers, and will conduct investigation and improvement measures to prevent the recurrence of the same hazard. At the same time, Sigurd prepares safety and health promotion materials from time to time and announces them to all employees through internal website, e-mail and bulletin boards to enhance the concept of safety and health among employees.

If an employee is injured on the job, the Company will grant them occupational sickness leaves in accordance with the laws and regulations and the actual circumstances. The Company will also arrange for a factory doctor to provide consultation and follow-up reinstatement arrangements, and assist in applying for labor insurance compensation for occupational accidents. For long-term resident contractors who are injured on the job, the Company nurse will assist in arranging for medical treatment and follow-up care and recovery tracking according to the injury situation. In Year 2022, Sigurd did not have any serious occupational accidents. The occupational injuries that were recognized in Year 2022 are as follows: The main causes were falling objects, falls, poor posture, compression, cuts, pinches and the like; there were no occupational diseases.

Category	Year	Total hours of experience	Total number of working days	Total number of occupational injuries	Total number of lost days	Disability Injuries Frequency Rate (FR)	Disability Injuries Severity Rate (SR)	Frequency-Severity Indicator (FSI)	Occupational disease rate	Mortality rate
Employees	2021	5,389,112	577,633	7	17	1.29	3	0.06	0	0
	2022	4,951,116	535,830	11	553	2.22	111	0.49	0	0
Non-staff workers	2021	175,664	19,867	0	0	0.00	0	0	0	0
	2022	172,500	22,916	0	0	0.00	0	0	0	0

Note 1: Disabling Injury Frequency Rate (FR) = Actual disabling injuries * million man-hours worked/Total man-hours experienced (rounded to the second decimal place, with the third place being unconditionally rounded off).

Note 2: Disability Injury Severity Rate (SR) = Total number of lost days * million man-hours worked/Total man-hours experienced. (Below the decimal point is not counted)

Note 3: Frequency-Severity Indicator (FSI) = $\sqrt{FR * SR/1000}$ (rounded to the second decimal place, with the third place being unconditionally rounded off).

Note 4: Total number of occupational injury cases: The number of cases in which workers were unable to reinstate the job for more than one day (inclusive) due to occupational injuries.

Note 5: Total number of lost days: The number of days the worker cannot reinstate the job after the occurrence of occupational injury is more than one day (inclusive), and the total number of lost days does not include the calendar days on the date of injury and the date of reinstatement.

- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace**
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management
- Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

IV. Sound Medical System

Sigurd's philosophy of a happy enterprise is to create a healthy workplace environment for the body and mind. We have set up a sound medical office and established on-site physicians and full-time nurses to provide professional health management, simple trauma treatment, medical services, health care consultation, and employee reinstatement evaluation...etc. There are also regular health checkups and occasional health care information for employees so that they can obtain accurate and effective health and safety information. We also provide personalized consultation and counseling services based on the individual's condition, in order to enhance the concept of comprehensive health of our employees, implement a healthy new life, and create a healthy and happy workplace together.

For the health of employees, in addition to general medical checkups and supervisory health checkups, we also arrange special operation medical checkups for employees with high occupational disease incidence and high risk (including ionizing radiation operations). For factory affairs and environmental safety, we provide employees with hearing examinations better than what is required by the regulations. For employees with abnormal test values, we provide tracking management and give necessary individual health consultation and guidance to enable employees to manage their own health conditions, all of which are better than what is required by the regulations. The following table shows the status of the special operation medical checkups in Year 2022.

Number of Special Operation Medical Checkups		
Item/Year	2022	2021
Number of people receiving ionizing radiation examination	4	4
Ionizing radiation examination results	Normal	Normal

Note: "Normal" means no cases of occupational diseases.





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

V. Continuous Operation of Natural Disasters and Accidental Injuries

For emergencies caused by natural disasters or accidental injuries, such as fires, explosions, power failures, floods, typhoons, and toxic chemicals, Sigurd, by following the provisions of the AEO (Authorized Economic Operator) and BCP's Business Continuity Plan to implement the risk assessment annually, has not only established emergency management prevention categories, emergency management level categories and emergency response plans, but also requests each factory to hold factory-wide emergency response education drills at least once a year, with adequate representatives from each unit to participate.

Furthermore, from time to time, professional instructors from fire-fighting agencies visit the Company to teach classes, including fire-fighting personnel training, first-aid personnel training, notification and contact personnel training, safety protection personnel training, and evacuation guidance personnel training...etc. We also cooperate with the local fire-fighting agencies to conduct drills to maintain the overall safety of the Company and prevent the occurrence of hazards or accidents.

In summary, Sigurd continues to educate and train employees on various hazard prevention measures, such as strengthening their awareness of high-risk chemicals and conducting emergency response drills. In doing so, employees are allowed to become more skillful, avoid panic and reduce the incidence of errors and personal injury or death, and even perform hazard controls at the very beginning, thereby effectively limiting the scope of damage.

In 2022, Sigurd held a series of contingency drills, including "Emergency response and evacuation drill," "Self-defense fire fighting drill (including dormitory)," and "Disaster drill (including earthquakes/typhoons)."

The following table shows the number of drills and participants:

Statistics on the number of participants involved in various contingency drills			
Factory	Item	2022	2021
Pei-Shing Factory	Number of drills	7	7
	Number of participants	593	546
Chung-Shing Factory	Number of drills	5	5
	Number of participants	580	598
Hu-Kou Factory	Number of drills	13	13
	Number of participants	1,914	1,577

Note: The date of calculation is December 31, 2022.





Eight. Innovation Management and Service Quality

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Improving Production Efficiency with Automation Systems and Innovative Technologies

Thanks to the introduction of automation equipment and innovative technologies in the smart factory, Sigurd is able to save manpower, reduce the injury rate, and improve production efficiency.

Creating Service Quality and Promoting Customer Satisfaction

In pursuit of product sustainability and customer satisfaction promotion to identify and respond to impacts.

No.	Item	2022 Goal	2022 Performance
1	Reducing manpower demands by introducing the automated material handling system	20% reduction	30% reduction
2	Average Customer Satisfaction Score of the Company's Top 10 Customers	8.3	9.03

With the future goal of moving towards a smart factory, Sigurd continues to aggressively apply new technologies and promote automated equipment, such as 5G, artificial intelligence, robots, Internet, big data and cloud computing, to build a good, friendly, intelligent, efficient and high-quality working environment.

To achieve the goal of smart factory, Sigurd has formulated three action strategies: First, use automated production to improve the quality and productivity of human production; second, use artificial intelligence, big data or robot collaboration to reduce the demand for manpower for routine and repetitive work, and reduce the physical effort of employees and the risk of occupational disasters; third, use the Industry 4.0 framework as the implementation methodology and as the basis for implementing the smart factory to improve production efficiency, enhance yield rate and reduce personnel errors, and provide customers with high quality products. Finally, through the above three action strategies, employees can have more fun learning new technologies and techniques in their work.





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

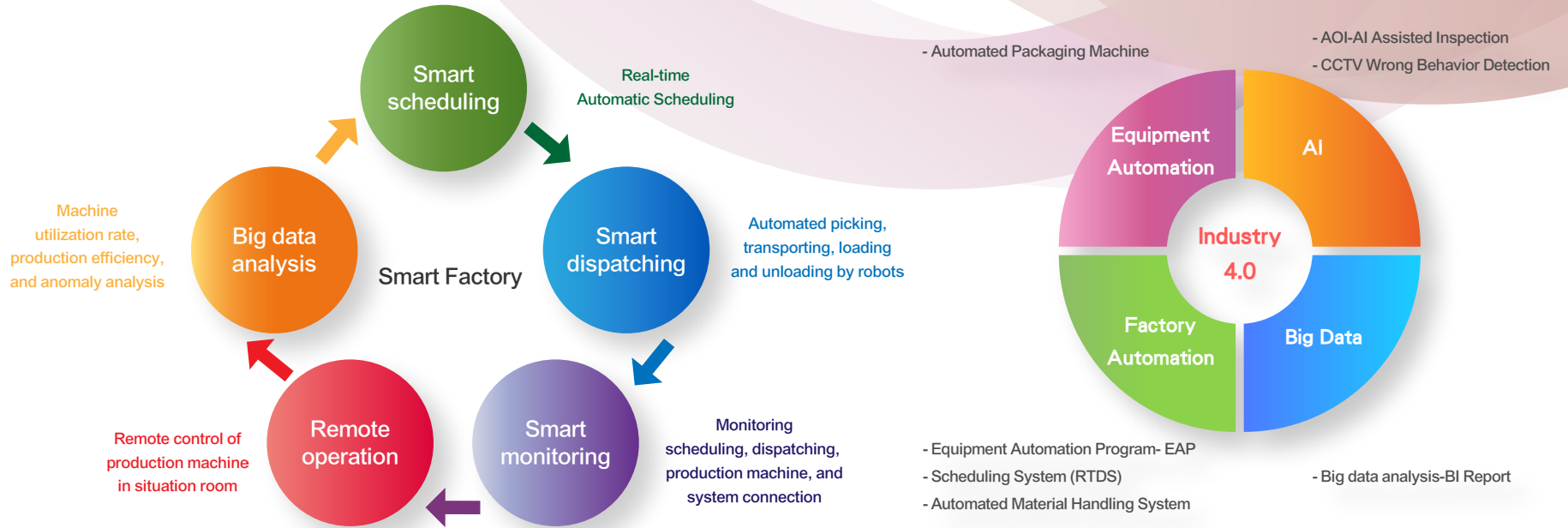
Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



I. Smart Factory with Innovation Management Builds Sigurd's Competitiveness

(I) Automated packaging machine

Customers' products are manufactured in the low-volume-high-mix model, and the packaging and labeling requirements are complicated, resulting in a large amount of manpower. Due to the high-quality standards, the work pressure is heavy and the turnover rate is high.

For this reason, Sigurd has introduced an automated packaging system, which can automatically complete all the actions of packing boxes, humidity cards, static bags, labeling, vacuuming, packing, etc., by machinery.

Employees are mainly responsible for replenishing materials, so the work efficiency is improved, the work pressure is reduced, and the productivity is enhanced.

(II) Equipment Automation Program (EAP)

By communicating data with machine equipment using SECS/GEM (SEMI Equipment Communication Standard/Generic Equipment Mode), Sigurd ensures the validity of data and improves overall equipment efficiency (OEE). As of December 31, 2022, Sigurd has designed and completed the following equipment: (1) Automatic packaging machine; (2) DPS (Die Processing Service) full process equipment; (3) Related equipment for CP (Chip Probe) operations.





