



# FSP 全漢企業 2021 Sustainability Report





### About this Report

FSP Technology Inc. (hereinafter referred to as “FSP” or “the Company”) has issued the Corporate Social Responsibility (CSR) Report each year since 2014. This report is not only the ninth issue of the CSR Report published by FSP but also the first issue to be published under the title “Sustainability Report.” The scope of the disclosure in this report covers FSP’s performance in various areas, including corporate governance, stakeholder communication, the environment, and social welfare, with the aim of reporting FSP’s CSR practices and achievements from the economic, social, and environmental aspects as well as related strategies and goals to stakeholders.

### Reporting Period, Boundary, and Scope

Reporting period: January 1, 2021, to December 31, 2021

Scope: Financial data include the operating performance of the parent company and its subsidiaries in the financial statements. The boundary of non-financial performance indicators encompasses FSP’s headquarters, Kaohsiung Office, Huili and Fuyong plants in Shenzhen, Wuxi Plant, and Protek Electronics Plant in Dongguan.

The data and figures cited in this report are calculated in the New Taiwan dollar.

### Reporting Principles and Assurance

This report is structured based on the Global Reporting Initiative (GRI) Standards, with topics of concern to stakeholders collected through a wide variety of channels in line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the United Nations Sustainable Development Goals (SDGs). Assessments and data compilation is first conducted by the working group under the Sustainable Development Committee for the purpose of preparing this report before it is submitted to the President for approval and final publication.

The data quality information featured in this report is listed as follows:

Item	Verification, certification or audit
Financial data (using information from annual financial statements)	KPMG Taiwan
ISO 9001 Quality Management Systems ISO 13485 Medical Devices - Quality Management Systems ISO 17025 Testing and Calibration Laboratories	TÜV Rheinland SGS Taiwan Limited
ISO 14001 Environmental Management Systems	
ISO 45001 Occupational Health and Safety Management Systems	
ISO 14064-1 Greenhouse Gas Inventory Management	
IECQ/QC 080000 Hazardous Substance Process Management System	

### Issuance of Report

FSP continues to publish CSR reports on an annual basis since the first issue in 2014. All issues of the CSR report are available on FSP’s official website and the Market Observation Post System (MOPS).

Current issue: Published in September 2022

Previous issue: Published in September 2021

Next issue: To be published in September 2023

Download this report at <https://www.fsp-group.com/tw/CSR.html>

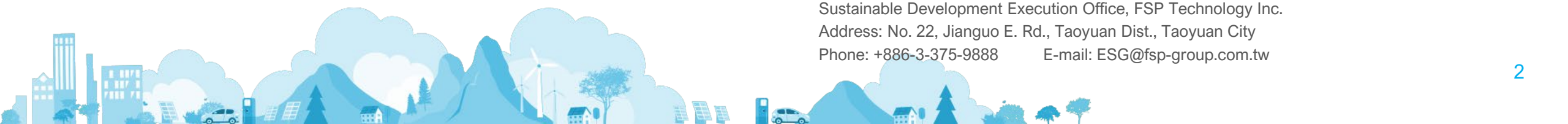
### Contact Information

If you have any recommendations or questions, kindly contact us via any of the following methods:

Sustainable Development Execution Office, FSP Technology Inc.

Address: No. 22, Jianguo E. Rd., Taoyuan Dist., Taoyuan City

Phone: +886-3-375-9888 E-mail: [ESG@fsp-group.com.tw](mailto:ESG@fsp-group.com.tw)





**Innovative services and high-quality products constitute the foundation of growth at FSP.**

With the ESG wave set off in 2021 accelerating sustainable development at FSP, ESG has also become part of everyone's DNA at FSP.

In the future, we will serve our customers with innovative technology solutions, launch a series of health promotion activities with a focus on the mind, body, and soul of everyone at FSP, and fully realize our commitment to ESG in a move towards the boundless potential of sustainable development.





With the COVID-19 pandemic ravaging the world over the past few years, its impact has triggered a seismic change in people's lives, bringing about a shift from group activities with close contact to a system of operations run via remote communication in home isolation. As a major power supply design and manufacturing company in the world, we at FSP have switched the focus of our major products from personal computer products for home use or e-sports at the time when the pandemic began to networking equipment and industrial computer products this year in tune with changes in customer demand over this period. With concerted efforts from everyone at FSP, we have achieved a consolidated operating revenue of NT\$16.65 billion and an earnings per share (EPS) of NT\$4.03 in 2021, a new high in recent years.

Being part of the world's major power supply manufacturers, FSP endeavors to pursue the position of a sustainable enterprise, with the mission of making a better contribution to the world for the common good of all stakeholders. FSP has made great progress in the area of governance with a series of notable actions in 2021. We have not only established the Sustainable Development Committee under our Board of Directors and set up six working groups under this committee in various areas, including corporate governance, responsible supply chain, green operations, green products, happy workplace, and social engagement, but also set up the Risk Committee to strengthen efforts to identify risk issues and discuss solutions for sustainable operations. On top of that, we have introduced a number of management systems based on domestic and international standards for information security (ISO 27001), intellectual property (TIPS), and automotive products (IATF 16949).

Environment-wise, we have incorporated a greenhouse gas inventory (ISO 14064-1) and an energy management system (ISO 50001). With a focus on employee care and care, we have rolled out a range of initiatives on the

social side, including offering lifelong courses, setting up an employee stock ownership trust, and carrying out various sports and health promotion activities, which are of utmost importance to FSP.

FSP Chairman Ya-jen Cheng highlighted during our sports day event in 2021 that the sustainability of a company is a long and arduous effort that requires the utilization of green energy and the cultivation of sports as driving forces as employees need to have a healthy and fit body to complete this infinite effort.

Since our ultimate concern is to ensure that we make the world better, we will continue to invest in green energy, produce green products, and build a green supply chain on the road to sustainability while maintaining our financial performance (EPS) and social responsibility performance (ESG). In the face of threats to the global environment and uneven distribution of education resources, we strive to pursue the common good of the environment and stakeholders through the implementation of carbon-reducing green operations and the incorporation of flipped education activities introduced by Sharestart Educational Foundation. Against the backdrop of a disorderly society and the turbulence of life, we endeavor to build a corporate culture centered on sports-promoting enterprise and friendship programs and rebalance employees' body and mind, with sustainability, common good, and rebalance as the primary themes of future development.

FSP Technology Inc.  
Chairman





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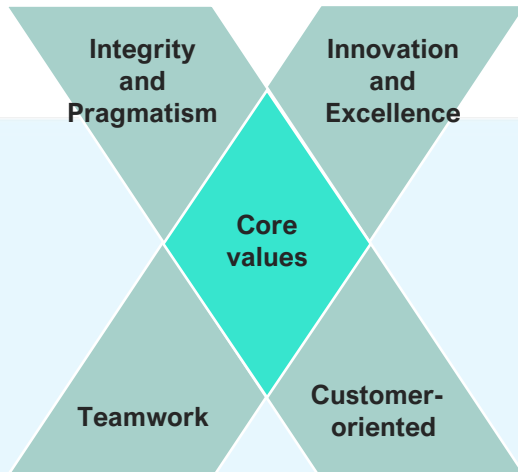
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## Corporate Sustainability Management

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**Mission** Providing the best value to customers, employees and shareholders by our innovative service and high quality products.

**Vision** To be the global leading provider of green energy solutions, touch people's life, contribute to the better environment.





With our mission to “provide the best value to customers, employees, and shareholders with innovative services and high-quality products” and our vision to “become the world’s leading provider of green energy solutions that penetrates people’s lives and contribute to the better environment,” we create the corporate value of sustainability and strive to fulfill our mission and responsibilities for our commitment to shareholders, environmental protection, customer trust, employee care, and social care.

### Commitment to Sustainable Development

Based on the core values of “innovation and excellence,” “customer-oriented,” “integrity and pragmatism,” and “teamwork,” FSP not only gains customer trust and maximizes profits when developing, manufacturing, and selling power-supply-related products, but also makes concerted efforts towards labor, ethics, environmental protection, and occupational safety-related activities that manifest corporate social responsibility.

### FSP’s pursuit of sustainable development policy and commitment to the direction of related tasks:

1. With business ethics being the prerequisite for corporate governance, prohibit child labor, forced labor, and discrimination while respecting employees’ freedom of association and continuously improving employee rights.
2. Ensure that employee appointment, compensation, and benefits comply with government laws and regulations as well as a healthy and safe work environment while continuously improving working conditions and benefits for employees.
3. Comply with the ethical requirements for compliance, conduct business with integrity, and prohibit the act of offering or accepting bribes.
4. Ensure that public disclosure of information about company activities and patenting activities for products or technologies comply with government laws and regulations.
5. Improve manufacturing processes, work environment, and equipment on an ongoing basis to reduce pollutant emissions, energy consumption, as well as safety and health risks.
6. Adopt green design based on the concept of environmental protection, and safety-centric design in product development.
7. Carry out company activities in compliance with environmental protection, safety, and health regulations and related requirements.
8. Enhance operations management and personnel training to eliminate accidents, prevent pollution, and avoid occupational injuries.
9. Provide the greatest support and assistance to activities that are beneficial to the society wherever we can.











In 2015, the United Nations adopted the Sustainable Development Goals (SDGs), which encompass a collection of 17 issues and goals associated with global sustainable development.

After reviewing FSP's core operational capabilities, the Sustainable Development Committee focuses on six SDGs as the key directions for FSP's future development, so that they better align with FSP's operational status.

FSP also fosters continuous improvement based on the Plan-Do-Check-Act (PDCA) cycle in order to achieve economic success, environmental protection, and social progress.





UN SDG and corresponding targets	FSP's core philosophy	Corresponding chapter
<p><b>1 消除貧窮</b></p>  <p><b>SDG 1 No poverty (Target 1.4)</b></p>	<p>Provide appropriate resources to disadvantaged groups on an ongoing basis. Target: Continue to invest resources in social welfare activities each year</p>	<p>6 Love at FSP</p>
<p><b>4 教育品質</b></p>  <p><b>SDG 4 Quality education (Target 4.5)</b></p>	<p>Promote equality and education for all without discrimination, talent cultivation and development, and self-growth among employees. Target: Continue to invest resources in education and care for disadvantaged groups to eliminate learning gaps among these groups. Target: Promote on-the-job online learning courses for employees to enhance their willingness to stay in their jobs.</p>	<p>4.5 Education and Training 6.1 Social Engagement</p>
<p><b>5 性別平等</b></p>  <p><b>SDG 5 Gender equality (Target 5.1)</b></p>	<p>End all forms of discrimination and implement gender equality Target: Ensure gender non-discrimination, workplace equality, and maternity protection in compliance with FSP's code of conduct.</p>	<p>2.5 Ethical Corporate Management 4.2 Protection of Rights</p>
<p><b>12 責任消費與生產</b></p>  <p><b>SDG 12 Responsible consumption and production (Target 12.4)</b></p>	<p>Cut down the use of chemicals and reduce waste generation via various management approaches, including prevention, reduction, and recycling and reuse, to minimize their adverse effects on human health and the environment. Target: Develop a green product management (GPM) system platform to ensure that products and materials comply with regulatory requirements.</p>	<p>5.1 Environmental Management</p>
<p><b>13 氣候行動</b></p>  <p><b>SDG 13 Climate action (Targets 13.1 and 13.3)</b></p>	<p>Maintain a commitment to energy conservation and carbon reduction to enhance FSP's resilience in the face of climate change. Target: Achieve a 50% reduction in total greenhouse gas (GHG) emissions by 2050, with 2010 as the base year for GHG emissions. Target: Achieve 0 days of production interruption caused by climate shocks.</p>	<p>5.2 Climate Change Response and Carbon Management</p>
<p><b>16 和平與正義制度</b></p>  <p><b>SDG 16 Peace, justice and strong institutions (Targets 16.2, 16.6, and 16.b)</b></p>	<p>Establish alliances with upstream and downstream companies for peacebuilding efforts. Target: Promote conflict minerals management and implement human rights and equality. Target: Promote anti-corruption, ethics and integrity, and antitrust practices among companies and suppliers in line with international initiatives.</p>	<p>2.5 Ethical Corporate Management 3.1 Supplier Management</p>





Environmental aspect						
Item	2019	2020	2021	Description	GRI disclosure	Corresponding chapter
<b>Economic value</b>						
Consolidated operating revenue (NT\$ thousands)	14,259,326	14,796,460	16,650,252		201-1	Financial Performance
<b>Number of patents</b>						
Cumulative number of patents granted	529	543	559		N/A	N/A

Environmental aspect						
Item	2019	2020	2021	Description	GRI disclosure	Corresponding chapter
<b>Energy consumption</b>						
Direct energy (diesel) (kiloliter)	44.65	35.64	34.92		302-1	Energy Management
Purchased electricity (kWh)	20,581.26	20,525.44	21,940.92		302-2	Energy Management
<b>Total water consumption</b>						
Global water consumption (million liters)	184.60	194.65	194.02		303-1	Water Resources Management





Environmental aspect						
Item	2019	2020	2021	Description	GRI disclosure	Corresponding chapter
<b>GHG emissions</b>						
Direct and indirect GHG emissions (MtCO2e)	17,509.10	16,802.02	18,110.67	FSP's GHG emissions for each year have passed a third-party verification conducted according to international GHG verification standards (ISO 14064-1).	305-2	Climate Change Response and Carbon Management
<b>Violation of environmental protection laws and regulations</b>						
Number of violations of environmental protection laws and regulations and penalties for such violations	0	0	0		307-1	Legal Compliance
<b>Environmental protection investment</b>						
Environmental protection expenditure (NT\$)	3,634,966	4,014,232	4,131,094		N/A	N/A





Social aspect						
Item	2019	2020	2021	Description	GRI disclosure	Corresponding chapter
<b>Total number of employees</b>						
Global manpower	6,057	6,478	6,166		401-1	Employee Relations
Employee retention rate (%)	84.77	86.72	87.00			Employee Relations
Health examination participation rate (%)	94.15	95.92	97.00			Employee Relations
<b>Human rights management</b>						
Number of discrimination cases	0	0	0		406-1	Protection of Rights
Number of human rights complaints	0	0	0		103-2	
<b>Political contributions</b>						
Amount of political contributions	0	0	0		415-1	GRI Standards Index
<b>Violation of laws and regulations related to the social aspect</b>						
Number of violations of relevant laws and regulations and penalties for such violations	0	0	0		419-1	Legal Compliance
<b>Customer privacy</b>						
Number of customer privacy violation complaints	0	0	0		418-1	Customer Service





## Identification of Material Topics

### Step 1

#### Identify stakeholders

FSP verified the topics of concern to stakeholders at FSP, their level of concern, and the materiality of these topics based on information collected through online questionnaires and discussions held by the Sustainable Development Committee. At the same time, FSP identified six types of stakeholders, namely investors (shareholders), customers, employees, suppliers, government agencies, and the general public.