About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(III) Automatic Scheduling System

In order to integrate business orders, ME manufacturing system, finished goods production management, machine real-time information, and shipment and distribution information, Sigurd has built an automatic scheduling system based on artificial intelligence and big data analysis software to achieve Real Time Dispatching and solve the tedious manual planning and scheduling operations. In addition, Sigurd can meet the needs of customers for rush orders, short-term orders and inserted rush orders, which helps to improve customer satisfaction.

In addition, the system provides real-time signage for the manufacturing site, which enables the warehouse to deliver goods immediately and efficiently, avoiding delays in batch loading. The expected benefit is to reduce the supply delay time of the machine by about 2%, which in turn improves the order fulfillment rate, equipment utilization rate and production efficiency, and helps the production planning engineers to reduce the frequency of updating complicated planning.

In 2022, Sigurd continued to promote its automatic scheduling system by adding one new system to Chung-Shing Factory site, increasing the scheduling functions (2 in 1), and expanding the scope of automatic scheduling to cover the stations at the back-end and package shipment sectors. In doing so, the application of automatic scheduling system becomes wider and the overall efficiency is therefore improved.

(IV) Automated Material Handling System

Automated Material Handling System can pick up the goods from the electronic shelves by unmanned carriers according to the automatic scheduling instructions, and then transport them to the designated machine equipment, followed by automatic loading and unloading by robotic arms.

For example, a wafer cassette filled with 12-inch wafers weighs about 8 to 9 kg, which is a heavy burden for the employees who are engaged in handling work, especially for female employees. In addition to injuries to employees, wafer breakage can also occur when mistakes are made. Therefore, Sigurd uses robots to handle the high load and repetitive transport work, which enables employees to concentrate on the machine operation and promote efficiency and quality.

Furthermore, Sigurd has equipped a situation room for the automated material handling system, which connects and displays all machine conditions in real time, so that employees can not only troubleshoot machine abnormalities remotely, but also remotely control the closing of batches and the start of new batches, which saves a lot of time and effort for employees to go back and forth along the production line.

In view of this, Sigurd has introduced the automated material handling system that not only significantly improves productivity and quality, but also lowers the demand for manpower by approximately 30%.

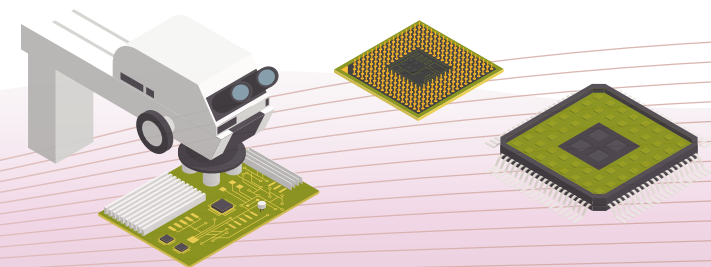
(V) BI (Business Intelligence) Dashboard

Smart Factory integrates factory-related system data, machine, product and production data through a common platform of big data, artificial intelligence software and hardware, and presents analysis results graphically and visually. Through data analysis and AI model prediction, engineers and managers can identify data abnormalities and correlations, reveal the information represented by the data, and synthesize and analyze the past and present of the production line to predict the future and improve the immediacy of decision making.

In 2022, the BI (Business Intelligence) Dashboard was verified to save engineering staff about 70 hours per month in organizing data and 232 hours per month in holding daily meetings, which greatly enhanced the efficiency of engineering and management staff.

(VI) AOI-AI assisted inspection

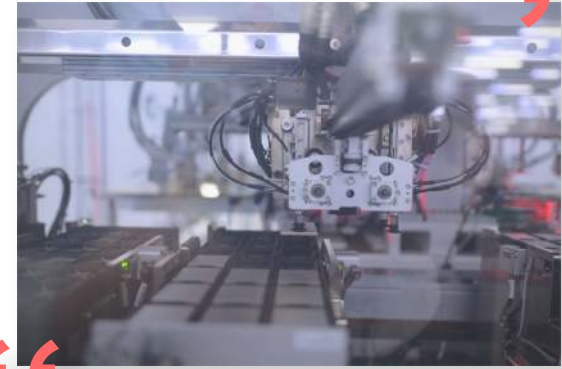
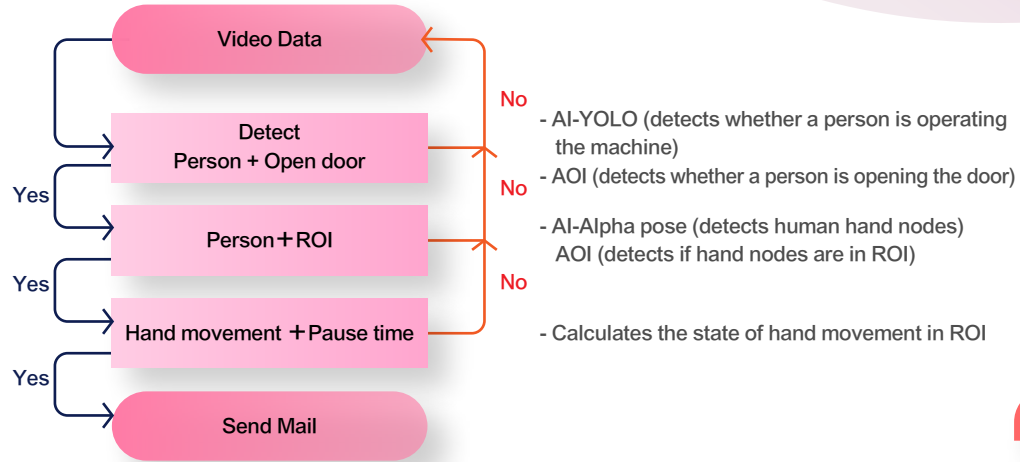
In traditional operation process, the IC defect images generated by AOI are reassessed by operators, depending on factors such as the naked eye, experience, operation flow and reassessment level...etc. It costs 2.7 labor units on average to perform this operation. However, when Sigurd implemented the AI-assisted inspection system to assist the operators to reassess, it can reduce 0.81 labor unit and save 1.89 labor unit (72.3%), which can decrease the number of reassessment and the frequency and risk of error, so that the employees can focus more on the assessment of IC defects.





(VII) CCTV Wrong Behavior Detection

Sigurd also utilizes CCTV images on the production line and combines them with AI system analysis to detect the false behaviors of employees on the production line, which not only reduces the time for supervisors to check the images, but also improves the quality of the operation and prevents people from moving the mixes manually, thus realizing the goal of Zero Defect by preventing it beforehand. The validation in 2022 shows that the effect of preventing the same incident from happening again beforehand can be achieved.



(VIII) Automatic Warehousing System for Probe Cards

To cope with the increase in production demand, the increasing number of Direct docking Probe Cards, and the old method of storing them in nitrogen cabinets being no longer sufficient, Sigurd introduced an automatic warehousing system with additional storage space for Direct docking Probe cards and integrated the existing accessory system to our inbound and outbound logistics in 2022. In doing so, not only do we increase storage space and effectively utilize space to increase storage capacity, but also we simplify the parts management process, lower personnel errors, reduce personnel moving and searching for parts, and curtail occupational injuries.

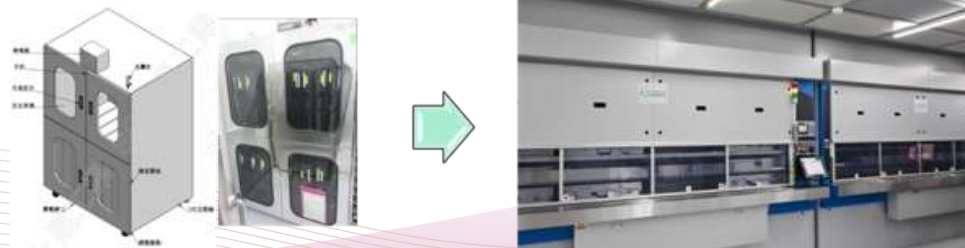
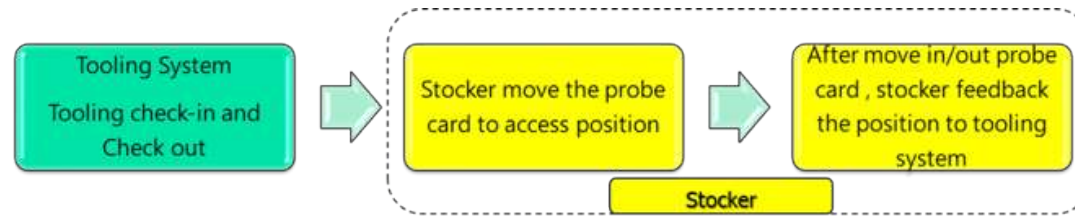


Figure of automatic warehousing system for Probe Cards

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

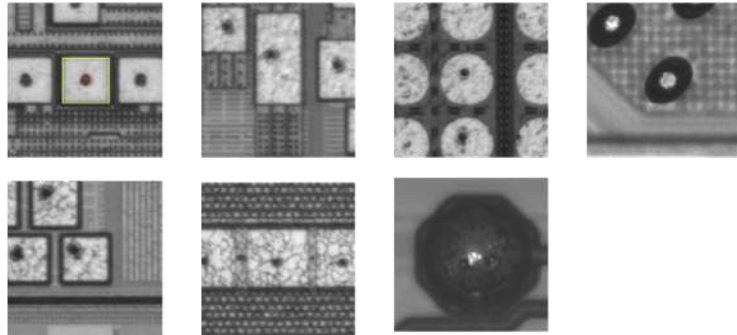
Corporate Governance

Supply Chain Management

Appendix

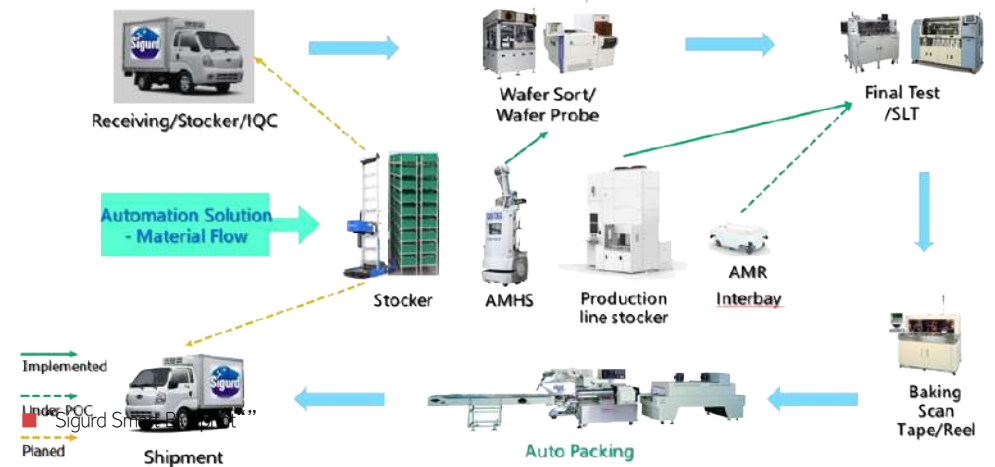
(IX) Smart PMI

Since the PMI (Probe Mark Inspection) that comes with the Prober is not very accurate, any misjudgment made by PMI requires re-inspection by staff. As a result, Sigurd uses AI (Artificial Intelligence) technology to check the misjudged probe mark photos inspected by PMI in real time to replace the manual re-inspection, and the new method has already been practically applied in the DX production line, and the data performance is very good, which relieves the staff's workload.



- Using AI to re-inspect the misjudged probe mark photos inspected by PMI
- Where the AI finds an abnormal probe mark, it will trigger the prober's shutdown.
- AI inspection items
 - Probe misalignment
 - No probe mark
 - Oversize probe mark area

Smart Manufacturing Blueprint - Material Flow



II. Creating Sustainable Manufacturing Power by Self-developing Our Own Machines

Unlike the standard automatic test equipment (ATE) on the market, Sigurd, with its accumulated knowledge and experience in the field of high-frequency testing, participated in the “Industrial Technology Foresight Research Program for High-tech Equipment—High Performance General Purpose RFIC Test System” sponsored by National Science and Technology Council. By integrating various instruments with the self-developed RF Subsystem, Sigurd successfully developed SG9000, the first indigenous RFIC test machine in Taiwan, capable of test those RFICs operating at 3G, 4G, 5G, WiFi, BT, and the like. Additionally, on the basis of the sub 6GHz instrument architecture platform, SG9000 can be extended to test RFICs operating at higher frequency bands (such as mmWave) and more test ports with the Sigurd modules (such as 5G RFIC test modules). Sigurd has successively put into mass production more than a hundred SG9000 RFIC test machines without purchasing outsourced software packages. SG9000 allows integrating specific test requirements at will, being customized to meet the needs of different customers, and providing customers with a wide range of choices and more competitive solutions. Thanks to SG9000, Sigurd was also awarded the Outstanding Manufacturer of “Industrial Technology Foresight Research Program for High-tech Equipment” by the Ministry of Science and Technology.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

R&D Achievements

Year 2019	The customer recognized Sigurd's experience and capability in high-frequency testing and commissioned Sigurd to develop a 24 GHz Radar IC test solution with its own machine, SG9000, which has been successfully put into mass production.
Year 2020-Year 2021	In response to the new trend of 5G mobile communication system application and testing requirements, Sigurd's R&D team successfully developed the 5G RFIC test module for its self-developed SG9000 to meet the IC testing requirements for 5G cell phone and base station.
Year 2022	Sigurd has successfully developed the Mixed-signal Automatic Prober (MAP) and introduced it into mass production., which is highly efficient, powerful, and flexible to meet diversified testing needs, such as logic test, timing test and power consumption test. In order to be environmentally friendly, lead-free processes are used from R&D to manufacturing to ensure that the materials and components used are free of hazardous substances such as lead, mercury, cadmium, and hexavalent chromium, and comply with the European Union's RoHS (Restriction of Hazardous Substances) requirements to minimize the negative impact on the environment and the risk of lead contamination to human beings. Through green design and manufacturing, we achieve technological innovation and environmental protection at the same time, providing customers with products with optimized, high performance and low environmental impact.

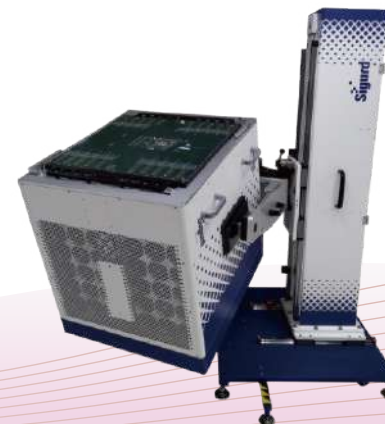
Patent Achievement

#	Patent Title	Taiwan Patent	China Patent
1	RF S parameter measurement device (VNA + UDC)	Approved	Approved
2	RF S parameter measurement device (VSG & VSA + UDC)	Approved	Approved
3	Time Domain Interleaved Parameter Measurement System	Approved	Approved
4	Multi-point RF parameter measurement device	Approved	Approved

With the ever-changing technology and the future trend of net-zero carbon emission by 2050, the demand for electric vehicles, high-speed computing, and AI (Artificial Intelligence) chipsets continues to grow, and the requirements for advanced process innovation and R&D are becoming more and more stringent. In the face of the aforesaid unprecedented opportunities and challenges, Sigurd's R&D team will continue to center on customers' needs and focus on the market to persistently improve its R&D and innovation capabilities, thereby maintaining Sigurd's unique competitive edge to create unlimited business opportunities.



■ Figure: SG9000



■ MAP



III. Service Quality and Increased Customer Satisfaction

Through the Smart Factory, Sigurd has been aggressively and continuously improving its service quality to satisfy customers' needs and reliability, which in turn has enabled Sigurd to expand its brand awareness and market share. In terms of service quality and customer satisfaction, Sigurd has implemented regular surveys to provide feedback on the performance of Smart Factory.

(1) Automotive customers: Quarterly survey.

(2) Top 10 customers: Semi-annual survey.

Sigurd's sales department prepares the relevant information and evaluations, and conducts customer surveys through the "Customer Satisfaction/Expectation Survey Form". For customer satisfaction survey projects, Smart Factory can help to improve the components of "cooperation", "commitment fulfillment", "customer demand fulfillment", "quality", "yield", and "timely response to demand". Satisfaction surveys are monitored by setting satisfaction indicators and targets, understanding customer needs in a timely manner to serve as a line of defense in protecting customer rights and interests as well as in filing complaints, from which the customer rights and interests are adjusted on a rolling basis, review countermeasures are proposed, and the implementation progress is tracked to make appropriate and effective responses as the direction for continuous optimization of the Company's business operations.

If one of the following two situations occurs: (1) there is a downward trend in the evaluation and the total satisfaction score is below the acceptable level in two consecutive surveys; or (2) the single score or the total satisfaction score is below the acceptable level. If customers request further improvement reports, they will be submitted together with the evidence to the management review meeting of senior management for consideration, and the progress of implementation will be tracked in order to ensure that appropriate and effective responses are made.

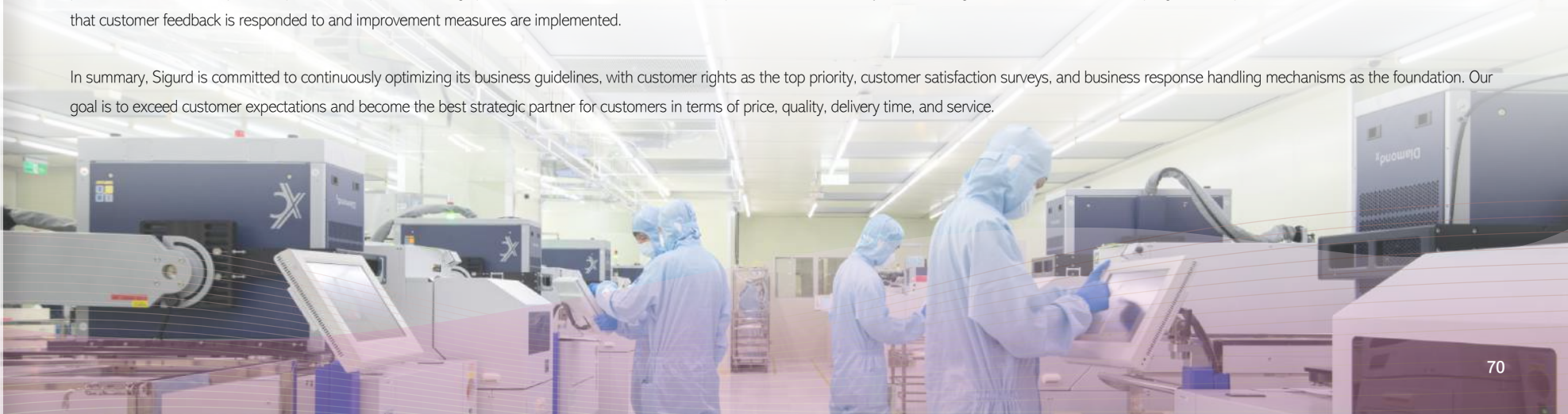
In order to achieve the goal of exceeding customer expectations and enhancing customer value in terms of price, quality, delivery time, and service, Sigurd adheres to the following business continuous improvement guidelines: customer feedback, customer satisfaction surveys, and business response handling mechanisms.

First, Sigurd attaches great importance to customer feedback, and regards customer opinions and feedback as extremely valuable information. By actively collecting customer feedback, we can deeply understand customer needs, expectations, and dissatisfaction, and turn this information into practical improvement measures.

Second, conducting customer satisfaction surveys regularly is one of Sigurd's important processes. By using questionnaires, we can evaluate customer satisfaction with the smart factory, and understand customer ratings on cooperation, commitment fulfillment, customer demand fulfillment, quality, yield, and demand responsiveness. The setting of these indicators and goals allows us to continuously monitor satisfaction levels and propose improvement measures for situations below the acceptable level.

Finally, the business response handling mechanism plays an important role in Sigurd's operations. When customers make further improvement requests, we will conduct corresponding investigations and analyses, and provide customers with specific improvement reports, including specific evidence and solutions. These reports will be reviewed by senior management, and ensure that the progress of improvement measures is tracked to ensure that customer feedback is responded to and improvement measures are implemented.

In summary, Sigurd is committed to continuously optimizing its business guidelines, with customer rights as the top priority, customer satisfaction surveys, and business response handling mechanisms as the foundation. Our goal is to exceed customer expectations and become the best strategic partner for customers in terms of price, quality, delivery time, and service.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



Nine. Corporate Governance

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Corporate Sustainability

Through a sound governance structure, Sigurd identifies and manages risks and promotes integrity management.

We also proactively respond to various challenges to ensure the Company's sustainable operation, steadily pursue operational performance and growth, and meet the expectations of all stakeholders.

(Corporate Governance and Integrity Management, Risk Management, and Business Continuity)

Legal Compliance and Information Security

Sigurd is committed to complying with regulatory requirements and safeguarding the security of the Company's information to identify and respond to challenges.