#### Employees



#### Customers



#### Suppliers



#### Shareholders and investors



#### Government agencies



#### The general public





## Identification of Material Topics

### Step 2 Identify sustainability topics

FSP identified 17 related topics using the GRI Standards published by the Global Reporting Initiative, the ISO 26000 Social Responsibility Guidance, the UN SDGs, the Responsible Business Alliance (RBA) Code of Conduct, and topics of concern to domestic and international sustainability rating agencies (e.g., CDP) as the basis for FSP’s survey on sustainability topics.

#### 6 economic and governance topics (G)

- Risk management
- Supplier management
- Customer service
- Financial performance
- Corporate governance
- Regulatory compliance

#### 5 environmental topics (E)

- Environmental protection
- Climate change and energy management
- Environmental performance
- Product management

#### 6 social topics (S)

- Employee benefits
- Occupational safety and health
- Talent development
- Human rights
- Labor rights
- Code of conduct

### Step 3 Collect key topics

Data were collected and compiled by means of a survey questionnaire to find out the distribution of scores for questionnaire items related to the topics of concern to stakeholders. Key topics were given priority or included in FSP’s annual targets. A total of 247 valid questionnaires were collected over the reporting period.





## Identification of Material Topics

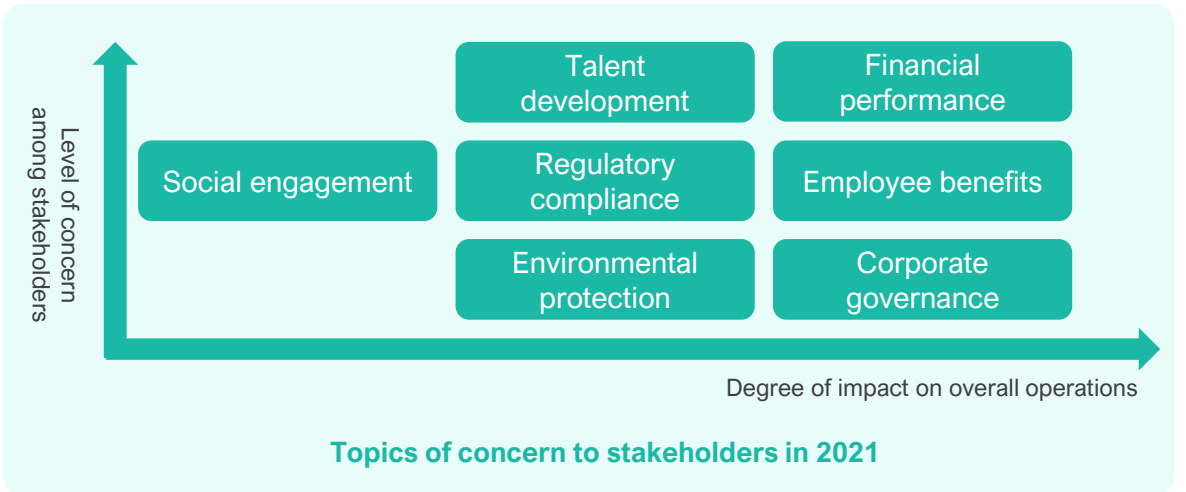
### Step 4

#### Analyze and rank key topics

Taking into account the economic, environmental, and social aspects, FSP collected topics of concern to stakeholders through various means such as questionnaire surveys, interviews, and e-mails, and identified them under controllable management. After rounds of discussion, weights ranging from 1 to 5 points were assigned to these topics based on four impact factors, namely responsibility, influence, responsiveness, and materiality. Then, the degree of impact on FSP (responsibility and influence) and the level of concern among stakeholders for these topics were calculated separately to determine their respective weighted average, and thus obtain the scores of all 16 key topics. A total of seven material topics, namely “financial performance,” “corporate governance,” “regulatory compliance,” “environmental protection,” “talent development,” “employee benefits,” and “social engagement,” were identified based on the results of materiality analysis for 2021. Communication responses for the seven material topics above are included in the following stakeholder engagement table.

By referencing the AA1000 Stakeholder Engagement Standard and taking into consideration international sustainable development trends and operational needs, FSP identified six types of stakeholders, namely investors (shareholders), customers, employees, suppliers, government agencies, and the general public. With a view to bolstering communication with various stakeholders, we have established a wide array of communication channels to not only listen to the voices of various stakeholders and understand their expectations of FSP, but also learn from their advances.

We regularly provide stakeholders with complete, immediate, clear, and accurate information via MOPS, our official website, financial statements, and CSR reports, as well as supplier conferences to collect feedback from them and interact with them, so that we can move forward in leaps and bounds along our journey of continuous improvement.





**Management of Key Topics and Corresponding Responses**

**Employees**



**Communication channel**

- Labor-management meetings
- Company e-newsletters
- Employee Welfare Committee activities and related meetings
- A wide range of education and training programs
- Online questionnaires - anonymous feedback and communication
- Various information and support platforms

**Topic of concern**

- Labor relations
- Employee benefits
- Education and training and talent development
- Employee care

**Communication response (communication performance in 2021)**

- Provided feedback, strategies, and responses through various activities at any time
- Reviewed employees' safety and health at work or in the work environment
- Completed a satisfaction survey for each activity to identify improvements to be made for the next activity
- Contact person: Highest-level manager at the Administrative Division of each plant

**Corresponding SDGs**

SDG 1, SDG 4, SDG 5, and SDG 13

**Communication frequency**

- Quarterly
- Occasional
- Quarterly
- Occasional
- Occasional
- Occasional

**Response method**

- Labor-management meetings and Occupational Safety and Health Committee meetings
- Employee Welfare Committee
- Functional training and internal meetings at various units
- Satisfaction survey questionnaires

**Customers**



**Communication channel**

- Customer satisfaction surveys
- Dedicated contact person
- Official website
- Customer audits
- Supplier conferences and training

**Topic of concern**

- Customer satisfaction
- Financial performance
- Regulatory compliance

**Communication response (communication performance in 2021)**

- Obtained management system certifications for each plant
- Engaged in communication during occasional meetings
- Participated in more than 10 supplier conferences
- Enabled customer inquiries on RBA online / CDP management platform
- Conducted real-time interaction on social network platforms
- Contact method: Customer service hotline: +886-3-3195585

**Corresponding SDGs**

SDG 12

**Communication frequency**

- At least once a year
- Real-time communication via communication software or phone
- Occasional
- Upon customer's request
- Upon customer's request

**Response method**

- Customer audits
- Project meetings and consultation with contact person
- Customer and supplier conferences
- RBA online/CDP management platform
- Interaction with e-commerce communities
- Questionnaires on specific topics





**Management of Key Topics and Corresponding Responses**

**Investors (shareholders)**



**Communication channel**

- Financial statements
- Shareholders' meetings
- News releases
- Official website
- Investor conferences
- ESG reports

**Communication frequency**

- Four times a year
- Once a year
- Occasional
- Occasional
- Occasional
- Once a year

**Topic of concern**

- Financial performance
- Risk management
- Corporate governance

**Response method**

- Regular meetings
- Major announcements
- Investor mailbox
- Investor service hotline

**Communication response (communication performance in 2021)**

- Held one shareholders' meeting, seven board meetings, and two investor conferences
- Participated in the Corporate Governance Evaluation and ranked among the top 21 to 35 percent companies over the reporting period
- Disclosed financial statements, revenue status, and ESG report on FSP's official website in real time
- Contact person and method: Wen-chun Yao, Manager / +886-3-3759888

**Corresponding SDGs**

SDG 13

**Suppliers**



**Communication channel**

- Financial statements
- Supplier conferences
- Supplier platform
- Supplier guidance and audits

**Communication frequency**

- Four times a year
- To be convened when necessary
- Occasional
- Occasional

**Topic of concern**

- Supply chain management
- Financial performance
- Risk management
- Corporate governance

**Response method**

- Supplier audits
- Supplier conferences
- Questionnaires on specific topics
- Project meetings

**Communication response (communication performance in 2021)**

- Conducted audits on suppliers from time to time
- Engaged in communication online during supplier conferences in 2021
- Engaged in communication during project meetings
- Contact person: Highest-level procurement/SQM manager

**Corresponding SDGs**

SDG 12, SDG 13, and SDG 16





**Management of Key Topics and Corresponding Responses**

**Government agencies**



**Communication channel**

- Environmental protection and labor inspections in cooperation with the relevant competent authorities
- Various types of reporting

**Communication frequency**

- Occasional
- According to the specified time

**Topic of concern**

- Regulatory compliance
- Environmental performance
- Occupational safety and health

**Response method**

- Spot checks and visits
- Documentation
- Labor inspections

**Communication response (communication performance in 2021)**

- Engaged in about 10 communication sessions on various issues such as the environment, safety and health, and human resources each year (including spot checks, visits, documentation, and labor inspections)

**Corresponding SDGs**

SDG 12 and SDG 13

**Media**



**Communication channel**

- Media interviews
- Press releases
- Media advertising

**Communication frequency**

- Occasional
- Occasional
- Occasional

**Topic of concern**

- Operations management status and profitability
- Major labor-management or occupational safety incidents
- Social engagement

**Response method**

- Public interviews
- Press releases
- Spokesperson hotline and mailbox

**Communication response (communication performance in 2021)**

- Accepted media interviews and issued press releases
- Contact person and method: Wen-chun Yao, Manager / +886-3-3759888

**Corresponding SDGs**

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## Corporate Governance

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### Commitment to Corporate Governance and Related Strategies

As corporate governance is the foundation of business operations, we are committed to implementing information transparency in corporate governance and use this commitment as our business philosophy formulate integrity-based policies, optimize governance activities through risk control and legal compliance, and safeguard the best interests of our stakeholders.

\*Management approaches to corporate governance over the reporting period

Management objective	Disclose economic performance created by FSP for stakeholders
Policies	Sustainable Development Best Practice Principles, Ethical Corporate Management Best Practice Principles, and Code of Ethical Conduct
Measures	Draw up operational strategies, supervise development directions, and control operating costs through the corporate governance unit to ensure the best economic benefits for shareholders and employees
Responsibility	Corporate governance unit
Resources	Kindly refer to FSP's 2021 Annual Report and Consolidated Statements of Comprehensive Income for more details
Targets	Corporate Governance Evaluation: Rank among the top 5 percent listed companies Corporate Governance Evaluation: Rank among the top 10 percent companies in the NT\$5 billion-to-NT\$10 billion market value category
Evaluation mechanism	Corporate Governance Evaluation
Evaluation results	<ul style="list-style-type: none"> <li>■ Ranked among the top 21 to 35 percent listed companies</li> <li>■ Ranked among the top 6 to 10 percent companies in the NT\$5 billion to NT\$10 billion market value category</li> <li>■ Kindly refer to Section 2.2 Financial Performance for more details</li> </ul>
Communication and grievance channels	Spokesperson mailbox: <a href="mailto:cqe@fsp-group.com.tw">cqe@fsp-group.com.tw</a>





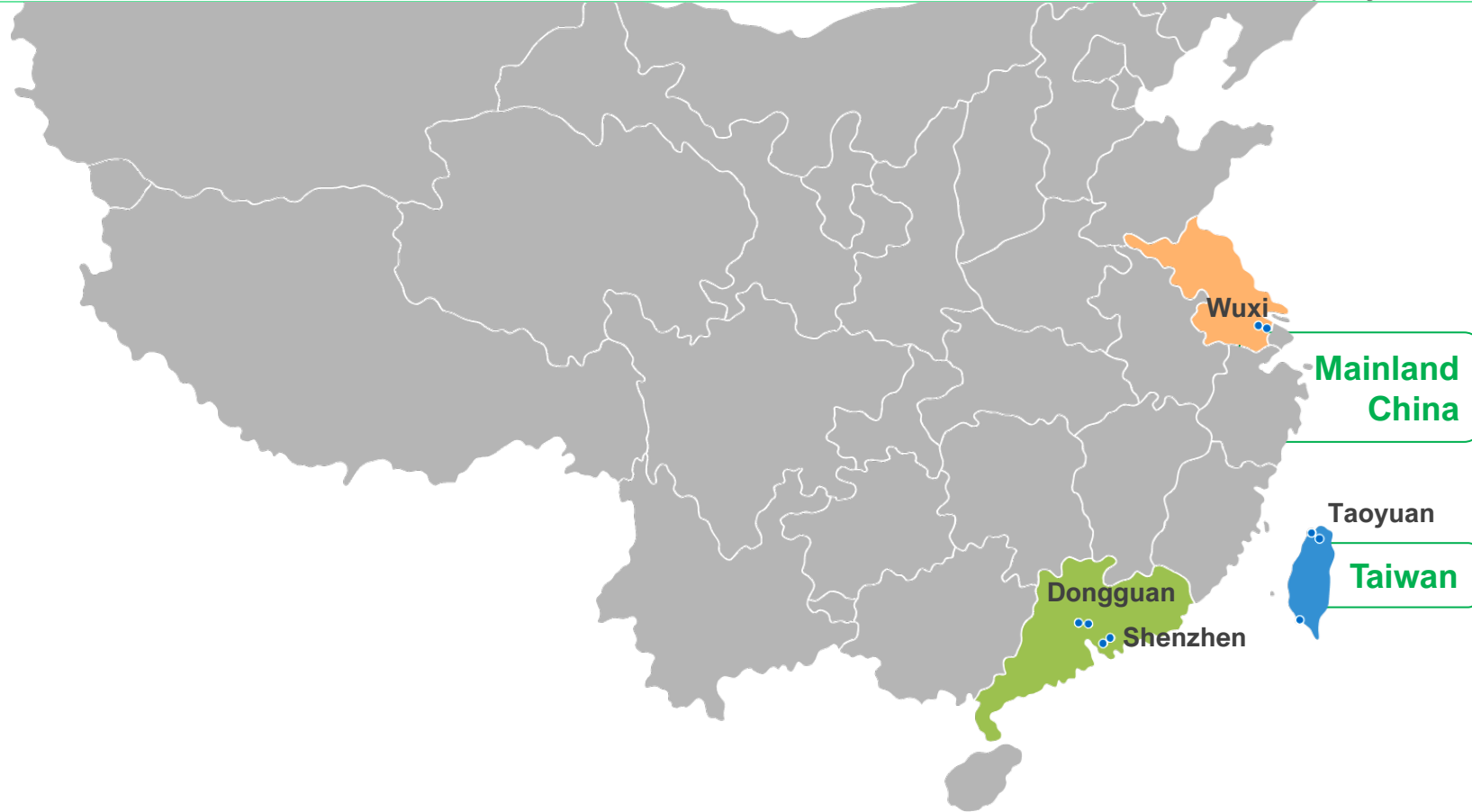
FSP is the world’s leading manufacturer of power supplies. Based on our business philosophy of “service, professionalism, and innovation,” we continue to serve as an all-round green energy solution provider since our founding in 1993. While leveraging our leading position in power supply technology to gain a firm foothold in the area of green energy, we provide competitive, high-quality products, and thus become the most reliable partner for customers, consumers, and suppliers that creates the best value for all.