No.	Item	2021 Goal	2021 Performance
1	Operating profit maintains positive earnings	Positive earnings	Positive earnings
2	Number of cases in which the local government imposed fines exceeding NT\$1 million for violation of laws and regulation	0 case	0 case
3	Completing the training program related to integrity management by employees	100%	100%
4	Formulating risk management policies and procedures	Completed	Completed
5	Maintaining ISO 27001 certificate validity through verification	Passed	Passed





I. Legal Compliance

In executing its business activities, Sigurd also strives to pay attention to and comply with relevant laws and regulations to ensure that all operational activities are in compliance with the law and proper. In addition to the internal review of each business department, Sigurd's legal department also conducts compliance reviews to ensure operational control and compliance with the law.

Aspect	Legal compliance	Number of violations in Year 2022
Business Operation and Marketing	Criminal Code, Fair Trade Act, Patent Act, Trademark Act, Copyright Act, and Antitrust Law	0 case
Financial and Organizational Planning	Company Act, Securities and Exchange Act, Money Laundering Control Act and related laws, Procedures for the Prevention of Insider Trading, Securities Investor and Futures Trader Protection Act	0 case
Protection of Internal and Customer Information	Trade Secrets Act, Personal Data Protection Act	0 case
Personnel Policies and Management	Labor Standards Act and related laws	0 case
Safety, Health and Environment	Occupational Safety and Health Act and Regulations Governing Occupational Safety and Health	0 case
Environmental Protection	Water Pollution Control Act, Waste Disposal Act, Air Pollution Control Act and its Enforcement Rules	0 case

II. Integrity Management

The Board of Directors of Sigurd shall exercise its duty of care, supervise the Company to prevent dishonest practices, and review the effectiveness of implementation for continuous improvement at any time to ensure the fulfillment of the integrity management policy. In addition, the Board of Directors shall designate the RBA Implementation Committee as a dedicated unit with sufficient resources and appropriate personnel to handle the revision, execution, explanation, consultation services, content notification, file registration and other related operations and supervise the implementation of the Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct."

(I) The work plan and responsibilities of the dedicated (part-time) unit for integrity management of the Company.

1. Assist in integrating integrity and ethical values into the Company's business strategy and formulate preventative measures to ensure integrity management in accordance with laws and regulations.
2. Regularly analyze and assess the risk of dishonest behavior within the scope of business, and accordingly, formulate programs to prevent dishonest behavior, and establish work-related standard operating procedures and behavioral guidelines within each program.
3. Plan the internal organization, establishment and duties, and place a mechanism of mutual supervision and balance on the business activities with higher risk of dishonest behavior within the business scope.
4. Promote and coordinate integrity policy guidance training.
5. Develop a whistle-blowing system to ensure effective implementation.
6. Assist the Board of Directors and management in reviewing and evaluating the effectiveness of the preventive measures established for the implementation of integrity management, and regularly evaluate and report on relevant business processes for compliance.
7. Prepare and properly maintain documented information regarding the Integrity Management Approach and its compliance statement, implementation commitments, and execution status.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(II) Implementation of Integrity Management

Having faithfully implemented the integrity management policy, no dishonest conduct occurred in Sigurd in 2022, whose implementation details are as follows:

(1) Education, training and promotion of laws and regulations

We plan a series of courses on laws and regulations, auditing, risk management, money laundering prevention, etc., to train our staff on legal knowledge, service rules and regulations. In addition, instruction and education were provided to employees on matters that they should be aware of when performing business, on the prohibition of dishonest behavior and harming the interests of stakeholders, and on the duty of confidentiality regarding the Company's intellectual property rights.

(2) Regular audits

Sigurd conducts risk assessment of corruption-related activities for all operating locations. Through semi-annual self-audits and legal compliance self-assessments, Sigurd achieves effective control and implementation to ensure the operation of the overall mechanism and joint management and prevention of dishonest behavior.

(3) Whistle-blowing system and protection of whistleblowers

Sigurd's "Operating Procedures and Guidelines for Integrity Management" provides a specific whistle-blowing system to proactively prevent dishonest behavior and encourage internal and external personnel to report dishonest behavior or misconduct. The Human Resources Department has been designated as the dedicated unit to receive reports of dishonest behavior from employees. The "Contact Us" Page on the official website provides an effective way for employees, shareholders, stakeholders and outsiders to communicate with each other. We have also established a whistleblower protection system to ensure that the identity and content of whistleblowers are kept confidential, and we are committed to protecting whistleblowers from being improperly dealt with as a result of whistleblowing.

(4) Reporting regularly to the Board of Directors

The implementation results and related matters of integrity management shall be reported to Board of Director at least once a year, and the implementation results in 2022 were just reported to the Board of Directors at the first Board Meeting in 2023 (dated March 7, 2023).

(III) Training Course Information

Training Date	Course Title	Time period	Number of Trainees	Trainees	Retraining cycle
07/22/2022~08/21/2022	Responsible Business Alliance (RBA) Code of Conduct (including prevention of insider trading and promotion of corporate integrity principles)	1 hour	2,374	All staff	one year
11/10/2022~12/20/2022	Corporate Governance Best Practice Principles (including prevention of insider trading)	1 hour	25	Senior management	one year
11/10/2022~12/20/2022	Ethical Corporate Management Best Practice Principles	1 hour	25	Senior management	one year
11/10/2022~12/20/2022	Prevention of Insider Trading 1. Legal promotion 2. Promotion manual 3. Introduction to regulations (link to the exchange website)	1 hour	25	Senior management	one year





III. Risk Management

With global business becoming increasingly interconnected, Sigurd’s operations are exposed to a variety of risks, including lack of environmental energy resources leading to increased operating costs, frequent occurrence of extreme natural disasters, operational disruptions caused by water and power outages, financial market risks caused by rising inflation and interest rates (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. In response to these risks, Sigurd’s Board of Directors approved the “Risk Management Policy and Procedures” on December 20, 2022, which clearly specifies the Company’s risk management policy, scope, and implementation methods. A “Risk Management Committee” was also established to oversee the implementation of risk management by all departments. The committee reports to the Board of Directors at least once a year on the implementation status of risk management and its effectiveness. The policy includes the following measures:

1. To understand the risks that may arise from the ongoing management of the Company's business activities and operations, Sigurd uses BCP (Business Continuity Plan), a comprehensive risk identification and assessment process, which identify the potential risks of business continuity management in advance and to formulate control measures to effectively minimize the risk impact of the company’s various activities and operations (and necessary resources), and to serve as the basis for business continuity planning.
2. On the production side, to protect the rights and interests of customers and production safety, Sigurd’s various departments, by following the provisions of the AEO Security Certification for Quality Enterprises (Authorized Economic Operator, AEO), are required to seriously implement the threat awareness and risk identification analysis on the aspects of [Physical and Site Security], [Employee Security], [Cargo Security], [Information Security], [Supply Chain Security], and the like to review existing control measures adopted. Material risks must be reported with management plans and improvement measures for tracking, and will be subject to on-site inspection and correction by the Customs every three years.
3. On the environmental side, Sigurd follows the P-D-C-A cyclical management methodology, which consists of planning (Plan), implementing (Do), checking (Check), and acting (Act). Each year, the Company conducts a systematic inventory and develops a “Risk and Opportunity Assessment and Planning Measures” table to assess and review internal and external environmental risks related to chemicals, waste, wastewater, and noise. The Company then develops planning measures and performance monitoring and measurement. Sigurd also undergoes annual supervision and inspection by a third-party certification body.

Sigurd has identified the following key risks and corresponding measures in 2022:

Item	Risk item	Potential risk	Corresponding measures
1	Exchange rate risk	<ul style="list-style-type: none"> ■ Sigurd’s multinational operations are exposed to exchange rate risk arising from various transactions, mainly in U.S. dollars. ■ The related exchange rate risk arises from future commercial transactions and recognized assets and liabilities. 	<ul style="list-style-type: none"> ■ Management has established a policy whereby the Finance Department hedges its overall exchange rate exposure. ■ Exchange rate risk is measured by expected transactions with a high probability of incurring U.S. dollar and RMB expenditures. Forward foreign exchange contracts are used to reduce the impact of exchange rate fluctuations on the expected cost of purchased inventories.
2	Credit risk	Credit risk is the risk of financial loss arising from the failure of a customer or counterparty to meet its contractual obligations. It arises mainly from the failure of counterparties to settle accounts receivable in accordance with the terms of collection.	<ul style="list-style-type: none"> ■ Credit risk management is established from a corporate perspective. For banks and financial institutions, only those with an independent credit rating of “A” are accepted as counterparties. ■ According to the internal credit policy, each operating entity within the Company is required to conduct management and credit risk analysis with each new customer before setting the terms and conditions for payment and delivery. ■ Internal risk control is performed by considering the financial position, historical experience and other factors to assess the creditworthiness of customers. ■ IFRS 9 provides the presumption that a default is deemed to have occurred when contractual payments are more than 90 days past due in accordance with the contractual terms. ■ A simplified approach is used to estimate expected credit losses based on a Provision Matrix.

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Item	Risk item	Potential risk	Corresponding measures
3	Liquidity Risk	Cash flow forecasts are performed by each of the Group's operating entities and are aggregated by the Group Finance Department.	The Group Finance Department oversees the forecasting of liquidity requirements to ensure that it has sufficient funds to support its operations and maintains sufficient unspent borrowing commitments so that the Group is not in breach of the relevant borrowing limits or terms and conditions. These forecasts take into account the Group's debt financing program, compliance with debt terms, compliance with internal balance sheet financial ratio targets, and external regulatory requirements.
4	Information Security Risk	Exposure to Information Security Attacks.	<ul style="list-style-type: none"> ■ Sigurd has invested significant resources in the deployment of information security related defense and protection measures and information security strategies. ■ We perform server host vulnerability scans twice a year, conduct email social engineering phishing drills every year, develop a multi-factor authentication mechanism, outsource monitoring of Security Operation Center (SOC), and promote the implementation of ISO 27001 in order to enhance the accessibility of information resources, reduce information security vulnerabilities, and strengthen the Company's information security risk control capabilities.
5	Production Risk	Disruption of production due to natural disasters, epidemics, personnel negligence, and the like.	Performing annual AEO/ISO 9001 and ISO 45001 risk assessment to identify risks at each production node, formulating measures to strengthen management, enhancing personnel's defense and coping mechanism through education and training and various drills, and seeking third-party audits inspections to reinforce the risk of omission.

By identifying the risks affecting the sustainable development of the enterprise and formulating corresponding management measures, employees' awareness of risk management is strengthened and their ability to respond to crises is enhanced, thereby achieving the reduction of risk incidence and control of risks, and minimizing the loss of the enterprise's development and operation.

In Year 2022, no key material events communicated to the Board of Directors (such as potential and actual negative impact of the organization on stakeholders raised through grievance mechanisms and other procedures) occurred.

AEO SECURITY POLICY

- Follow the government regulation, proceed custom and customer safety regulation properly.
- Perform the risk management, provide the safety protection solution to the supplier chain.
- Enhance the safety awareness, proceed the inspection management, and continuous improvement.