2021 has been a grueling year for everyone. With the COVID-19 pandemic and the US-China competition changing people’s lives and business operations, numerous meetings and communications have taken place via the Internet, triggering growing demand for network communication equipment, medical devices, as well as home entertainment and fitness equipment. Furthermore, supply chain disruptions and changes have also posed a significant challenge to manufacturers’ scheduling capabilities.

With our positioning that focuses on ultra-high efficiency, long life, and new energy through the development of advanced technologies, we inject our long-accumulated R&D capabilities in power supply technology into even more applications, covering forward-looking products in various areas such as information and communications technology, consumer electronics, industrial technology, lighting, medical technology, and new energy technology.

Company name	FSP Technology Inc.
Number of employees	6,166 employees
Capital	NT\$1.87 billion
Date of incorporation	April 15, 1993
Chairman	Ya-jen Cheng
Operational headquarters	No. 22, Jianguo E. Rd., Taoyuan Dist., Taoyuan City, Taiwan (R.O.C.)
Primary business	Design, manufacture, and trading of various electronic products such as power supplies
Major products	ODM or OEM power supply, PC PSU, adapter, open frame, IPC PSU, medical PSU, SSL PSU, TV PSU, PV inverter, UPS, and energy storage system
Location of operations	Worldwide





Production Bases



Huili Plant



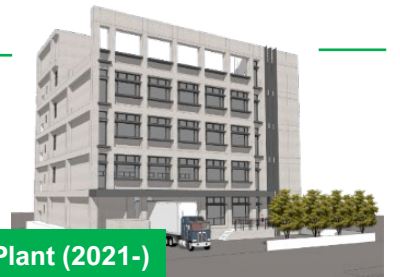
Fuyong Plant



Dongguan Plant



Wuxi Plant



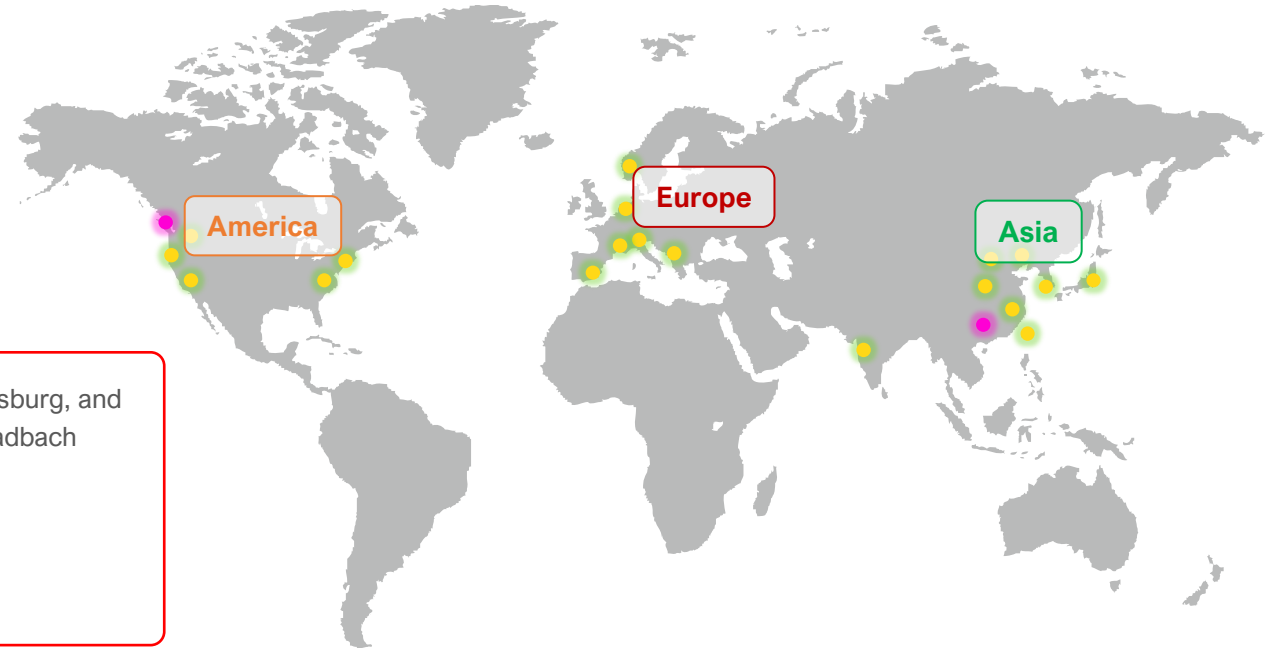
Taiwan Plant (2021-)





### Global Presence

In order to stay close to our customers around the world and provide zero-day, localized express services, we have chosen strategic partners in 15 countries across Asia, Europe, and America and set up branch offices and after-sales service centers in these locations to learn about local customers' needs and provide high-quality customer service.



#### America

**U.S.A.** / Fremont, Irvine, Los Angeles, and Chino

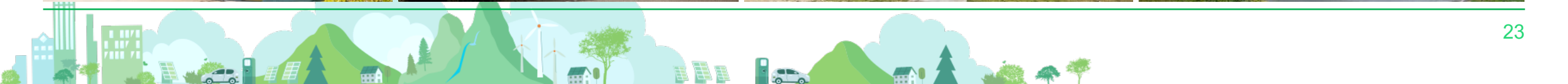
#### Asia

**Taiwan** / Taoyuan and Kaohsiung  
**Hong Kong** / Kowloon  
**China** / Shenzhen, Shanghai, Wuxi, and Beijing  
**South Korea** / Seoul  
**Japan** / Tokyo  
**India** / Bangalore

#### Europe

**Germany** / Willich, Augsburg, and Mönchengladbach  
**England** / London  
**France** / Paris  
**Russia** / Moscow  
**Türkiye** / Istanbul  
**Sweden** / Stockholm

- Sales office
- RMA service center





In 2021, FSP recorded a consolidated operating revenue of NT\$16,650,252 thousand, a 13% increase from NT\$14,796,460 thousand in 2020, and a basic earnings per share after tax of NT\$4.03.

### Income, Expenditure and Profitability Analysis

Item	Year	2021	2020	Percentage of increase (decrease)
<b>Income and expenditure</b>	Operating revenue	16,650,252	14,796,460	12.53%
	Gross profit	2,424,205	2,063,548	17.48%
	Net profit after tax	801,279	692,075	15.78%
<b>Profitability analysis</b>	Return on assets (%)	4.00	4.11	(2.68%)
	Return on equity (%)	6.30	6.72	(6.25%)
	Ratio of net profit before tax to paid-in capital (%)	51.30	49.88	2.85%
	Profit margin (%)	4.81	4.68	2.78%
	Earnings per share (NT\$)	4.03	3.55	13.52%

Unit: NT\$ thousands; %





With a commitment to establishing a sound corporate governance structure in order to maintain the sustainability of the Company, FSP has set up various organizations, including the Board of Directors, the Remuneration Committee, the Audit Committee, the Nominating Committee, and the Sustainable Development Committee, aimed at ensuring that mutual supervision as well as checks and balances are put in place for all procedures. The operations of the organizations above are carried out in accordance with the Rules of Procedure for the Board of Directors, the Remuneration Committee Charter, the Audit Committee Charter, the Nominating Committee Charter, and the Sustainable Development Committee Charter, respectively.

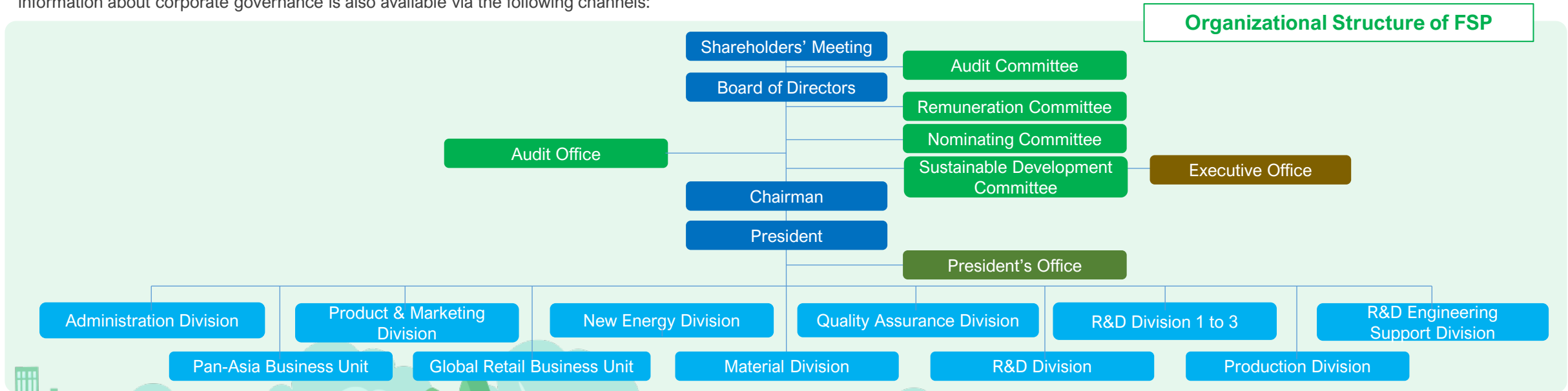
Information about corporate governance, including organizational structure, the education and professional background of corporate governance members, the positions in which they concurrently serve in other companies and the Board of Directors, corporate governance-themed training and further education courses they attended, the operations of functional committees, and contact methods, has been disclosed in this year’s annual report. Real-time information about corporate governance is also available via the following channels:

### Information Disclosure Channels

Market Observation Post System  
<https://mops.twse.com.tw> (Stock Code: 3015)

FSP’s Official Website / Investors > Corporate Governance  
<https://www.fsp-group.com/tw/CorporateGovernance.html>

FSP’s Official Website / ESG  
<https://www.fsp-group.com/tw/CSR.html>





### Board of Directors

The Board of Directors serves as the highest governance unit and the center of major business decision-making at FSP. The 10th Board of Directors at FSP consists of 10 directors, including three independent directors. The Remuneration Committee, the Audit Committee, the Nominating Committee, and the Sustainable Development Committee have been established and placed under the Board of Directors. These 10 directors are professionals in corporate management as they possess a wealth of knowledge and professional backgrounds in business management.

With a view to enhancing the independence and diversity of the Board of Directors and enabling the Board of Directors to play the role of a strategic guide, the composition of FSP's Board of Directors takes into full consideration various abilities, including the ability to make operational judgments, the ability to perform accounting and financial analysis, the ability to conduct business management, the ability to conduct crisis management, knowledge of the industry, international market perspective, the ability to lead, and the ability to make decisions, in accordance with the Procedures for Election of Directors and the Corporate Governance Best Practice Principles. The Board of Directors shall meet at least once a quarter to help FSP achieve good business performance, while the Chief Auditor shall sit in on regular board meetings and present audit reports. Important resolutions passed by the Board of Directors are announced in real time on MOPS and FSP's official website. In 2021, a total of seven meetings were convened by FSP's Board of Directors, with an attendance rate of 100% among the board members.

### Mechanism for Preventing Conflicts of Interest

FSP's Rules of Procedure for Board of Directors' Meetings includes a director recusal clause, which stipulates that a director or a juristic person represented by a director, who is an interested party with respect to any agenda item, shall state the important aspects of the interested party relationship at the respective meeting; when the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

### Members of the Board

Title	Name	Major education and professional background
Chairman	Ya-jen Cheng	College of Engineering, Tatung University / Chairman, FSP Technology Inc.
Vice Chairman	Chung-shun Wang	Feng Chia University / Vice Chairman, FSP Technology Inc.
Director	Fu-an Yang	Feng Chia University / Vice President, FSP Technology Inc.
Director	2K Industries Inc. (BVI)	-
	Representative: Po-wen Wang	Bachelor of Arts (Economics), U.C. Berkeley
Director	Datazone Limited	-
	Representative: Hsiu-yin Chu	Master of Life and Death Studies, Nanhua University
Director	Kuang-chun Chen	LeeMing Institute of Technology
Director	Jr-wen Huang	Master's degree, Saint Louis University Supervisor, Touch Cloud Inc.
Independent Director	Shou-hsiang Liu	PhD in Economics, National Taiwan University Associate Professor, Ming Chuan University Research Fellow, Chung-Hua Institution for Economic Research Chairman and President, Ta Hua Investment Trust Independent Director, Hwatai Bank Co., Ltd.
Independent Director	Chia-jiun Cheng	Master of Business Administration, National Chengchi University President, Digital United Telecom Co., Ltd.
Independent Director	Cheng-hung Hsu	Bachelor of Physics, Tamkang University President, Unitech Printed Circuit Board Corp.



### Audit Committee

The Audit Committee is fully composed of independent directors. The main purpose of this committee is to oversee the following matters, aimed at ensuring the Company’s operations comply with the relevant government laws and regulations as well as various practices.

- I. Fair representation of the Company’s financial statements.
- II. Appointment, dismissal, independence, and performance of certified public accountants (CPAs).
- III. Effective implementation of internal controls at the Company.
- IV. The Company’s compliance with relevant laws and regulations.
- V. The Company’s control of existing or potential risks.

With a view to maintaining an effective internal control system, the Audit Committee regularly listens to or reviews reports on auditing operations from internal auditors, and also regularly evaluates the independence of CPAs to ensure honest and upright accounting, audit, and financial reporting.

In 2021, a total of six meetings were convened by FSP’s Audit Committee, with an average attendance rate of 100% among the committee members.

### Members of the Audit Committee

Title	Name
Independent Director	Shou-hsiang Liu
Independent Director	Chia-jiun Cheng
Independent Director	Cheng-hung Hsu

### Remuneration Committee

The Remuneration Committee, which is also fully composed of independent directors, assists the Board of Directors in evaluating and improving the compensation and remuneration system for directors and managers at FSP. This committee evaluates the compensation and remuneration policies and systems for directors and managers at FSP in a professional and objective manner and makes recommendations to the Board of Directors as a reference for decision-making. In 2021, a total of two meetings were convened by FSP’s Remuneration Committee, with an average attendance rate of 100% among the committee members.

### Members of the Remuneration Committee

Title	Name
Independent Director	Shou-hsiang Liu
Independent Director	Chia-jiun Cheng
Independent Director	Cheng-hung Hsu

### Nominating Committee

In order to align with the development direction of corporate governance and enhance the operational functions of the Board of Directors, the Board of Directors passed a resolution to establish the Nominating Committee in November 2021. This committee shall be responsible for formulating the requirements for directors and senior executives and the criteria for their independence, as well as identifying, reviewing, and nominating candidates for directors and senior executives accordingly; establishing and developing the organizational structure of the Board of Directors and various committees, carrying out performance evaluation for the Board of Directors, various committees, individual directors, and senior executives, as well as evaluating the independence of the independent directors; drawing up and regularly reviewing further education plans for directors and succession plans for directors and senior executives; and reviewing and revising FSP’s Corporate Governance Best Practice Principles.

In 2021, one meeting was convened by FSP’s Nominating Committee, with an average attendance rate of 100% among the committee members.

### Members of the Nominating Committee

Title	Name
Independent Director	Chia-jiun Cheng
Independent Director	Shou-hsiang Liu
Independent Director	Cheng-hung Hsu
Chairman	Ya-jen Cheng



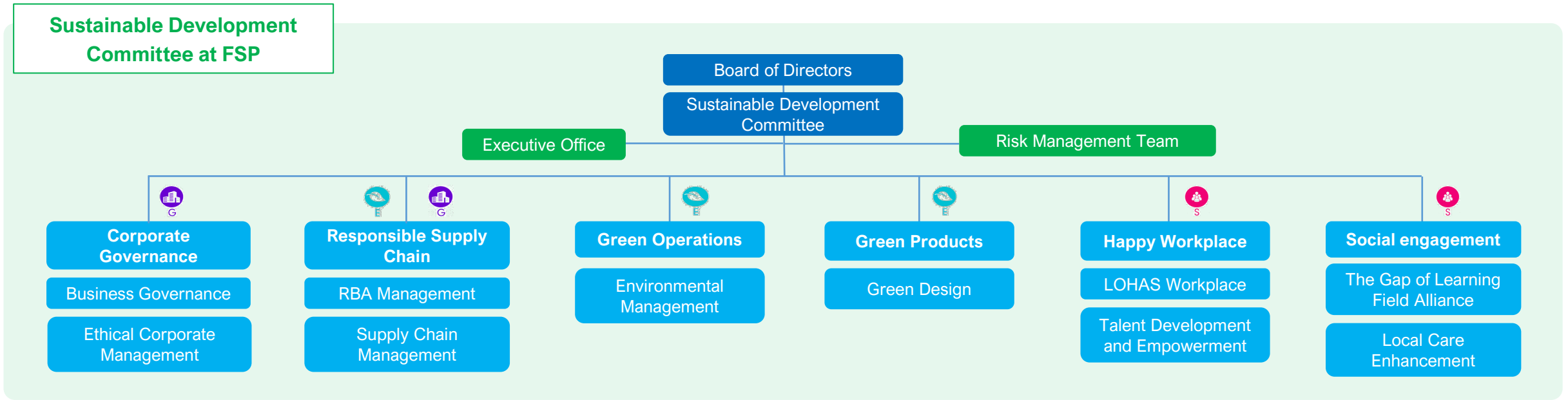
### Sustainable Development Committee

In March 2021, FSP established the Sustainable Development Committee in an effort to fulfill CSR, attach great importance and respond to topics of concern to stakeholders from the environmental, social and governance aspects, and realize the goal of sustainable development. This committee, under which the Executive Office is set up and placed, is tasked with launching and promoting corporate sustainability work and management while reporting the annual implementation of sustainable development to the Board of Directors on a regular basis.

### Members of the Sustainable Development Committee

Title	Name
Chairman	Ya-jen Cheng
Independent Director	Shou-hsiang Liu
Independent Director	Chia-jiun Cheng
Independent Director	Cheng-hung Hsu

### Sustainable Development Committee at FSP





Aside from facing the internationalization of scale of operations, coupled with the growing impact and challenges arising from changes in the global economic environment, FSP first established the Sustainable Development Committee in 2021 before setting up the Risk Management Team in 2022, with the intention of building a sound risk governance organization and management mechanism. In the process of realizing future strategic goals concerning risk management, FSP attempts to control outcomes arising from various types of uncertainties within the expected acceptable range, so as to ensure and facilitate the realization of the organization’s overall interests.

After reviewing the characteristics of our businesses and operations, we have placed the following types of risk under our control:

- I. Market risk
- II. Operational risk
- III. Supply chain risk
- IV. Compliance risk
- V. Environmental risk
- VI. Human resource risk
- VII. Other risks

Each risk management unit shall formulate the necessary management procedures, with reference to the types of risk above, the description of such risks, and their corresponding risk management units and control mechanisms, according to its powers and responsibilities. Each risk management unit shall regularly adjust its control mechanism in line with changes in the internal and external operating environments. In case of any major risk, each risk management unit shall report the risk to the Board of Directors.

### Scope of Risk Management





**Types of Risk Management and Corresponding Responses:**

	Market	Operations	Suppliers
<b>Type of risk</b>	<ul style="list-style-type: none"> <li>• Political and economic risk</li> <li>• Industry risk</li> </ul>	<ul style="list-style-type: none"> <li>• Operational risk</li> <li>• Financial risk</li> <li>• Internal control risk</li> <li>• Intellectual property risk</li> <li>• Information security risk</li> <li>• Public relations risk</li> <li>• Investment risk</li> </ul>	<ul style="list-style-type: none"> <li>• Suppliers</li> </ul>
<b>Response method</b>	<ul style="list-style-type: none"> <li>• While keeping a watchful eye on important policies and laws at home and abroad, we carry out risk control through our business units and locations around the world and formulate corresponding countermeasures. As of the publication date of this report, no changes in policies or laws have caused a material impact on our finances and businesses.</li> <li>• Technology-wise, we are moving towards power supplies of smaller sizes, higher efficiency, and enhanced functions; industry-wise, we are undergoing a shift from labor-intensive manufacturing to automation in line with manufacturing trends. We continue to bolster our research and development (R&amp;D) efforts directed at high value-added products.</li> <li>• We master key technologies and components while fulfilling our commitment to technology R&amp;D and product innovation in an effort to enhance our competitiveness.</li> <li>• Project teams at FSP make strategic investments in upstream and downstream sectors to create opportunities for additional revenue.</li> </ul>	<ul style="list-style-type: none"> <li>• We carry out strict control over changes in exchange rates and interest rates, regularly evaluate our capital position, and maintain our net foreign currency holdings within a specific limit to minimize the impact of interest rate and exchange rate fluctuations on the Company.</li> <li>• We continue to implement insurance protection measures by taking out accounts receivable insurance to minimize credit risks.</li> <li>• We keep abreast of tax laws and regulations around the world, continue to sustain good communication with tax professionals in various regions with which we cooperate, and maintain an appropriate tax structure to minimize tax risks.</li> <li>• With the intention of expanding manufacturing capacity and diversifying regional manufacturing risks, we have built a new plant in Taiwan, which began operations in 2021.</li> <li>• We have instituted the Internal Control System and various procedures such as the Procedures for the Acquisition and Disposal of Assets and the Procedures for Loaning of Funds and Endorsements/Guarantees, where significant capital expenditures for the acquisition or disposal of assets have to be submitted to the Audit Committee and the Board of Directors for review and approval.</li> <li>• We have appointed a stock transfer agency to handle shareholder affairs, designated spokespersons, set up communication channels for external stakeholders, and built an official website to disclose information about our finances, businesses, products, and corporate governance.</li> <li>• We implement and manage our patents and intellectual property rights with respect to various businesses and purchases in order to prevent disputes over infringement or counterfeiting.</li> <li>• We have equipped our systems with various security measures, such as firewall and antivirus software, and set up a complete antivirus mechanism while carrying out virus detection on a regular basis. Aside from launching the ISO 27001 Information Security Management System to implement information security and strengthen disaster prevention, notification mechanism, anomaly management, and backup, we also conduct information security training and awareness campaigns to enhance the concept of information security among employees, realize information security risk management, and ultimately safeguard our business achievements.</li> </ul>	<ul style="list-style-type: none"> <li>• The R&amp;D unit plans the acquisition of alternative materials in the design stage. A supplier management system has also been set up to minimize supply chain disruption risks. At the same time, we keep track of the status of our global operations in various areas, such as shipments, inventory, purchase orders, and working capital, using a real-time information system, and sets corresponding alert indicators.</li> </ul>





**Types of Risk Management and Corresponding Responses:**

	Legal compliance	Environment and safety	Human resources	Others
<b>Type of risk</b>	<ul style="list-style-type: none"> <li>● Compliance risk</li> <li>● Legal risk</li> </ul>	<ul style="list-style-type: none"> <li>● Environmental risk</li> <li>● Process risk</li> </ul>	<ul style="list-style-type: none"> <li>● Human resource risk</li> <li>● Work environment risk</li> </ul>	<ul style="list-style-type: none"> <li>● Other types of risk</li> </ul>
<b>Response method</b>	<ul style="list-style-type: none"> <li>● When dealing with issues related to legal relations, contract review, and intellectual property rights, we carry out careful review and evaluation to control subsequent legal risks.</li> <li>● We implement the values of ethical corporate management and create an ethical corporate culture by instituting the Ethical Corporate Management Best Practice Principles and the Regulations Governing Ethical Conduct for Employees, with a view to guiding employee conduct to meet ethical standards, thereby preventing them from engaging in illegal conduct and enhancing corporate governance.</li> <li>● We conduct regular legal training to raise and enhance employees' legal risk awareness, so that employees comply with the relevant laws and regulations when engaging in business activities. This move also reduces transaction risks, prevents and controls transaction risks in advance, and ensures that our actions are legal and in line with the promotion and full implementation of corporate governance.</li> </ul>	<ul style="list-style-type: none"> <li>● We have set up the Occupational Safety Department and the Occupational Safety Committee as required by the law to promote and obtain the ISO 45001 certification, enhance occupational health management, and bolster employee health management, occupational disease prevention, and health control, with a view to improving employees' physical and mental health.</li> <li>● Kindly refer to Section 5.2 Climate Change Response and Carbon Management for more details on the financial risks and opportunities arising from climate change.</li> <li>● We organize two fire drills each year and carry out regular equipment inspections on an annual basis.</li> <li>● We have established the Epidemic Prevention Team, which immediately activates the relevant measures and responses in the event of an infectious disease outbreak.</li> </ul>	<ul style="list-style-type: none"> <li>● With the aim of stimulating employees' potential and nurture high-quality talents, FSP's Human Resources Department formulates annual plans, which cover various areas including corporate culture, professionalism, competencies, internal talents, and e-learning systems, according to our operational needs along with theory and practice.</li> <li>● We strengthen labor-management communication channels to promote harmonious labor relations.</li> <li>● We enhance the management, implementation, and supervision of personnel recruitment channels, employee qualification review, as well as education and training.</li> </ul>	<ul style="list-style-type: none"> <li>● We draw up emergency response plans and conducts regular drills to strengthen our personnel's response capabilities and prevent sudden or unforeseen natural disasters from affecting our operations and causing financial burden.</li> <li>● We prevent the risk of significant loss caused by fraudulent conduct, such as misappropriation or embezzlement of company resources by employees, according to the relevant provisions stipulated in the Regulations Governing Whistleblowing and Grievances.</li> </ul>





### Ethics and Integrity

Ethical corporate management is the most fundamental social responsibility for a company, which is conducive to the company's business operations and long-term development. FSP has put in place ethical corporate management-related policies and regulations approved by the Board of Directors, which expressly prohibit the acceptance of any improper benefits or any unethical and illegal conduct when engaging in business activities. At the same time, FSP reviews, adjusts, and revises these policies and regulations from time to time based on changes in external rules and regulations and internal supervision of the implementation of such policies and regulations, so as to ensure the concrete implementation of the ethical corporate management policy.

### Ethical Corporate Management Best Practice Principles and Its Implementation

We have instituted our own Ethical Corporate Management Best Practice Principles in accordance with the Corporate Governance Best Practice Principles, the Sustainable Development Best Practice Principles, the Ethical Corporate Management Best Practice Principles, the Code of Ethical Conduct, the Regulations Governing Ethical Conduct for Employees, and the RBA Code of Conduct. This set of principles encompasses ethical engagement in business activities, anti-corruption, anti-fraud, anti-money laundering, anti-discrimination and anti-harassment, antitrust, enhancement of employee relations, prohibition of gifts and entertainment, protection of customer privacy, prohibition of intellectual property infringement, anti-bribery practices, management of information security and political participation, and strict adherence to the principle of recusal due to conflict of interest.

- In 2021, no violations of the principles above were reported as FSP strictly adhered to these principles.
- FSP's employees attended business ethics training with a 100% completion rate.

### Whistleblowing Channel

In order to implement whistleblowing channel management, FSP has established the Rules of Procedure for Whistleblower Channels and Protection System, aimed at safeguarding the legitimate rights and interests of whistleblowers and counterparties. Whistleblowing cases are handled in an appropriate and confidential manner and investigated by the Audit Office. Full protection is provided to whistleblowers, where the identity of the whistleblower and the content of the whistleblowing case are kept strictly confidential.

Whistleblowing mailbox: [whistleblower@fsp-group.com.tw](mailto:whistleblower@fsp-group.com.tw)

Results of the information survey conducted via various ethics complaint channels in 2021: No relevant complaints were received.





We consider ourselves to be a law-abiding company as we take compliance with various laws and regulations very seriously. Each year, we conduct internal training from time to time with the intention of reiterating various ethical standards such as business ethics and employee code of ethical conduct. In addition, we have been offering monthly corporate culture courses since 2017 to implement our core values and principles of integrity and pragmatism.

Our customers are located all over the world while our operations are scattered across three continents. In order to ensure that our operations comply with laws and regulations in various countries and avoid losses caused by violations of laws and regulations, we have long been keeping a watchful eye on changes in various policies or laws that may have a significant impact on our operations.

With the intention of ensuring that we, along with our employees, observe laws and regulations in various countries when performing their duties, we notify the relevant departments of the latest regulatory developments so that they can be implemented across the Company. Moreover, we have formulated the relevant policies and regulations required by different laws and regulations, whose content includes but is not limited to personal data protection, environmental protection, intellectual property protection, information security protection, labor protection, confidentiality obligation, anti-corruption, anti-discrimination, anti-insider trading, anti-unfair competition, and conflict minerals management. Sustainable development-related activities are also promoted by FSP.