IV. Information Security

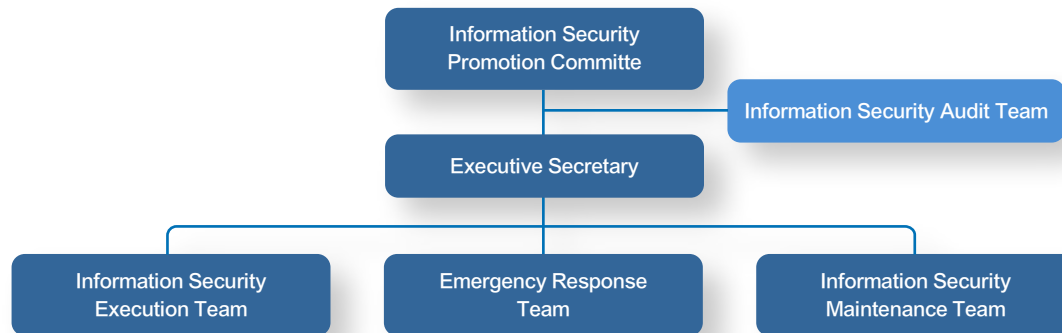
Committed to protecting the confidentiality, integrity, and availability of both customers' and the Company's information assets, Sigurd takes information security management seriously, enhances the trust of stakeholders, and complies with relevant regulations to prevent information assets from being exposed to intentional or accidental threats from both internal and external sources. As a result, Sigurd has implemented a number of measures to ensure the security of data, systems, devices, and networks, including creating a reliable information environment, deploying innovative information security protection technologies, and implementing information security management processes to boost the quality of our services and provide high quality services. As a result, Sigurd introduced the ISO 27001: Information Security Management System in 2022, and continues to maintain its certificate validity, the current validity period of which is from March 15, 2023 to October 31, 2025.

Sigurd will strive to achieve four objectives:

1. Secure the Company's business services and ensure that information is only accessible by authorized personnel to protect customer rights, safeguard customer data and assure its confidentiality.
2. Protect business security from unauthorized modifications to assure correctness and integrity.
3. Establish information operations continuity plans to assure business continuity.
4. Execute business services in compliance with relevant governmental laws and regulations.

(I) Management Structure

Sigurd has established the "Information Security Promotion Committee," chaired by the Chairman of the Board of Directors and with members appointed by the Chairman, to promote, coordinate and supervise the promotion of information security policies, and to convene information security management review meetings annually to examine matters related to information security management.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

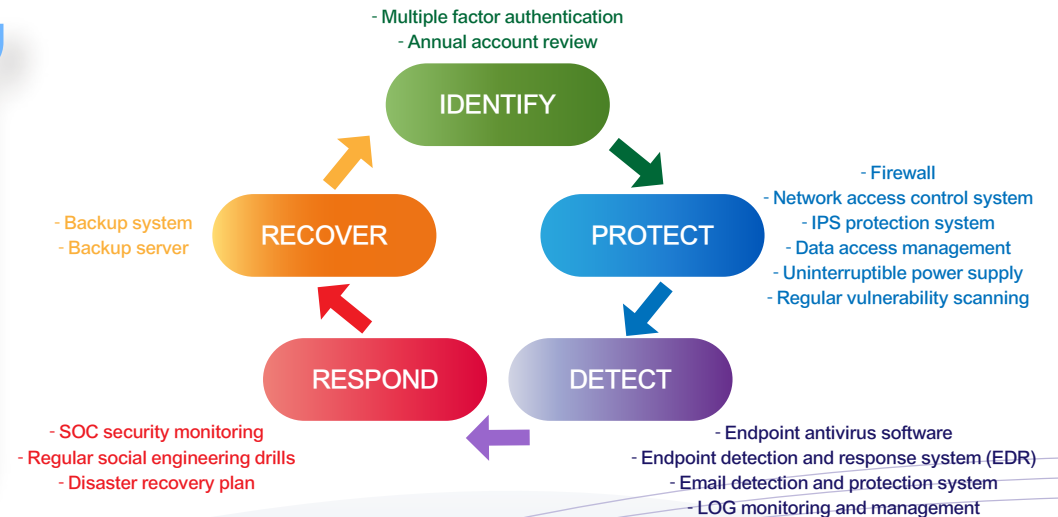


(II) Information Security Protection

1. Sigurd implements a number of measures to raise employee awareness of information security, including disseminating information security notices from time to time, requesting new recruits to read and implement information security guidelines, conducting social engineering email drills, giving information security training courses annually to consistently establish, publicize and promote employees' information security awareness and improve information security levels. Moreover, more training courses on introduction to information security, risk management and risk assessment methods, procedures promotion, and internal audit promotion are given to information personnel to strengthen their knowledge of information security management.
2. Sigurd implements a number of measures to improve network security, including building a secure firewall, implementing a network access control system, segmenting the network into smaller blocks, prohibiting non-company devices from, and connecting to the company network. These measures help reduce the likelihood or extent of damage caused by worms or malicious attacks.
3. Sigurd implements a number of measures to improve computer system security, including performing regular vulnerability scans and patches on servers, strengthening antivirus software with endpoint protection systems (EDR), establishing an internal WSUS server to install critical security updates immediately, and strengthening endpoint computer access control. These measures help increase information staff's knowledge of computers and servers.
4. Sigurd implements a number of measures to control access to systems, including appropriately managing account permissions and reviewing them annually, implementing a file auditing management system, tracking access to sensitive data, and encrypting data and authentication in secure channels. These measures help effectively manage data confidentiality.
5. Sigurd implements a number of measures to secure email systems, including spam filtering and blocking systems, outbound email controls, and annual social engineering drills to train employees' information security awareness by sending simulated malicious letters to each employee's mailbox. These measures help protect the Company from cyber attacks and other email-based threats.
6. Sigurd identifies key systems and develops a business continuity plan (BCP). The BCP includes data backup measures, local and remote backup mechanisms, and annual disaster recovery drills, and annually working with various system responsible persons to arrange time for the implementation of disaster recovery exercises and simulation of abnormalities in the operational process. These measures help shorten the response time of each unit and improve operating efficiency once certain event really happens.
7. Sigurd outsources information security monitoring to a third-party security operations center (SOC). The SOC provides the Company with pre-emptive threat alerts, real-time threat notifications, and post-incident analysis recommendations. This helps ensure that the Company is aware of emerging threats and can take steps to mitigate them.
8. Sigurd continuously improves its information security management system by adopting the PDCA cycle to develop standards, procedures, and processes that comply with ISO 27001. This helps to ensure that the Company's information security program is effective and up-to-date.

Information Security Policy

Sigurd's information security control measures information system aims at protecting the confidentiality, integrity and availability of important customer and company personnel information, strengthening information security management to ensure the security of data, systems, equipment and networks and create a reliable information environment, and deploying innovative information security protection technologies and implement and promote information security management operations. We strive to improve the Company's service quality and provide high-quality services, moving towards e-services with the spirit of excellence and continuous innovation.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



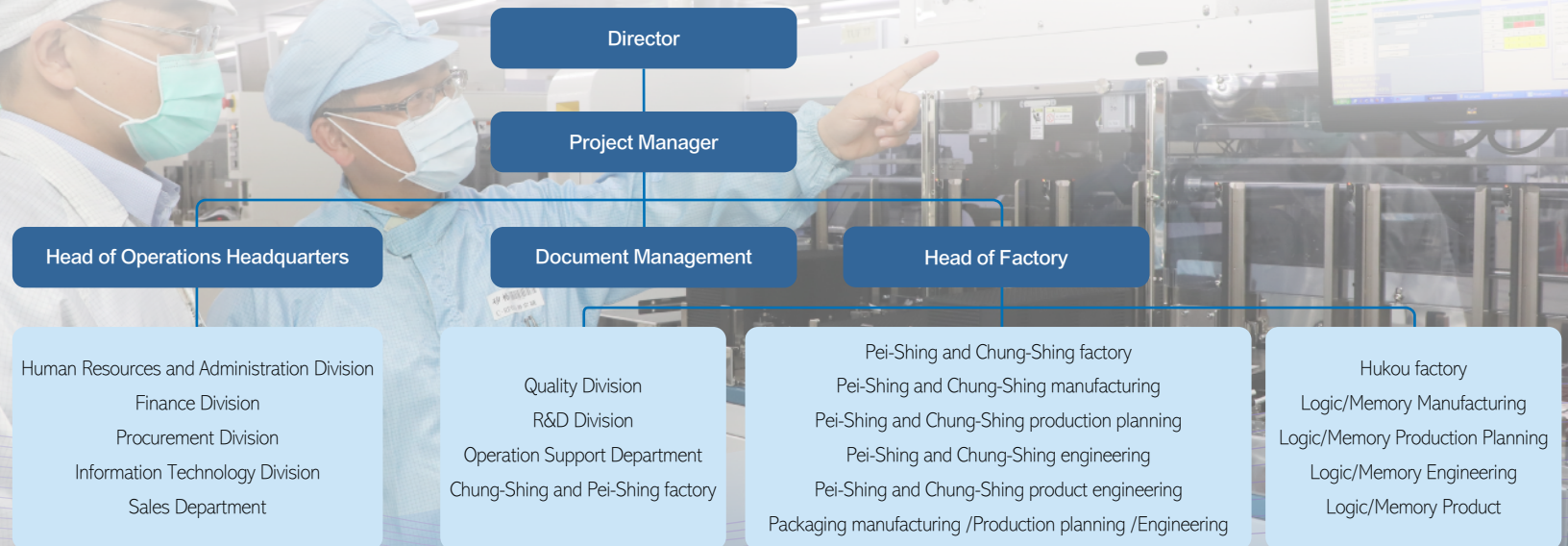
V. Corporate Operation Continuity

Where an enterprise experiences an emergency event, such as a natural disaster, supply chain disruption, information system accident or attack, or infectious disease, it is particularly important to implement business continuity management (BCM) to maintain important operational items and resume normal operations as soon as possible, reduce operational downtime, and mitigate risk impacts, and protect the interests of stakeholders.

To ensure the sound operation of Sigurd Group and strengthen the Company’s governance, with sustainable development as the Company’s highest guiding principle, Sigurd’s Board of Directors passed the “Risk Management Policy and Procedures” in December 2022, and established the Risk Management Committee as the highest guiding unit for Sigurd’s risk management. Based on the policy, the Company defines various types of risks, establishes a risk management mechanism that identifies, measures, monitors, and controls risks early, prevents possible losses within the range of acceptable risks, and adjusts and improves best risk management practices according to changes in the internal and external environment. This is to protect the interests of employees, shareholders, partners, and customers, and to increase the Company’s corporate value.

Sigurd has set up an Operation Continuity Promotion Team, which involves all unit managers in responding to emergencies and has established an “Operation Continuity Response Plan” to build up disaster relief efficiency and response capability, so as to take prompt response measures to deal with emergencies, reduce environmental impacts, immediately decrease disaster losses, and resume normal operations as soon as possible. At present, the Company has established the following emergency response procedures for the operations:

1. Emergency response procedures for fire and chemicals: We have not only established emergency response prevention categories, emergency response level categories, and emergency response plans, but also hold emergency response education drills at least once a year. For more details, please refer to “Continuous Operation of Natural Disasters and Accidental Injuries” in Chapter Seven.
2. Emergency response procedures for information security: For information security incidents, the Company has established an information security promotion committee and its emergency response team to respond to them, and regularly conducts disaster recovery drills. Moreover, the Company has appointed an external information security vendor to set up Security Operation Center (SOC) information security monitoring to develop an early warning and response mechanism.
3. Emergency response process for climate change issues: In recent years, the climate change issues, such as the risk of power outages due to rising temperatures, have been introduced into the TCFD guideline framework since 2021. The company has set up a climate change management mechanism to respond to the risks and opportunities arising from climate change, and has formulated strategies and action plans and established annual targets, which are monitored and adjusted on a rolling basis by the Sustainable Development Committee.
4. In the future, we will continue to set up emergency response procedures for the post-epidemic era, power shortage accompanied by power failure or rotating power supply, and the risk of material shortage due to war.
5. Sigurd will monitor and build or update emergency response measures on a rolling basis to improve the Company’s capacity to withstand emergencies and maintain the Company’s operations in order to avoid causing unpredictable or further losses to customers and to be trusted by stakeholders.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



Ten. Supply Chain Management

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

Joint Sustainable Development

Suppliers are key partners. Our strategy is to move towards a sustainable development philosophy and to actively assist our suppliers in evaluating and addressing environmental, social and corporate governance related issues to identify and respond to challenges.

No.	Item	2022 Goal	2022 Performance
1	Asking key suppliers to sign back the "Advocacy Letter of ESG and Corporate Sustainability to Suppliers"	100%	100%

To implement green supply chain management, Sigurd not only cares about internal environmental management and related training, but also pays attention to supplier management, and promotes suppliers to jointly assume environmental and social responsibility. Therefore, Sigurd has established a supplier management procedure, and gradually requires suppliers to conduct self-examination in accordance with the Responsible Business Alliance (RBA) Code of Conduct in the short and medium term, in order to fully comply with relevant regulations, and form a certain degree of constraints on suppliers, to encourage suppliers to improve the greenness of the entire product life cycle, and to truly fulfill corporate social responsibility in the production and operation process. Moreover, Sigurd has introduced the "GPM LIGHT Green Supply Chain Management System" since 2020, establishing a standard green management process between Sigurd and the supply chain system, and controlling green product information. At the same time, through the construction of the "GPM LIGHT Green Supply Chain Management System", an information flow channel is established, and the green information submitted by the supply chain system, such as test reports, commitment letters and product ingredient lists, is linked to achieve real-time sharing and synchronization of operations, which helps to reduce the proportion of non-compliance with environmental regulations. In the selection of suppliers and supplier management, environmental, social and corporate governance issues are gradually incorporated.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

I. Supplier selection and procurement strategy

(I) New supplier selection and analysis

Based on ethics, integrity and legal compliance, Sigurd takes into account the supply chain risks and avoids centralized procurement, and has established a comprehensive procurement mechanism for selecting suppliers. Suppliers are eligible to be our cooperating suppliers if they meet the Company's requirements for qualifications, capabilities and related regulations, in order to implement fair procurement procedures.

Due to the large number of cooperating suppliers, more than 500 at present, the suppliers are divided into key suppliers and non-key suppliers. The key suppliers are further classified into raw material suppliers, parts and fixtures suppliers, and outsourcing suppliers according to the type of procurement.

1. Assessment via Questionnaire Survey

All cooperating suppliers are required to complete the questionnaire survey and provide the following relevant materials to complete the questionnaire review process. Therefore, the rate of new supplier subject to environmental and social standards screening are 100%:

- (1) Change Registration Form;
- (2) Company's (factory's) simple relational positioning;
- (3) Prohibited substance verification report;
- (4) ISO quality system related certificates;
- (5) Supplier RBA commitment letter;
- (6) Supplier occupational health and safety requirements commitment letter;
- (7) Authorized Economic Operator (AEO);
- (8) Business continuity plan (contingency/disaster recovery, and the like); and
- (9) Advocacy Letter of ESG and Corporate Sustainability to Sigurd's Suppliers



2. Key suppliers

All suppliers are required to go through a questionnaire survey. In addition to completing the questionnaire survey, key suppliers must also pass the on-site audits before they can be included in the "Qualified Suppliers/ Outsourcers Control List." The number of suppliers is analyzed in the following table.

Key suppliers analysis table		
Key supplier types	Number of key suppliers	Percentage of key suppliers
Raw material suppliers	46	40.3%
Parts and fixtures suppliers	56	49.1%
Outsourcing suppliers	4	3.5%
Freight forwarders and carriers	8	7.0%
Number of key suppliers	114	100%



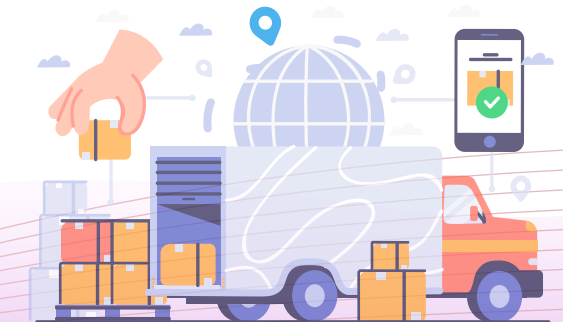
3. Supplier Risk Assessment

When adding a new supplier to the “Qualified Suppliers/Outsourcers Control List,” Sigurd determines the risk level of the supplier based on the “Questionnaire for Suppliers and Outsourcers” and the “Environmental Management Questionnaire”, and the following principles, and indicates the determined risk level in the “Qualified Suppliers/Outsourcers Control List.”

Supplier risk level	Risk level descriptions
<p>Low risk</p>	<p>Suppliers that meet all of the following conditions are determined to be low-risk suppliers:</p> <ol style="list-style-type: none"> 1. Having passed ISO 9001 or IATF 16949 audits or certifications; 2. Providing a business continuity management (BCP) plan (including emergency response plans, disaster recovery plans, and the like); 3. The survey results of the “Environmental Management Survey Questionnaire” falling within “non-significant environmental aspects”; 4. Meeting one of the following criteria: <ul style="list-style-type: none"> ■ Annual transaction amount being less than or equal to NT\$50 million, and the quarterly rating results of the annual quarterly assessment being 90 points or higher. ■ Annual transaction amount being NT\$50 million to NT\$100 million, and the quarterly rating results of the annual quarterly assessment having been 90 points or higher for more than 2 years.
<p>Medium risk</p>	<p>Suppliers that meet all of the following conditions are determined to be medium-risk suppliers:</p> <ol style="list-style-type: none"> 1. Having Passed ISO 9001 or IATF 16949 audits or certifications; 2. The survey results of the “Environmental Management Survey Questionnaire” falling within “non-significant environmental aspects”; and 3. Annual transaction amount being less than or equal to NT\$100 million. 4. Suppliers not meeting the fourth condition of low-risk and the quarterly rating results of the annual quarterly assessment are 80 points or higher.
<p>High risk</p>	<p>Suppliers that meet any of the following conditions are determined to be high-risk suppliers:</p> <ol style="list-style-type: none"> 1. Not passing ISO 9001 audits or certifications; 2. Being the sole supplier with no alternative manufacturers (one designated by customer is excluded); 3. Annual transaction amount being over NT\$100 million; 4. The quarterly rating results of the annual quarterly assessment being lower than 80 points (excluding 80 points). 5. The results of the “Environmental Management Survey Questionnaire” falling within “significant environmental aspects”; 6. That fact that Sigurd’s relevant units have identified that the supplier is a high-risk supplier for special reasons; and 7. Suppliers not meeting all of the low-risk or medium-risk conditions.

In the future, we expect to take on the awareness of sustainable development, and have the determination to implement it, so that we can make sustainable development our management goal. Sigurd will gradually incorporate the following issues in the supplier management through questionnaire evaluation and on-site audits.

- The supplier’s goods or services are certificated to international/national green or environmental standards.
- The supplier has energy management and greenhouse gases response mechanisms in place.
- The supplier is committed to and promotes the Company's human rights policy.
- The supplier has an occupational safety and health management system and no major occupational safety incidents in the past.
- The supplier has an integrity management mechanism and no past cases of corruption or bribery.
- The supplier has the ability to address risks.
- The supplier has a risk control mechanism.
- The supplier has a comprehensive audit mechanism.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



(II) Procurement Strategy

Sigurd upholds the spirit of green procurement and gives priority to products or services certified by international/national green or environmental standards in the procurement stage. In addition to signing contracts with suppliers at the procurement stage, Sigurd will also continue to request suppliers to implement the Responsible Business Alliance (RBA) Code of Conduct regular self-reviews as well as incorporate environmental, social and corporate governance into the contract, so that suppliers can share the concept of sustainable development and move towards a common goal. In the event of a non-compliance or deficiency by a supplier, Sigurd will work with the supplier to improve the situation in accordance with the regulations. Sigurd will jointly work with its suppliers to improve and refine its procurement strategy in the hope that suppliers can collaborate with Sigurd to pursue the goal of sustainability

- The supplier's goods or services are consistently certificated to international/national green or environmental standards.
- The supplier continues to maintain energy management and greenhouse gases response mechanisms in place.
- The supplier continues to promote the Company's human rights policy.
- The supplier maintains the occupational safety and health management systems on an ongoing basis.
- The supplier consistently maintains an integrity management mechanism.
- The supplier implements the continuous operations mechanism to address risks.
- The supplier implements the risk control mechanism.
- The supplier follows the requirements of the law.
- The supplier implements the audit mechanism.
- The supplier complies with Sigurd's regulations on environmental protection, human rights policy, social responsibility, and corporate governance.
- The supplier accepts advocacy, training, and audits, as well as subsequent corrective and preventive measures.

Green Procurement

The company practices green thinking through procurement activities. The raw material procurement starts from the source management. In addition to banning harmful substances, we also expand the procurement of environmental protection products and prohibit the use of products from conflict mining areas to reduce the environmental impact of raw materials.