In an effort to ensure the implementation of ethical corporate management, FSP has established effective accounting and internal control systems. Internal auditors regularly inspect the status of compliance with the aforesaid systems, while the Administration Division implements the Employee Code of Ethical Conduct in daily management. On top of that, FSP promotes ethical corporate management in senior management meetings, implements ethical corporate management at various departments, and organizes supplier conferences on a regular basis to promote the rules and regulations for ethical corporate management.





Having been dedicated to power supply research for more than two decades, FSP has been granted a host of patents covering the entire power supply industry, including personal computer power supplies, industrial computer power supplies, redundant power supplies, adapters, LED power supplies, television power supplies, uninterruptible power supplies, solar inverters, and medical power supplies. We continuously invest in R&D resources to keep providing cutting-edge technologies and design solutions and assist customers in launching their products quickly and successfully so that they can gain the upper hand in today's intensely competitive market environment.

As we attach great importance to intellectual property rights, the Legal Affairs and Intellectual Property Department, a dedicated unit in charge of related matters, has been set up in our organizational structure. With systematic management and incentive measures in place, FSP has achieved great results in the accumulation and management of intellectual property. At the same time, FSP expects to incorporate the Taiwan Intellectual Property Management System (TIPS) in 2022 and build an intellectual property management system by means of process management, with a view to integrating the characteristics of intangible assets in intellectual property with our operational goals and existing operations processes and converting them into our system. Moreover, FSP has also combined various intellectual property-related processes and connected individual processes with each other to form a systematic, comprehensive management process.

We continue to expand our patent map for various technologies to ensure all-round protection of our R&D achievements. Over 550 patents have so far been obtained by FSP in various countries, which not only bolsters efforts to protect our intangible assets and competitive edge, but also enhances our corporate value and brand image. On top of that, FSP requires suppliers to provide intellectual property warranties for the parts and components they supply. This move aims to ensure that suppliers do not infringe on the intellectual property rights of other parties, thereby effectively minimizing infringement risks facing FSP and customers.





In an effort to fulfill the concept of corporate sustainability, FSP actively participates in regional initiatives and organizations, with hopes of uniting the strength of the industry, promoting industry exchanges, and meeting non-profit organizations' and society's expectations.

Name of association or organization participated by FSP
Taipei Computer Association
Taiwan Lighting Fixture Export Association
Taiwan Battery Association (TBA)
Taiwan Investor Relations Institute (TIRI)
Taoyuan City Industrial Association
Manufacturers Association Of Gueishan Industry Area
Chinese Human Resource Management Association (CHRMA)



# 3

## Partnerships

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### Sustainable Management

FSP’s business philosophy is to create a win-win situation with suppliers and customers. Having adhered to the concept of long-term cooperation with our suppliers for decades, we engage in business dealings with more than 400 suppliers each year, where a majority of them have conducted business transactions with us for over 10 years. At the same time, we have also established a fair, open, and reasonable trading platform for our suppliers, with a view to giving good suppliers the opportunity to join FSP via this method. In addition, FSP can also take a fair view of each manufacturer’s actual performance in terms of product (P), quality (Q), cost (C), delivery (D), and service (S).

### Evaluation Criteria

As stipulated in the General Rules for Compliance Statement attached to the procurement contract signed with suppliers, FSP requires suppliers to observe the RBA Code of Conduct in compliance with the Regulations Governing Supplier Management. Specifically, this provision encompasses the requirements and expectations for suppliers in relation to environmental, safety and health risks, prohibition of child labor, labor management, basic labor rights for a hazard-free work environment, ethical standards, and ethical corporate management based on the screening criteria for environmental protection, human rights, safety, health, and sustainable development.

In line with the Sustainable Development Roadmap, FSP has set up a supplier audit team under the Responsible Supply Chain Team, which is charged with selecting and auditing suppliers as well as providing them with guidance, so that FSP can inculcate sustainability requirements into the daily management of supply chains on the basis of cooperation.

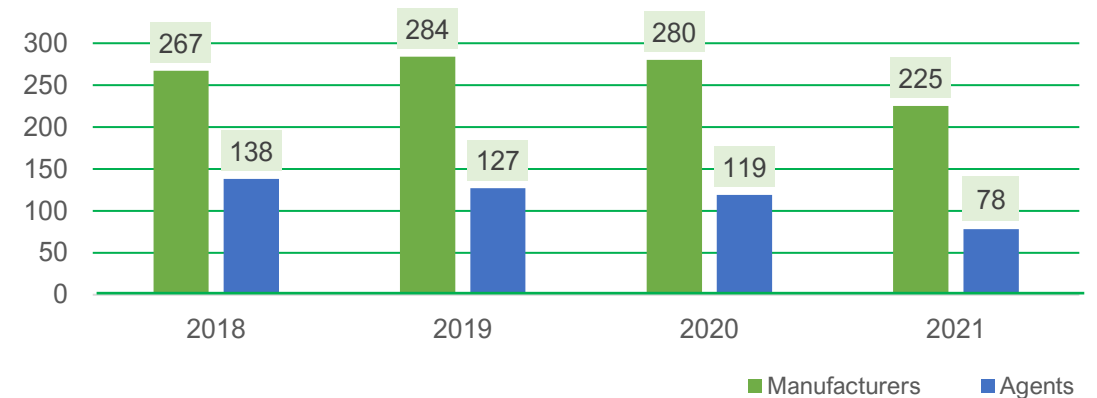
FSP’s suppliers are required to comply with the following procedures.

Supplier evaluation	Supplier Code of Conduct, ISO 9001 Quality Management Systems, ISO 45001 Occupational Health and Safety Management Systems, and ISO 14001 Environmental Management Systems.
Supplier audit	FSP has established an audit team to track the progress of improvements made in response to suppliers’ deficiencies, jointly improve quality and technologies, reinforce environmental, safety and health performance, and incorporate automation aimed at increasing production capacity.

### Management Systems

In 2008, we established the i-Supplier Portal (iSP) platform for the purpose of enhancing information transparency, so that suppliers can understand our future needs and those of our customers. FSP’s suppliers can access this platform via external links and obtain relevant information such as FSP’s requirements, which can be used as the basis for production preparation. In other words, this platform has replaced manual operations in the past, which not only reduces manpower utilization, but also realizes the creation of paperless processes.

In addition to formulating control standards and managing procurement contracts, FSP has also constructed the Green Product Management (GPM) platform in 2012, which enables the management and mastery of regulatory requirements, specifications for various industry categories, and customer specifications using an information management system. On this platform, product conformity is verified based on environmental engineering data analysis and interpretation conducted using real-time information provided by suppliers. As this platform operates based on the existing QC 080000 Hazardous Substance Process Management System, it can minimize the incompleteness of manual data control, and thus reduce duplicate data and operating time.





In an effort to practice sustainable development and environmental protection while respecting international human rights, we avoid using illegally mined metals as raw materials for our products and in our production processes. Therefore, we have expressed our concerns about the issue of conflict minerals to suppliers and issued a statement requiring suppliers not to use conflict minerals. We also carry out qualified mine investigations on suppliers based on the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) published by the Responsible Minerals Initiative (RMI) (Note: EMRT has been replaced by the Cobalt Reporting Template (CRT) in March 2022). At the same time, suppliers are required to ensure that the raw materials they use do not lead to conflict minerals disputes.

In 2020, FSP launched investigations based on the Cobalt Reporting Template (CRT) to ensure that human rights management is in line with international standards, thereby demonstrating responsible due diligence.

#### **Conflict Minerals Policy:**

FSP does not support and use “conflict minerals” mined in conditions of armed conflict and from illegal and inferior mining environments. In addition, FSP requires suppliers to investigate whether their products contain gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica (Mica), and verify the sources of these minerals, with the aim of fulfilling corporate social responsibility.

FSP’s Conflict Minerals Policy has also been disclosed on our official website and is regularly promoted at supplier meetings.





We attract customers with our profound capabilities in power supply management solutions and green energy solutions to jointly develop next-generation energy-saving products. For instance, we continue to develop 3000W power supplies with 80 Plus high efficiency and PMBus function for communication applications. At the same time, we also actively participate in international exhibitions, such as Hannover Messe and COMPUTEX Taipei to engage in close interaction with customers and promote our latest energy-saving products and innovative technologies, with a view to helping customers enhance their product competitiveness.

### Customer Satisfaction Survey

We regard satisfying customer needs as our primary mission and improving service level beyond customer expectations as our sustainability philosophy. At the same time, we develop products and service solutions from customer’s point of view to meet customer requirements. Each year, we conduct customer satisfaction surveys on a regular basis, covering a number of items such as new product development capabilities, product reliability, market reputation, sales contact, order delivery, product specifications and technology offerings, timeliness of customer complaint handling, RMA analysis, and green compliance, which are further classified into four categories, namely “product quality,” “sales,” “technical service,” and “green regulations.” FSP’s customer satisfaction scores from 2018 to 2021 are illustrated in the following figure. In the future, FSP will improve customer satisfaction in “technical capabilities” among R&D personnel and “customer service and technical service,” so as to become a long-term trusted partner for customers.

### Customer Communication and Protection of Confidential Information

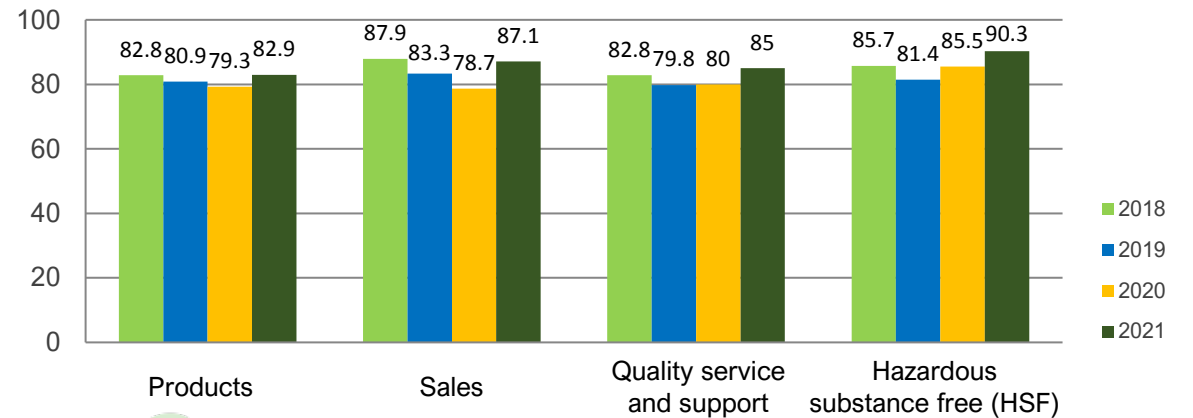
As far as customer complaint handling is concerned, we not only offer a wide array of customer communication channels, such as our official website, service hotline, and e-mail, but have also put in place a complaint handling mechanism to handle complaints in a proper and prompt manner.

FSP also treats customer data as confidential information. In order to protect the specifications of products purchased by customers, FSP keeps track of customers’ product information using the Oracle system based on the principle of fair and reciprocal trade, so that their privacy are properly safeguarded. No breaches of customer privacy or personal data leaks that cause damage to customer rights were reported at FSP in 2021.

### Maintenance and Customer Service

In an effort to equip maintenance personnel with more comprehensive professional capabilities, FSP has set up an RMA system to gather information, such as product technical data, engineering opinions, product accident analysis, and professional maintenance experience, and provide them to maintenance personnel as reference and for communication purposes. Furthermore, we engage in effective interaction with customers based on customer information provided on our customer relationship management (CRM) system to learn about customer needs in advance, thereby increasing sales opportunities and exceeding customer expectations.

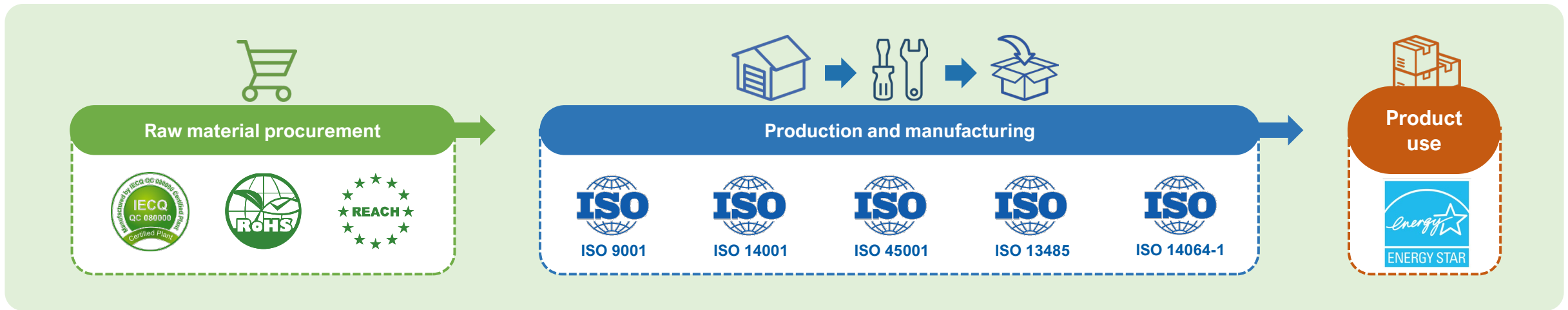
### Customer satisfaction score





Quality assurance is one of the necessary elements in customer commitment. With the extension of environmental protection and management to products in recent years, FSP began engaging in system construction and obtaining certifications in 2001, with a view to complying with ISO standards. Specifically, FSP has successfully obtained a host of certifications, including ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems, ISO 45001 Occupational Health and Safety Management Systems, QC 080000 Hazardous Substance Management System, ISO 14064-1 Greenhouse Gas Inventory Management, and ISO 13485 Medical Devices - Quality Management Systems while being committed to the RBA Code of Conduct.

While promoting the Plan-Do-Check-Act (PDCA) cycle, we regularly audit and evaluate our investments in appropriate resources to implement a quality management system for medical devices and an environmental, safety and health management system.



# 4

## Employee Relations

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The key to our success lies in mutual trust and respect that have been built among our employees, along with our openness to feedback and recommendations. FSP’s welfare systems have been instituted based on the main principles of “taking care of employees” and “enhancing employees’ well-being,” with the aim of creating a work environment where employees can fully showcase their expertise and innovation. On the other hand, FSP also provides a diverse range of training programs, complete employee benefits, health management, and flexible communication channels for employees to look after their body and mind, thereby achieving an optimal balance between work and life.