II. Supplier Management and Objectives

(I) Supplier management objectives

In principle, Sigurd is based on the Responsible Business Alliance (RBA) to formulate its management procedure and supply chain management principles. However, recognizing that the importance of environmental, social, and corporate governance (ESG) issues is increasing, Sigurd especially prioritizes to consider partnership with those suppliers with the following system certifications, of which the suppliers of raw materials, parts and fixtures, as well as outsourcers are required to undergo regular or nonscheduled audits in accordance with the Sigurd Audit Program to ensure that the corporate sustainability requirements are met and that supervision of the supply chain is effectively performed.

Sigurd requires key suppliers having not yet obtained the relevant certifications to target at obtaining ESG-related system certifications. It is scheduled that from 2023 on, at least one supplier will obtain relevant system certification every year to enhance the fulfillment of sustainability requirements by Sigurd's cooperating suppliers. We look forward to collaborating with our suppliers to achieve the foregoing Company's objective, thereby jointly creating great operational performance.

The following table shows the status of management system certifications for Sigurd's key suppliers, as well as the scheduled target of adding at least one supplier obtaining relevant system certification every year:

Key Supplier Management Measures and System Certification					
Item/Category	2022			2021	
	Number of surveyed suppliers	Performance (Number of surveyed suppliers)	Performance (%)	Performance (Number of surveyed suppliers)	Performance (%)
Responsible Business Alliance (RBA) Code of Conduct	114	110	96.5%	95	84.8%
ISO 9001 Quality Management System	114	100	87.7%	99	88.4%
ISO 14001 Environmental Management System	114	45	39.5%	44	39.3%
ISO 45001 Occupational Safety and Health Management System	114	9	7.9%	5	4.5%
IECQ/QC 080000 Harmful Substance Process Management System	114	0	0%	0	0%
ISO 17025 General requirements for the competence of testing and calibration laboratories	114	2	1.8%	0	0.0%

- About This Report
- Table of Contents
- Letter from the Chairman
- Letter from the President and Sustainable Development Committee Director General
- Sustainability Strategy
- Corporate Profile
- Climate Change
- Environmental Protection
- Recruitment of Diversity
- Corporate Social Responsibility
- Healthy and Friendly Workplace
- Innovation Management and Service Quality
- Corporate Governance
- Supply Chain Management**
- Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(II) Supplier management -- Audits and Rating

Sigurd has established a comprehensive evaluation and audit team, with professional employees assigned by relevant internal organizations and units to form a specialized, fair and independent evaluation team. Quality assurance, engineering, production planning, and procurement units form the evaluation and auditing team for raw material suppliers/parts & fixtures suppliers/outsourcers, and participate in audits according to work relevance.

1. Audit plan

In each December, we will re-assess the risk levels of suppliers based on the risk assessment criteria for the Qualified Suppliers/Outsourcers Control List and draw up a regular auditing plan for suppliers for the following year. Where a material quality abnormality occurs in a supplier, the Quality Division may immediately convene an audit team to conduct an unscheduled field audit of the supplier. After assessing the supplier's risk level, various audit plans must be adopted according to different risk levels as follows:

- (1) Low risk: Audit every three years.
- (2) Medium risk: Audit every two years.
- (3) High risk: Audit every year.

2. Auditing operations

The audit team will notify the material supplier/accessory fixture supplier/outsourcer to conduct an audit. The audit team will fill out the "Supplier and Outsourcer Audit Scorecard" and "Supplier RBA Self-Assessment Form" according to the scoring standards. Where there are non-conformities, the audit team will detailly list them and their statuses in the audit report against the "Supplier and Outsourcer Audit Scorecard" and notify the supplier to improve them. After the audit report is issued, the supplier must reply to such report within 5 working days. Where the audit result indicates any non-conformity, the audit team will conduct another audit at a later date, and if there is still no improvement, the supplier will be classified as an unqualified supplier.

3. Audit scoring criteria

- (1) Commercial suppliers/outsourcers: A score of 85 or higher is considered qualified.
- (2) Automotive suppliers: A score of 95 or higher is considered qualified.

Where a supplier has no transactions in the current year, it may not be included in the annual audit plan, but it must be remarked in the following year's audit plan that despite non-conformities in the supplier's practices found in Year 2022, the supplier did actively act in concert with implementing the corrective and preventive measures required within a time limit.

4. Purpose of performing quarterly rating

To facilitate understanding of the quality (HSF) and delivery time of each supplier and outsourcer, and the fairness of competition among each supplier and outsourcer, the principles of Quality (Q), Cost (C), Delivery (D), Service (S), and Technical (T) are adopted as the basis for performance monitor for assessment and order quantity.

5. Time for performing quarterly rating

Quarterly rating is performed against material and accessory fixture suppliers and outsourcers. Where there are no transactions or no incoming goods in the current quarter, performing quarterly rating in the current quarter is not necessary.

6. Dispositions according to rating results

Suppliers are categorized as automotive and non-automotive suppliers, various supply dispositions of which are determined according their score rating results.

- (1) Automotive suppliers: Where one supplier is rated below 80, the supplier is deemed "Fail." Not improving within the specified time limit, the supplier shall stop its supply of goods.
- (2) Non-automotive suppliers: Where one supplier is rated below 80, the supplier is deemed "Fail." Not improving within the specified time limit, the supplier shall stop its supply of goods.



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

(III) Supplier Management-Advocacy of ESG and Corporate Sustainability to Sigurd’s Suppliers

In order to promote the sustainable development of our suppliers, Sigurd has been periodically and actively communicating our business philosophy, management measures and mechanisms, future strategies and action plans to our suppliers by mail or in specific ways. Recently, Sigurd has been emphasizing sustainable development management principles in the environmental, social and corporate governance areas. Through advocacy and questionnaire surveys, we confirm that our suppliers’ performance meets the requirements of Sigurd’s policies and management mechanisms and measures. The statistics of signing back the “Advocacy Letter of ESG and Corporate Sustainability to Suppliers in Year 2022” from Sigurd’s suppliers:

Advocacy of ESG and Corporate Sustainability to Suppliers in Year 2022		
Number of key suppliers	Number of suppliers signing back	Signing back ratio
114	114	100%

In the future, Sigurd will focus on the supplier’s green management. In addition to customer requirements, the Company gradually requires its suppliers to incorporate measures to conserve electricity and water as well as conduct emission reduction and regular environmental risks assessment. Although the environmental, social and corporate governance principles and related components have been incorporated in the selection and procurement phases, the implementation and continuous improvement mechanisms are even more critical. This includes how to respond to the mainstream trend of climate change and environmental protection, changes in legal requirements, diversified customer requirements, increasingly stringent human rights policies and social responsibility, and the expansion of corporate governance and evaluation over time. Sigurd aims to develop mutual learning with its suppliers and to communicate and work together.





Eleven. Appendix

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

GRI Content Index

Sigurd has reported the information cited in this GRI content index for the period year of 2021 (01/01/2021-12/31/2021) with reference to the GRI Standards.

The following indicators have been verified externally, and the verification results are detailed in the independent assurance opinion statement.

GRI1: Foundation 2021 in use

Applicable GRI Industry Standards: None

GRI 2: General Disclosures 2021

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
The organization and its reporting practices			
2-1	Organizational details	About This Report Two. Corporate Profile	
2-2	Entities included in the organization's sustainability reporting	About This Report Two. Corporate Profile	
2-3	Reporting period, frequency and contact point	About This Report	
2-4	Restatements of information	Four. Environmental Protection Seven. Healthy and Friendly Workplace	
2-5	External assurance	Two. Corporate Profile, III. Governance Framework of the Board of Directors (III) Mechanism for Board of Directors' Supervision over Operation and Sustainable Development Issues Appendix. Verification Statement/ Certificate	



GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
Activities and workers			
2-6	Activities, value chain and other business relationships	Two. Corporate Profile Ten. Supply Chain Management	
2-7	Employees	Five. Recruitment of Diversity, IV. Complete Talent Cultivation (I) Sigurd's Employee Structure	
2-8	Workers who are not employees	Five. Recruitment of Diversity, IV. Complete Talent Cultivation (I) Sigurd's Employee Structure	
Governance			
2-9	Governance structure and composition	Two. Corporate Profile, III. Governance Framework of the Board of Directors	
2-10	Nomination and selection of the highest governance body	Two. Corporate Profile, III. Governance Framework of the Board of Directors	
2-11	Chair of the highest governance body	Two. Corporate Profile, III. Governance Framework of the Board of Directors	
2-12	Role of the highest governance body in overseeing the management of impacts	Two. Corporate Profile, III. Governance Framework of the Board of Directors	
2-13	Delegation of responsibility for managing impacts	Two. Corporate Profile, III. Governance Framework of the Board of Directors	
2-14	Role of the highest governance body in sustainability reporting	Two. Corporate Profile, III. Governance Framework of the Board of Directors (III) Mechanism for Board of Directors' Supervision over Operation and Sustainable Development Issues	
2-15	Conflicts of interest	Two. Corporate Profile, III. Governance Framework of the Board of Directors Nine. Corporate Governance, II. Integrity Management	
2-16	Communication of critical concerns	Nine. Corporate Governance, I. Legal Compliance Nine. Corporate Governance, III. Risk Management	

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
2-17	Collective knowledge of the highest governance body	Two. Corporate Profile, III. Governance Framework of the Board of Directors	
2-18	Evaluation of the performance of the highest governance body	Two. Corporate Profile, III. Governance Framework of the Board of Directors	
2-19	Remuneration policies	Two. Corporate Profile, III. Governance Framework of the Board of Directors	
2-20	Process to determine remuneration	Two. Corporate Profile, III. Governance Framework of the Board of Directors Five. Recruitment of Diversity, II. Remuneration Policy and System	
2-21	Annual total compensation ratio	Remuneration information is confidential and will not be disclosed.	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Letter from the Chairman Letter from the President and Sustainable Development Committee Director General	
2-23	Policy commitments	Three. Climate Change Four. Environmental Protection Five. Recruitment of Diversity Six. Corporate Social Responsibility Seven. Healthy and Friendly Workplace Eight. Innovation Management and Service Quality Nine. Corporate Governance Ten. Supply Chain Management	



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
2-24	Embedding policy commitments	Three. Climate Change Four. Environmental Protection Five. Recruitment of Diversity Six. Corporate Social Responsibility Seven. Healthy and Friendly Workplace Eight. Innovation Management and Service Quality Nine. Corporate Governance Ten. Supply Chain Management	
2-25	Processes to remediate negative impacts	Three. Climate Change Four. Environmental Protection Five. Recruitment of Diversity Seven. Healthy and Friendly Workplace Eight. Innovation Management and Service Quality Nine. Corporate Governance Ten. Supply Chain Management	
2-26	Mechanisms for seeking advice and raising concerns	Three. Climate Change Four. Environmental Protection Five. Recruitment of Diversity Seven. Healthy and Friendly Workplace Eight. Innovation Management and Service Quality Nine. Corporate Governance Ten. Supply Chain Management	
2-27	Compliance with laws and regulations	Nine. Corporate Governance, I. Legal Compliance	
2-28	Membership associations	Two. Corporate Profile, VII. Public Associations	



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
Stakeholder engagement			
2-29	Approach to stakeholder engagement	One. Sustainability Strategy, II. Analysis of Material Topics	
2-30	Collective bargaining agreements	Despite not having a labor union and no collective bargaining agreement executed, the Company holds regular labor-management meetings and has transparent communication channels.	