\*Management approaches to employees over the reporting period

Management objective	Ensure that employee recruitment, labor conditions, labor rights, and work environment are protected and good labor relations are fostered
<b>Policies</b>	Corporate Social Responsibility Best Practice Principles, Corporate Governance Best Practice Principles, Regulations Governing Establishment of Internal Control Systems by Public Companies, and Corporate Culture Manual
<b>Measures</b>	Develop a system to protect employee rights based on the fundamental principles of compliance with laws and regulations; track employees' current status through regular performance evaluation and provide them with assistance to ensure that their rights are not undermined; and create operational benefits through harmony based on various negotiation and communication mechanisms such as e-mail and labor-management meetings.
<b>Responsibility</b>	Human Resources Department, Administration Division
<b>Resources</b>	Manpower: Human Resources Department, Administration Division Funds: Compensation, insurance, and training fees
<b>Targets</b>	Employee retention rate: 87% Annual health examination participation rate: 97%
<b>Evaluation mechanism</b>	Corporate Governance Evaluation, labor contract, and Occupational Safety and Health Act
<b>Evaluation results</b>	<ul style="list-style-type: none"> <li>■ Employee retention rate - 2019: 84.77%; 2020: 86.72%; <b>2021: 87%</b></li> <li>■ Annual health examination participate rate - 2019: 94.15%; 2020: 95.92%; <b>2021: 97%</b></li> </ul>
<b>Communication and grievance channels</b>	“I Have Something to Say” under the Early Intervention Program (EIP), ethical violation mailbox, and sexual harassment complaint mailbox





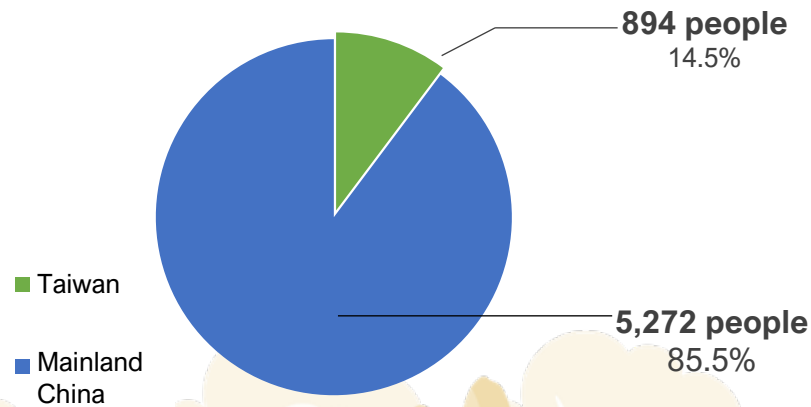
### Employee Overview

In order to achieve sustainable development, FSP recruits employees based on personnel needs in various positions across the Company in full compliance with relevant local laws and regulations. FSP guarantees human rights for employees and fulfills corporate social responsibility while continuously making improvements and successively passing the requirements and certifications of the world's largest manufacturers. As of the end of 2021, FSP has a total of nearly 7,000 employees worldwide, who are primarily distributed across Taiwan and Mainland China.

The distribution of employees at FSP is presented and illustrated in the following tables and figures:

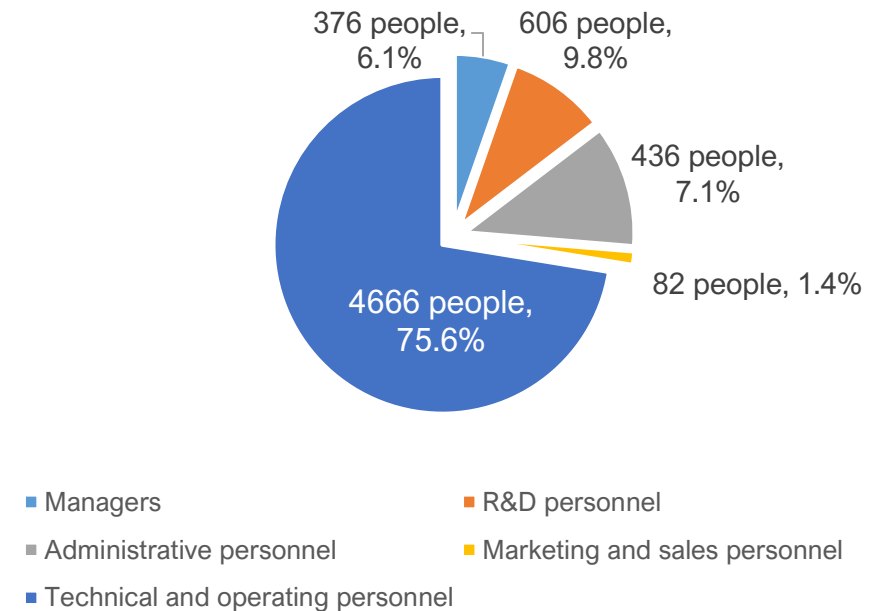
#### Employee distribution by region in 2021

Region	Percentage
Taiwan	14.5%
Mainland China	85.5%



#### Employee distribution by position in 2021

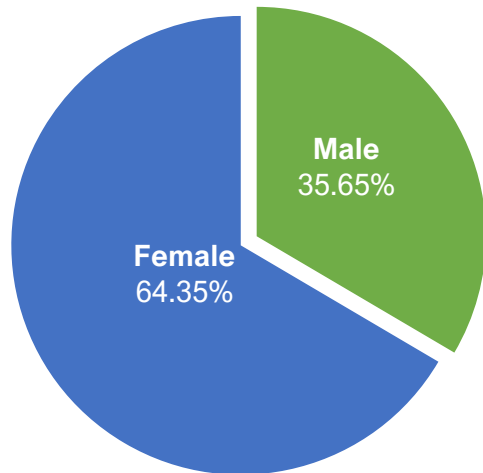
Position	Percentage
Managers	6.1%
R&D personnel	9.8%
Administrative personnel	7.1%
Marketing and sales personnel	1.4%
Technical and operating personnel	75.6%





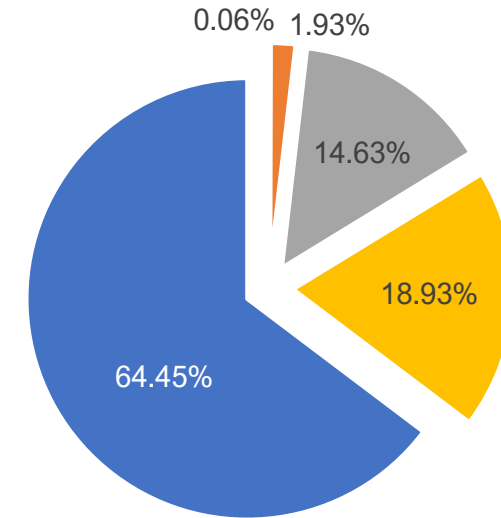
Employee distribution by gender in 2021

Gender	Percentage
Male	35.65%
Female	64.35%



Employee distribution by education level in 2021

Education level	Percentage
PhD	0.06%
Master's degree	1.93%
Bachelor's degree	14.63%
High school	18.93%
Below high school	64.45%



- PhD
- Master's degree
- Bachelor's degree
- High school
- Below high school





### Welfare System

Employee compensation and remuneration are provided in compliance with applicable compensation laws and regulations as well as the relevant local laws and regulations, including minimum wage and benefits required by law, differentiated compensation strategies based on an individual's potential, future value, and performance, and various types of insurance to be taken out for new employees from the day they report for duty (e.g., labor insurance, health insurance, group insurance, and labor pension based on the system). At the same time, FSP carries out salary and compensation surveys in the industry from time to time, and makes salary adjustments based on overall company operations, individual performances, and government policies.

While conducting performance evaluation each year, FSP has also set up various types of incentive programs and a performance bonus and dividend system to not only recognize and reward outstanding employees, but also attract, retain, and motivate them. To ensure that employees can work with peace of mind, we not only offer various benefits and makes pension contributions, but also maintain an employee stock ownership trust and make fixed contributions to our incentive fund as a reward for our employees, with the intention of retaining outstanding talents at FSP.

As employees are the most important assets for a company, FSP provides group insurance, travel insurance, and health examinations, as well as organizes various health promotion activities to protect employees' safety at work and in life. The benefits provided by FSP are listed as follows:

Category	Description
<b>Insurance and retirement</b>	Labor insurance, health insurance, and labor pension, as implemented in accordance with the relevant laws and regulations
<b>Profit sharing</b>	Year-end bonuses, subscription of new shares, employee dividends, and employee stock ownership trust
<b>Cash gifts</b>	Cash gifts for three major festivals, birthday cash gifts, wedding cash gifts, transport allowance and subsidies, childbirth subsidies, wedding and funeral subsidies, and hospitalization subsidies
<b>Medical insurance</b>	Free group insurance (including accident and medical insurance) for employees and their dependents, health examinations, and health center
<b>Activities</b>	Club activities, sports day, family day, employee raffle, discounts for affiliated stores, movie appreciation, stress relief courses, and festival activities
<b>Emergency aid</b>	To be provided according to situation
<b>Reading</b>	Regular subscriptions to various kinds of books, magazines, and newspapers
<b>Other benefits</b>	Five-day work week, flexible working hours, free meals, birthday meals, senior staff recognition, blind massage service, proposal rewards, project bonus, patent bonus, special leave for new employees, and prepaid employee travel subsidy
<b>Public facilities</b>	Café, cafeteria, dormitory, breastfeeding room, gymnasium, and indoor scooter parking lot



### Fair Workplace

In order to realize our core values and sustainability vision, FSP is committed to observing labor regulations at various sites and meeting international standards, including but not limited to the prohibition of forced labor and child labor, privacy, wrongful termination and employment, and discrimination. On top of that, FSP has also instituted various rules and regulations to protect employee rights and promote physical and mental health among employees, so that employees can showcase their capabilities, grow with FSP, and become a happy employee at FSP.

### FSP's Human Rights Policy

With the aim of fulfilling corporate social responsibility, FSP, as a corporate citizen in the electronics industry that complies with the RBA commitment, protects the basic human rights of all employees while supporting and respecting the principles of international human rights conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the United Nations International Labor Organization. As such, we eliminate any human rights violations and abuses, and clearly disclose that we treat all employees justly, fairly, and respectfully.

Our human rights policy is applicable to the entire company and all our operating locations for the purpose of compliance with laws and regulations concerning labor and gender equality in corresponding areas. FSP has also formulated relevant human rights protection and labor policies while implementing relevant measures.

FSP's human rights policy is detailed as follows:

### Diversity, Inclusion and Equal Opportunities

FSP provides employees with a gender-equal and diverse work environment, and does not discriminate on the basis of age, gender, physical or mental disability, race, religion, political affiliation or pregnancy status in compliance with the principles of openness and fairness. FSP eliminates all forms of forced labor and employment discrimination, prohibits harassment, respects privacy, and endeavors to create a work environment with equal opportunities, dignity, safety, equality, and freedom from discrimination and harassment.

### Prohibition of Child Labor and Human Trafficking

FSP does not hire child labor and prohibits human trafficking in compliance with local minimum age laws and regulations.

### Compliance with Minimum Wage Standards

FSP provides employees with minimum wage and benefits that meet or exceed the minimum requirements stipulated in local laws and regulations.

### Reasonable Working Hours

Working hours at FSP do not exceed the maximum requirements stipulated in local laws and regulations. FSP also monitor and manage employees' attendance on a regular basis.

### Healthy and Safe Workplace

Having attached great importance to workplace safety and health, FSP expects employees to work in a healthy, safe, humane, and caring environment while having a healthy body and mind at the same time. Each factory at FSP aims to build a safe and healthy workplace with zero occupational accident.





### Freedom of Association

FSP respects employee rights. Employees are free to form associations and establish a wide variety of clubs and societies. We also actively encourage our employees to participate in clubs and societies.

### Labor-management Negotiation

FSP holds regular labor-management meetings and provides a diverse range of communication channels for employees to promote company policies, systems, welfare measures, and various activities. At the same time, employees are allowed to fully express their opinions, with responses and assistance provided in a timely manner, so as to realize adequate communication and effective problem solving, in hopes of creating a happy enterprise together with employees.

### Parental Leave

With a view to addressing childcare and breastfeeding issues encountered by employees, FSP, in consideration of the health of female employees, pregnant women, postpartum and breastfeeding female employees and their fetuses and infants, stipulates that employees with at least one year of service at FSP may apply for unpaid parental leave up to a maximum of two years before their children reach the age of three years old in accordance with the law. With this provision, we hope to ensure that each female employee at FSP can work with peace of mind while FSP continues to run sustainably and healthily.

Gender	Number of employees on parental leave	Reinstatement and retention rate
Male	0	0%
Female	4	25%

### Healthy Workplace

As the saying goes, “people are the most important assets for FSP.” As we care about our employees’ physical and mental health, as well as workplace environment and health-related issues, we draw up labor health service plans each year while providing workplace medical services and on-site health consultation services. In addition, FSP also hires doctors to conduct health surveys, perform analysis, and propose recommendations for the purpose of formulating relevant disease prevention measures.

After identifying abnormal health examination indicators, such as obesity, high cholesterol, and abnormal liver function, based on FSP’s annual health examination data, we draw up disease prevention plans and launch health promotion activities, such as individual interviews, consultations, and health guidance, health talks, blood donation and vaccination drives, and four major labor health protection programs. Health cases are divided into high risk, medium risk, and low risk for management purposes. Employees under care are required to make regular follow-up visits for tracking purposes according to risk level. Moreover, FSP promotes the healthy workplace self-certification program on a regular basis each year.

FSP helps employees acquire the correct health knowledge through the development of exercise habits to achieve the goal of reducing the three highs (i.e., high blood pressure, high cholesterol, and high blood sugar) and abdominal obesity. This goal has also been set as the target of next year’s health promotion activities, so as to effectively keep track of employees’ health status and thus push forward health promotion activities.

While establishing the Employee Assistance Program (EAP), FSP has also set up the Heart Station in collaboration with the Teacher Chang Foundation, aimed at caring for employees’ mental health. The Heart Station provides psychological counseling via various means, including telephone consultation, e-mail consultation, quarterly mental health seminars, and monthly soul column, thus serving as a favorable outlet for emotions.

On the prevention of epidemic or infectious diseases in Taiwan, we have established or revised our epidemic prevention standards with respect to the epidemic situation or the infectious diseases announced by the Ministry of Health and Welfare, with the intention of facilitating compliance among all employees and meeting regulatory requirements.



Talents are forever the key to a company’s success and sustainability. Our key objective has always been to provide favorable labor conditions and a good work environment, in hopes that employees can do their best and showcase their capabilities, thereby becoming important partners for our steady growth when experiencing a balanced development of work and quality of life. When carrying out occupational safety and health operations and audits, FSP creates fixed forms in accordance with the law, carries out risk assessments in a comprehensive manner on a regular basis, and provides the necessary risk coefficients. Hence, FSP is able to effectively identify high-risk operation items, and then carry out risk prevention and control to ensure that operating personnel can effectively minimize assumption of risk.

● **Open Communication/Grievance Channels**

While respecting employees’ freedom of association and right to intimate association as granted by law, we are committed to providing them with smooth channels of communication, in hopes of integrating all our resources and employee feedback, and thus making improvements to address internal deficiencies. Therefore, FSP has instituted the Regulations Governing Communication Management and the “I Have Something to Say” event, which are fully disclosed on our internal website.

New employees will be invited to participate in a newcomer care event titled “Listen to Your Voice” three months after they reported for duty at FSP. In this event, new employees are given the opportunity to express their thoughts through exciting interactive games and anonymous exchange of positive and negative opinions.

As of 2021, no complaints of child labor, gender discrimination, racial discrimination or other forms of discrimination were reported at FSP. On the other hand, FSP also conducts regular and occasional meetings, such as labor-management meetings, routine departmental meetings, and cross-departmental process sharing meetings, so that both FSP and employees can engage in two-way exchange of opinions and brainstorm ideas that serve as a basis for improvements and providing a better work environment and more favorable working conditions.

Any specific incident that requires changes to existing labor relations will be coordinated and handled by FSP in accordance with legal procedures at home (both the Labor Standards Act and the Enforcement Rules of the Labor Standards Act in Taiwan) and abroad.





FSP has established the Labor Safety Department and the Occupational Safety Committee in accordance with the relevant laws and regulations. At the same time, FSP has promoted the ISO 45001 Standard and obtained the ISO 45001 certification, which assists in the implementation of various programs using the PDCA cycle. In addition, FSP truly carries out various laws and regulations, including the Occupational Safety and Health Act and the Enforcement Rules of the Occupational Safety and Health Act, the Rules for Occupational Safety and Health Facilities, the Labor Inspection Act and the Enforcement Rules of the Labor Inspection Act, the Hazardous Work Place Review and Inspection Regulations, the Operational Directions on Strengthening Occupational Safety and Health Management, the Labor Standards Act and the Enforcement Rules of the Labor Standards Act, and the Safety and Health Facilities Standards, for the purpose of continuous improvement. Aside from providing new employees with pre-employment labor safety and health training, FSP also conducts safety and health training courses, fire protection workshops and fire drills, as well as annual inspections on a regular basis.

As we attach great importance to environmental, safety and health management as well as continuous improvement, we have established the Occupational Safety Committee in accordance with the relevant laws and regulations. This committee convenes occupational safety and health meetings on a quarterly basis to discuss safety and health-related matters, including safety and health programs, education and training programs, contractor management, hazard prevention management, and health promotion. As required by law, labor representatives account for at least one-third of the committee members, thus enabling this committee to serve as a channel of communication between the management and employees on safety and health issues.

As regards occupational accident management, FSP has long been committed to the goal of “zero accident.” Hence, FSP requires all occupational accidents, including unforeseen incidents and traffic accidents, to be reported and fully investigated along with the necessary improvements according to the occupational accident handling mechanism, so that the same dangers do not occur again. Moreover, FSP also prepares publicity materials and disseminate them to all employees via e-mail to enhance their understanding of safety and health concepts.

In 2021, a total of seven accident cases were reported at our Taoyuan headquarters, with no significant increase in the number of occupational injury cases observed compared to the previous year. As traffic accidents during commute accounted for a majority of the aforesaid accident cases, FSP continues to raise safety awareness among employees from time to time, with a view to minimize the possibility of repeat accidents.

Statistics on occupational injuries			
	Male	Female	Total
Number of occupational injury cases	2	5	7
Working hours lost	0	653.5	653.5

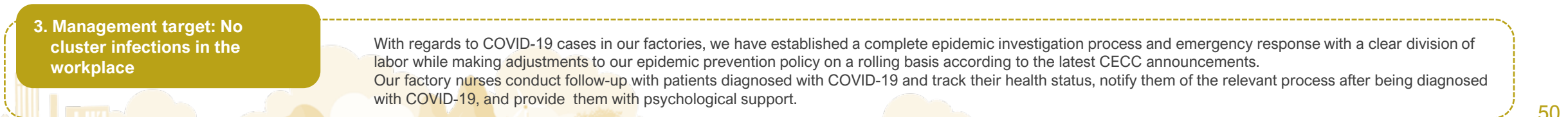
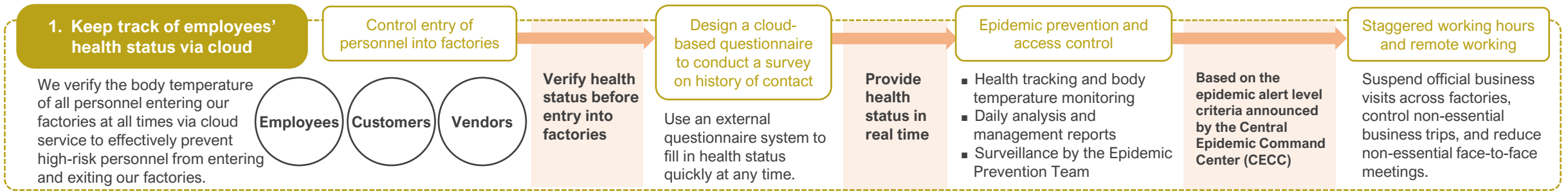




### Safeguarding Our Employees in the Fight Against COVID-19

In the face of the ravaging COVID-19 pandemic that began in 2020, the President’s Office, the Administration Division, and the Labor Safety Department at FSP jointly set up the Epidemic Prevention Team, which was responsible for epidemic prevention and control measures and emergency response-related matters. The Epidemic Prevention Team was also tasked with comprehensively reviewing the deployment of manpower and material resources required for epidemic prevention and making timely announcements on epidemic prevention and control measures at FSP, so as to ensure effective control of the epidemic, protect workers’ health, and maintain normal operations and production at FSP.

### Implementing Risk Management in Epidemic Prevention to Protect the Health of Our Employees and Contractors





As learning is the driving force for success, FSP is fully committed to talent development and self-growth among employees.

FSP plans a wide variety of training courses according to job positions, job grades, and actual needs, aimed at bolstering employees' professional knowledge, skills, and expertise and meeting the needs of employees in different countries and regions, such as enhancing employee skills, core competencies, and leadership skills, and thus improving work performance. These training courses include pre-employment and on-the-job training for new employees, general knowledge training, internal and external professional training, EMBA program for senior executives, in-service education, and group training. We endeavor to create a free and diverse learning environment, which not only enables employees to develop their own learning plans, but also encourages them to learn actively and achieve their ambitions. As a result, employees will make a commitment to personal career development, pushing them to learn more at work and in life and continuously improve and bolster their skills in the process.

The various types of training mentioned above are detailed as follows:

#### ● **New Employee Training**

When new employees report for duty, we arrange an orientation to introduce our company, management rules and regulations, and system operations. At the same time, we also organize an occupational safety and health awareness session and conduct internal professional training at various units, so that new employees can learn at first hand their rights are treated fairly and respectfully, quickly assimilate into our organizational culture, shorten their adaptation period, and strive to showcase their capabilities.

#### **Pre-employment training:**

Pre-employment training encompasses an introduction to FSP's systems, compensation and benefits, corporate culture, managers, environment, and other relevant rules and regulations. At the same time, information about labor safety and health as well as group insurance is also provided during pre-employment training.

#### **On-the-job training:**

One-on-one mentoring is adopted during on-the-job training at the unit new employees are assigned to, with the intention of guiding them to quickly adapt to the work environment and job content, and establish relationships with other employees across departments.

#### **Newcomer camp:**

Each year, a team program for new employees is conducted to build camaraderie among new employees across departments, thus injecting greater vitality into the organization and increasing retention rate.

#### **Care event for new employees - "Coffee Break":**

Mentors and new employees engage in exchanges with each other, in hopes that new employees can express their thoughts and opinions on FSP and their current job positions with an open mind via relaxed interaction, which can be used as a reference for subsequent improvement and refinement at FSP.





### ● Professional Training

FSP provides various types of professional training according to the needs of different units or customer requirements, such as R&D, quality assurance, marketing, sales, finance, human resources, procurement, and general affairs, in order to meet demand for professional competencies.

#### R&D competency training:

With the intention of improving the professional capabilities of R&D personnel, FSP has developed and planned a series of power electronics courses, which are taught by internal lecturers, so that R&D personnel can master technologies in this field in the shortest possible time and apply them to their work.

#### Outsourced training:

FSP outsources training based on courses required to supplement the content of various jobs. This type of training enables employees to absorb new knowledge on an ongoing basis, thereby achieving continuous development of skills and techniques and realizing innovation.

#### Internal training:

FSP coordinates and plans relevant internal training courses to not only assist employees in improving their work performance, but also meet the standards required by their respective department and the Company.

### ● Specialized Training

FSP plans a diverse range of theoretical and practical training courses for senior executives and R&D professionals to enhance the professional skills they require for career growth.

#### EMBA program for senior executives:

FSP conducts senior executive training twice a year on a regular basis to develop an international outlook in response to changes in global trends.

#### Sharing sessions with senior executives:

FSP's corporate culture is passed down to employees through experience sharing sessions with senior executives.

#### Corporate culture promotion:

As the dissemination and promotion of corporate culture is a long-term process, over 10 department heads at FSP have come up with a story-based and simplified course design to communicate the complex and abstract concept of corporate culture, so that all employees can not only easily understand and accept FSP's corporate culture, but also identify with it.





● **Self-Development Training**

**In-service education:**

In an effort to train the talents required by FSP and encourage employees to uphold the spirit of lifelong learning, FSP provides employees with assistance in order for them to pursue education degrees and credits.

**Internal lecturer system:**

FSP has a lecturer training system in place and provides lecturers with financial incentives for courses developed according to their areas of expertise. In addition, FSP continues to train employees with specialization to serve as internal lecturers.

**Reading group:**

With a view to cultivating a reading culture among employees, employees are encouraged to form reading groups with like-minded people at FSP so that they can learn from others and exchange ideas with each other.

**Self-learning:**

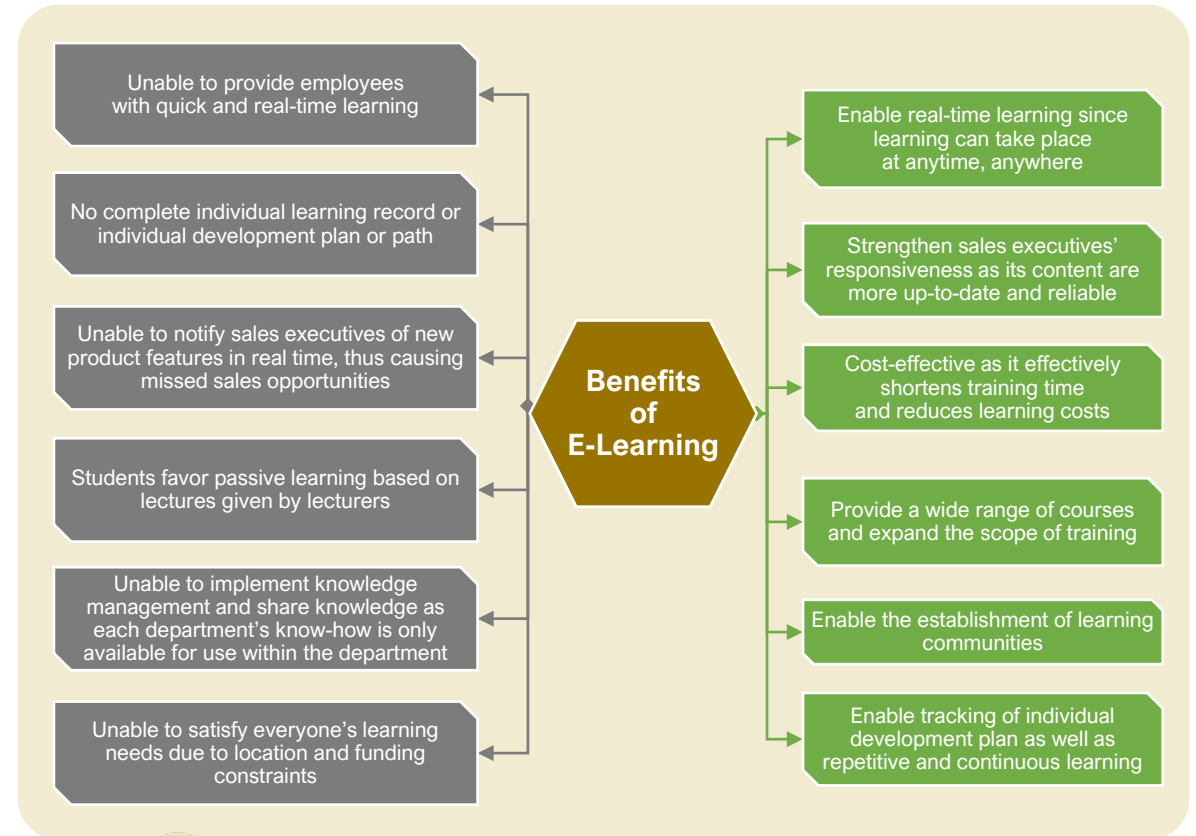
FSP has made a wide array of self-learning incentives available to employees, so that they can enrich the knowledge and skills they require via more learning channels and stimulate their potential in the relevant jobs.

**Seminar series:**

FSP organizes seminars on health, spiritual development, and life from time to time, so that employees can enjoy all-round satisfaction and experience all-round growth.

● **EASY Learning SMART Learning**

EZ-Learning, which is FSP’s online learning platform, allows employees around the world to access the latest learning information via an online learning platform. As of 2021, 45 digital courses have been launched online, with a total of **1,444 lessons completed by employees**. FSP continues to promote digital learning, for which location and time are no longer barriers to learning. At the same time, learning outcomes are also applied to the workplace so that work performance can be improved continuously.





- **Training Subsidies from the Workforce Development Agency, Ministry of Labor (R.O.C.)**

In 2021, FSP was awarded a training subsidy of NT\$716,170 in line with job training (apprenticeship training) under the Youth Employment Flagship Program launched by the Workforce Development Agency, Ministry of Labor (R.O.C.) aimed at accumulating Taiwan's human capital and enhancing Taiwan's competitiveness.