Material Topics

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
GRI 3 : Material Topics 2021			
3-1	Process to determine material topics	One. Sustainability Strategy, II. Analysis of Material Topics	
3-2	List of material topics	One. Sustainability Strategy, II. Analysis of Material Topics One. Sustainability Strategy, III. References to Material Topics	

GRI 200 : Economic

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
GRI 201 : Economic Performance 2016			
201-1	Direct economic value generated and distributed	Two. Corporate Profile, VI. Operational Performance	
201-3	Defined benefit plan obligations and other retirement plans	Five. Recruitment of Diversity, III. Comprehensive Employee Care and Welfare	
GRI 205 : Anti-Corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	Five. Recruitment of Diversity, I. Human Rights and Labor Relations Nine. Corporate Governance, II. Integrity Management	
205-3	Confirmed incidents of corruption and actions taken	There is no such matter in this year.	



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

GRI 300 : Environmental

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
GRI 302 : Energy 2016			
302-1	Energy consumption within the organization	Four. Environmental Protection, II. Energy and Resource Management	
302-3	Energy intensity	Four. Environmental Protection, II. Energy and Resource Management	
302-4	Reduction of energy consumption	Four. Environmental Protection, IV. Low Carbon Strategies and Action Plans	
GRI 305 : Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Four. Environmental Protection, III. GHG Emissions	
305-2	Energy indirect (Scope 2) GHG emissions	Four. Environmental Protection, III. GHG Emissions	
305-4	GHG emissions intensity	Four. Environmental Protection, III. GHG Emissions	
305-5	Reduction of GHG emissions	Four. Environmental Protection, IV. Low Carbon Strategies and Action Plans	
GRI 308 : Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Ten. Supply Chain Management	



GRI 400 : Social

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
GRI 401 : Employment 2016			
401-1	New employee hires and employee turnover	Five. Recruitment of Diversity, IV. Low Carbon Strategies and Action Plans	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Five. Recruitment of Diversity, III. Comprehensive Employee Care and Welfare	
401-3	Parental leave	Five. Recruitment of Diversity, III. Comprehensive Employee Care and Welfare	
GRI 403 : Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Seven. Healthy and Friendly Workplace	
403-2	Hazard identification, risk assessment, and incident investigation	Seven. Healthy and Friendly Workplace	
403-3	Occupational health services	Seven. Healthy and Friendly Workplace	
403-4	Worker participation, consultation, and communication on occupational health and safety	Seven. Healthy and Friendly Workplace	
403-5	Worker training on occupational health and safety	Seven. Healthy and Friendly Workplace	
403-6	Promotion of worker health	Seven. Healthy and Friendly Workplace	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Seven. Healthy and Friendly Workplace	

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
403-9	Work-related injuries	Seven. Healthy and Friendly Workplace	
403-10	Work-related ill health	Seven. Healthy and Friendly Workplace	

GRI 404 : Training And Education 2016

404-1	Average hours of training per year per employee	Five. Recruitment of Diversity, IV. Low Carbon Strategies and Action Plans	
404-2	Programs for upgrading employee skills and transition assistance programs	Five. Recruitment of Diversity, IV. Low Carbon Strategies and Action Plans	
404-3	Percentage of employees receiving regular performance and career development reviews	Five. Recruitment of Diversity, IV. Low Carbon Strategies and Action Plans	

GRI 414 : Supplier Social Assessment 2016

414-1	New suppliers that were screened using social criteria	Ten. Supply Chain Management	
-------	--	------------------------------	--

Custom Topics

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
GRI 3 : Material Topics 2021			
3-3	Management of material topics	One. Sustainability Strategy Eight. Innovation Management and Service Quality	
Customer Benefits and Service Quality			
Self-defined	Customer Benefits and Service Quality	Eight. Innovation Management and Service Quality	



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
GRI 3 : Material Topics 2021			
3-3	Management of material topics	One. Sustainability Strategy Nine. Corporate Governance, III. Risk Management	
Risk Management			
Self-defined	Risk Management	Nine. Corporate Governance, III. Risk Management	
GRI 3 : Material Topics 2021			
3-3	Management of material topics	One. Sustainability Strategy Nine. Corporate Governance, V. Corporate Operation Continuity	
Business continuity			
Self-defined	Business continuity	Nine. Corporate Governance, V. Corporate Operation Continuity	
GRI 3 : Material Topics 2021			
3-3	Management of material topics	One. Sustainability Strategy Nine. Corporate Governance, IV. Information Security	
Information security			
Self-defined	Information security	Nine. Corporate Governance, IV. Information Security	



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

GRI Standards	Disclosure	Chapter, Section and Content Overview	Page number
GRI 3 : Material Topics 2021			
3-3	Management of material topics	One. Sustainability Strategy Eight. Innovation Management and Service Quality	
Innovation management and sustainable manufacturing			
Self-defined	Innovation management and sustainable manufacturing	Eight. Innovation Management and Service Quality	
GRI 3 : Material Topics 2021			
3-3	Management of material topics	One. Sustainability Strategy Six. Corporate Social Responsibility	
Social participation			
Self-defined	Social participation	Six. Corporate Social Responsibility	



Sustainability Disclosure Topics & Accounting Metrics

	Code	Accounting Metric	2022 Disclosures	Page number
	Greenhouse Gas Emissions			
About This Report	TC-SC-110a.1	1. Gross global Scope 1 emissions 2. Gross global Scope 1 emissions	1. Four. Environmental Protection, III. GHG Emissions 2. None	
Table of Contents	TC-SC-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Three. Climate Change Four. Environmental Protection, III. GHG Emissions Four. Environmental Protection, IV. Low Carbon Strategies and Action Plans	
Letter from the Chairman	Energy Management in Manufacturing			
Letter from the President and Sustainable Development Committee Director General	TC-SC-130a.1	1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewable	Four. Environmental Protection, II. Energy and Resource Management	
Sustainability Strategy	Water Management			
Corporate Profile	TC-SC-140a.1	1. Total water withdrawn 2. Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Four. Environmental Protection, V. Other Environmental Protection Measures	
Climate Change	Waste Management			
Environmental Protection	TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled	Four. Environmental Protection, V. Other Environmental Protection Measures	
Recruitment of Diversity	Employee Health & Safety			
Corporate Social Responsibility	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Seven. Healthy and Friendly Workplace	
Healthy and Friendly Workplace	TC-SC-320a.1	Total amount of monetary losses as a result of legal proceedings associated with employee safety and health violations	There were no fines incurred in 2022 for employee health and safety or monetary losses incurred as a result of judicial proceedings.	
Innovation Management and Service Quality				
Corporate Governance				
Supply Chain Management				



About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Code	Accounting Metric	2022 Disclosures	Page number
Recruiting & Managing a Global & Skilled Workforce			
TC-SC-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	The 2022 Sustainability Report only counts the number and structure of employees in Sigurd's factories in Taiwan.	
Product Lifecycle Management			
TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474-declarable substances	The percentage of non-compliance with IEC 62474 is 0% based on the total sales amount of the product. Sigurd fully complies with the requirements of international regulations as listed in the IEC 62474 material declaration.	
TC-SC-410a.2	Processor energy efficiency at a system level for: (1) servers, (2) desktops, and (3) laptops	The products and services are for wafer packaging and testing, not for end-use products and have no corresponding content.	
Materials Sourcing			
TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	Sigurd does not use minerals from conflict areas for product packaging and testing. Conflict minerals investigations are conducted along the supply chain to ensure that 100% of our products do not use minerals from conflict areas.	
Intellectual Property Protection & Competitive Behavior			
TC-SC-520a.1	Total monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	There were no violations in 2022, and the total related monetary loss was NT\$0.	
Alignment index			
TR-SC-000.A	Total production	Please refer to the 2022 Annual Report, Table of Production Value for the last two years.	
TR-SC-000.B	Percentage of production from owned facilities	In 2022, all Sigurd's products have been manufactured from owned facilities.	



Verification Statement/ Certificate

About This Report

Table of Contents

Letter from the Chairman

Letter from the President and Sustainable Development Committee Director General

Sustainability Strategy

Corporate Profile

Climate Change

Environmental Protection

Recruitment of Diversity

Corporate Social Responsibility

Healthy and Friendly Workplace

Innovation Management and Service Quality

Corporate Governance

Supply Chain Management

Appendix



By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

SIGURD MICROELECTRONICS CORPORATION 2022

Sustainability Report

The British Standards Institution is independent to SIGURD MICROELECTRONICS CORPORATION (hereafter referred to as Sigurd in this statement) and has no financial interest in the operation of Sigurd other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Sigurd only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Sigurd. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Sigurd only.

Scope

The scope of engagement agreed upon with Sigurd includes the followings:

1. The assurance scope is consistent with the description of SIGURD MICROELECTRONICS CORPORATION 2022 Sustainability Report.
2. The evaluation of the nature and extent of the Sigurd's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the SIGURD MICROELECTRONICS CORPORATION 2022 Sustainability Report provides a fair view of the Sigurd sustainability programmes and performances during 2022. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Sigurd and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Sigurd's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Sigurd's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to Sigurd's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 34 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that Sigurd has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Sigurd's inclusivity issues.

Materiality

Sigurd publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Sigurd and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Sigurd's management and performance. In our professional opinion the report covers the Sigurd's material issues.

Responsiveness

Sigurd has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Sigurd is developed and continually provides the opportunity to further enhance Sigurd's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Sigurd's responsiveness issues.

Impact

Sigurd has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Sigurd has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Sigurd's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

Sigurd provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the Sigurd's sustainability topics. However, the future report will be improved by the following areas:

- The organization did not disclose GRI 2-21 Annual Total Compensation Ratio in their sustainability report. It is encouraged that the organization disclose GRI 2-21 in the future to elevate the comprehensiveness and precision of their sustainability report.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the Sigurd's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-792806
2023-09-06

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

BSI Taiwan is a subsidiary of British Standards Institution.

...making excellence a habit.™

Sigurd 2022

Sustainability Report



Solid economic performance, Eco-friendly environment,
Social Responsibility implementation and Sustainable Enterprise Operation.