- **Corporate Strategy Courses:**

Each year, we conduct corporate strategy courses according to our operational development. The status of these courses in 2021 is detailed below:

Course	Number of batches	Number of management participants	Number of non-management participants	Training hours
Corporate Culture	2	10	90	14
Management Competencies	3	85	0	63





## Employee Activities

### 2021 FSP Family Day

FSP has been organizing outdoor family days since 2016. The main purpose of this event is to promote and develop a regular exercise habit among employees through various outdoor sports activities, so that they reserve adequate body capital to confront unknown challenges in the future.

In 2021, FSP organized a power walking and road running event at Shihmen Reservoir to enjoy a good dose of phytoncides in the area. During the event that was also suitable for both parents and children as well as senior citizens, a laser battle game was specially arranged to let participants enjoy the excitement of such a battle. This activity is not only safe as it does not cause injury easily, but also tests team chemistry and cooperation. Therefore, it became very popular with our employees.

On the whole, this event managed to enhance employees' happiness. In an effort to encourage sports at FSP, employees who completed the event were eligible for the lucky draw, in which FSP prepares over NT\$2 million worth of gifts each year and distributes them to the lucky winners who have completed the event.





## Employee Activities

### 2020 Mountain Wandering for a Better Health Reaching the summit on the first hiking journey

In an effort to promote a healthy exercise atmosphere and enhance affective interaction among employees, FSP has been organizing trail hiking activities on a quarterly basis since 2020. In 2020, FSP President and managers at all levels took the first step by going on a three-hour hiking trip that began from Shanghuang Creek in Jinshan, where they passed through the northern section of the Yulu Historic Trail and the Lengshuikeng-Qingtiangang Trail. While enjoying the scenery along the Taipei Basin, they chat about life along the journey, bonding with each other and developing cohesion in the process. Thanks to this journey, they were able to relieve stress arising from their busy lives, tackle work with a positive attitude, and improve service quality.

### 100% safety protection provided by a professional medical team (with a 1:10 professional-to-participant ratio)

The hiking journey was physically demanding as it covered a distance of 5.1 km and an elevation gain of 450 km. In fact, it took them over three hours to complete the entire journey on foot. A brand new route was planned at the beginning of this event. Although the trail along the journey was relatively flat, there were still a number of uphill and downhill challenges ahead. A professional medical team consisting of over 10 members (including marathon runners and hiking guides, emergency medical technicians (EMTs), marathon medics, and professional nurses) shared their experience in trail hiking and taught everyone how to minimize sports injuries, so as to provide the managers with the best safety protection.

### “If you want to go fast, go alone; if you want to go far, go together”

After the hiking event ended, a seminar titled “Taking a Look at Life and Business Management from the Perspective of Sports” was held on the same day, so that FSP managers can receive guidance from professional lecturers after experiencing hiking in person. In their words, there is no miracle, only accumulation; one will get better and better as long as he or she perseveres in an exercise habit. During the hiking trip, they had to keep up with the group while enjoying the magnificent mountain scenery along the way. They were thankful for the assistance given by the group leader and other members because whenever they were tired and felt like giving up,

everyone in the group cheered each other up and adjusted their pace. Only then were they able to reach the summit at the end of the day. On top of that, they were also able to comprehend the meaning behind the saying that goes, “If you want to go fast, go alone; if you want to go far, go together.” Such an experience can also be applied to their work as it is necessary to understand the importance of planning ahead and setting goals, as well as the need to work together as a team in order to get through every hurdle.





## Employee Activities

### Learning Qiji Daoyin Without Interruption During the COVID-19 Outbreak

As life is too complicated, returning to simplicity and ordinariness and seeking balance and harmony between movement and stillness become the easiest path to health. Therefore, FSP Chairman Ya-jen Cheng set an example by learning a form of Chinese exercise known as Tung Yi Qiji Daoyin. After realizing the many benefits of this exercise, he invited Tung Yi Qiji Daoyin Master Ya-ling Wang to give a talk titled “An Introduction to COVID-19 Prevention Exercise” in February 2020 and share the essence of Tung Yi Qiji Daoyin on the same day.

In addition to doing practical exercises in a 1.5 hour-long lesson each week, the instructor has also started a LINE group for three Qiji Daoyin classes to share and teach health concepts in the LINE group from time to time. If students have any questions after each lesson, they can also post their questions in the LINE group and initiate discussions between the instructor and their colleagues. This way, health concepts can be integrated into their lives and instilled in them.



### Employee Weight Loss Program

In view of the fact that obese people are susceptible to chronic diseases and cancer, FSP encourages employees to learn the “eat healthily, exercise happily” lifestyle and change obesogenic environments, aimed at helping them to not only shake off obesity-induced threats, but also reduce the risk of cardiovascular diseases caused by metabolic syndrome. Therefore, FSP has set up a healthy weight loss program that encompasses changes in diet, exercise habits, and behavior, in hopes of achieving the goal of losing weight healthily.

Exercise-wise, the once-a-week aerobics class serves as an excellent avenue for those who sit in front of the computer in the office all day long and do not have an exercise habit to sweat it out. Fitness coaches will adjust the quality and quantity of exercise according to a student’s physical condition and personal needs.





### Employee Activities

FSP attaches great importance to employees' physical and mental health and development. Therefore, we offer full support to employees with different interests and hobbies through a series of employee activities, such as floral art classes, hand-brewed coffee classes, ukelele club, Qiji Daoyin classes, yoga classes, core muscle exercise classes, aerobic exercise classes, bicycle club, road running club, and basketball club, so that they can develop their interests and relieve job stress.

#### FSP Power Walking Cup - Walking 7,000 steps a day all year long

The FSP Power Walking Cup, which set a target of walking 7,000 steps each day, was participated by 190 employees (accounting for one-third of FSP employees), with a 92% annual target achievement rate. This event not only encouraged employees to develop a continuous exercise habit and prevent chronic diseases, but also stopped the COVID-19 pandemic from dampening their determination to exercise.



#### The Excellent Enterprise Award in Taoyuan City - Happy Enterprise Award

Having established an employee welfare system and created a sports culture within the Company, we also promote the balanced development of employees' body and mind through various health activities, and advocate work-family balance among employees over the long run, with a view to fulfilling our responsibility of looking after employees' family and life.

In 2021, we were honored with the Happy Enterprise Award during the Excellent Enterprise Award in Taoyuan City, which has motivated us to continuously create happiness for our employees.

#### Taiwan iSports Certification

We have been awarded the Taiwan iSports Certification for the second year running in 2021 thanks to our comprehensive efforts in promoting sports that are suitable for different groups, be it for beginner or advanced sports, so that employees with common interests can motivate each other and play sports more professionally and efficiently.



## Environmental Protection

- 60 5.1 Environmental Management
- 62 5.2 Climate Change Response and Carbon Management
- 65 5.3 Energy Management
- 67 5.4 Water Resources Management
- 68 5.5 Green Design
- 70 5.6 Waste Management
- 70 5.7 Environmental Protection Expenditure





With a commitment to overall environmental management such as environmental protection, pollution control, and green production, as well as the implementation of the due care of a good administrator, FSP not only continues to expand economic development that includes environmental sustainability, but also strives for “low carbon,” “waste reduction,” and “low pollution” development actions, in hopes of creating more value for the environment and products as well as achieving a balance between operations and environmental sustainability.

In order to fulfill environmental responsibility and improve environmental performance, we have incorporated the ISO 14001 Environmental Management Systems at our main factories and obtained the ISO 14001 certification. Each year, FSP formulates environmental, safety and health goals and management plans via the environmental system, and ensures the implementation of environmental, safety and health management based on the PDCA cycle.

After evaluating the possible environmental impact of manufacturing processes in accordance with environmental protection laws and regulations, we continue to make improvements to our core efforts in “climate change and greenhouse gas inventory,” “energy management,” “water resources,” and “waste management.”










## Environmental Management Policies, Targets and Performance

★ Achieved

☆ Not achieved

Management item	Management policy	Management target	Target achievement status
 Hazardous substances	1. Implement and comply with the IEQC QC 080000 Quality Management System standards. 2. Follow customer requirements and comply with regulatory requirements. 3. Adhere to HSF processes and make continuous improvements.	Reduce the use of hazardous substances	Implemented hazardous substance management using the green product management (GPM) platform, where 5,918 parts were approved and a cumulative total of 52,165 approved parts have been placed under management in 2021, while 52 hazardous substances were identified and placed under management in the same year ★
 GHG emissions	We are committed to implementing GHG inventory, reduction, and control so that we can accurately keep track of our GHG emissions and carry out voluntary GHG reduction plans based on our inventory results.	With 2010 as the base year for GHG emissions, 1. Achieve a 4% average annual reduction in total GHG emissions compared to the base year 2. Achieve a 50% reduction in total GHG emissions by 2025	1. Achieved a 38% average reduction in total GHG emissions in 2021 compared to the base year. 2. Obtained the ISO 14064-1 verification statement ★
 Energy	Promote efficiency improvement in energy management and prioritize the purchase of energy-saving equipment before replacing equipment to meet regulatory requirements.	1. Achieve a 50% reduction in total electricity consumption by 2025 2. Achieve a 4% energy conservation rate each reporting year compared to the base year in line with the GHG management target starting in 2019	Achieved a 6.89% increase in 2021 compared to 2020 ☆
 Water resources	Implement water resources management measures, prioritize the purchase of water-saving equipment before replacing equipment, reduce waste of water resources, and organize employee awareness campaigns.	Achieve a 1% reduction in total water consumption compared to the previous reporting year	Achieved a 0.32% decrease in 2021 compared to 2020 ☆
 Waste	Take into account product cycle requirements to reduce waste disposal and improve environmental performance; implement outsourced waste management by appointing qualified vendors to manage waste according to the location of waste processing facilities; and properly manage and record waste production, sorting, collection, recycling, and transportation based on the environmental management system.	Achieve a 1% reduction in total waste compared to the previous reporting year	Achieved a 15.62% increase in 2021 compared to 2020 ☆



With the deteriorating earth’s environment causing climate change, we need to pay serious attention to the use of energy amid our ongoing utilization of earth’s resources. From a disaster perspective, risk analysis and extreme events are critical issues concerning the impact of climate change on the electronics industry.

**Identifying Climate Change Management Risks and Opportunities**

With our vision to “become the world’s leading provider of green energy solutions that penetrates people’s lives and contribute to the environment,” we closely integrate sustainability with environmental protection. As climate change is gradually affecting the global environment and human survival in recent years, global trading companies have been forced to confront the impact of climate change. Hence, FSP has established the ESG Management Team to set medium- and long-term targets based on the concept of sustainability and actively roll out various management measures, such as energy conservation and carbon reduction, with a view to moving towards climate change mitigation and FSP’s adaption to climate change.

Medium- and long-term targets:

**Step 1 Climate change response strategies**

Through our ESG Management Team, we continue to include the possible impact of climate change in our overall operational considerations and estimate the probability of occurrence and the impact of risks. At the same time, we also formulate corresponding responses and crisis handling mechanisms.

**Step 2 Climate change risk assessment and identification**

FSP has carried risk assessment with regards to the 16 risk factors listed during a joint discussion with the ESG Management Team based on the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

a. Carbon economy (e.g., carbon tax and carbon trade)	i. High temperature or heat wave
b. Energy tax	j. Haze
c. Mandatory emissions reporting	k. Snowstorm
d. Voluntary reduction agreement	l. Drought
e. Carbon cap and trade	m. Goodwill (brand identity)
f. Product efficiency regulations and standards	n. Changes in consumer behavior
g. Typhoon or torrential rain	o. Supply chain management
h. Earthquake or tsunami	p. Political and economic attention

**Step 3 Identification of climate change risks and opportunities and corresponding countermeasures**

While adapting to climate change, we also ought to ponder upon our competitiveness and seize business opportunities. Therefore, FSP has identified a number of climate change risks and opportunities as detailed on the next page:







Risk category	Consideration	Risk		Opportunity		Countermeasure
		Description	Level	Description	Level	
Regulatory requirements	Carbon economy (e.g., carbon tax and carbon trade)	Increased operating costs	High-low	Promote the development of green energy industries and improve energy-saving technologies among companies	Medium	Search for feasible provisions through identification of laws and regulations in management systems, organize regulatory awareness campaigns, and carry out revision of standards to minimize the possibility of regulatory violations. Establish communication and propose recommendations on government policy requirements so that the system is fair and reasonable. Take a GHG inventory each year to achieve organizational reduction targets Keep abreast of changes in relevant domestic and foreign laws and regulations after the Paris Agreement and assess response measures within the Company. Evaluate feasible technologies and materials for product design and minimize energy consumption among products.
	Energy tax		Medium		Low	
	Mandatory emissions reporting	Medium-low	Speed up carbon reduction and the acquisition of carbon credits among companies	Low		
	Voluntary reduction agreement	Medium-low		Low		
	Carbon cap and trade	Limited production capacity	Low-high	Slow down industrial expansion to improve the health of industries	Low	
	Product efficiency regulations and standards	Failure to meet customer requirements and seize business opportunities due to a lack of product efficiency	High-low	Boost demand for high-efficiency and energy-saving products	Low	
Extreme weather	Typhoon or torrential rain	Probability of occurrence and severity of natural disasters affect production and operations	Low	Maintain the Company's product competitiveness and boost customer confidence	Medium	<ul style="list-style-type: none"> <li>Establish emergency response measures and reduce loss of personnel and property.</li> <li>Minimize losses caused by natural disasters with commercial insurance.</li> </ul>
	Earthquake or tsunami		Medium		Medium	
	High temperature or heat wave		Low	Improve the ability to protect production sites	Low	
	Haze		Low		Low	
	Snowstorm		Low		Low	
	Drought		Low		Low	
Economic activities	Goodwill (brand identity)	Poor image leads to sales and stock price setbacks	Medium-low	Provide high-efficiency products and actively engage in carbon management to not only meet customer requirements, but also enhance the value of high-quality brands	Medium	<ul style="list-style-type: none"> <li>Meet regulatory requirements in operating locations, establish channels of dialogue with competent authorities and stakeholders, and engage in communication in good faith.</li> <li>Evaluate suppliers' GHG management and reduction actions, and include them as one of the bases for rating the Company's procurement strategies.</li> <li>Increase the proportion of renewable energy use within the Company.</li> </ul>
	Changes in consumer behavior	Reduced demand for energy-saving and carbon-reducing products	Medium-low	Boost demand for eco-friendly products and identification with such products	Medium	
	Supply Chain Management	Poor mitigation and adaptation affect operating costs	Medium-high	Slow down industrial expansion to improve the health of industries	Medium	
	Political and financial attention	Political and economic changes affect corporate probability	Medium	Keep track of climate change developments and climate justice movements in operating locations, and make operational responses and adjustments in advance to minimize their impact on company operations	Low	



### Greenhouse Gas Management

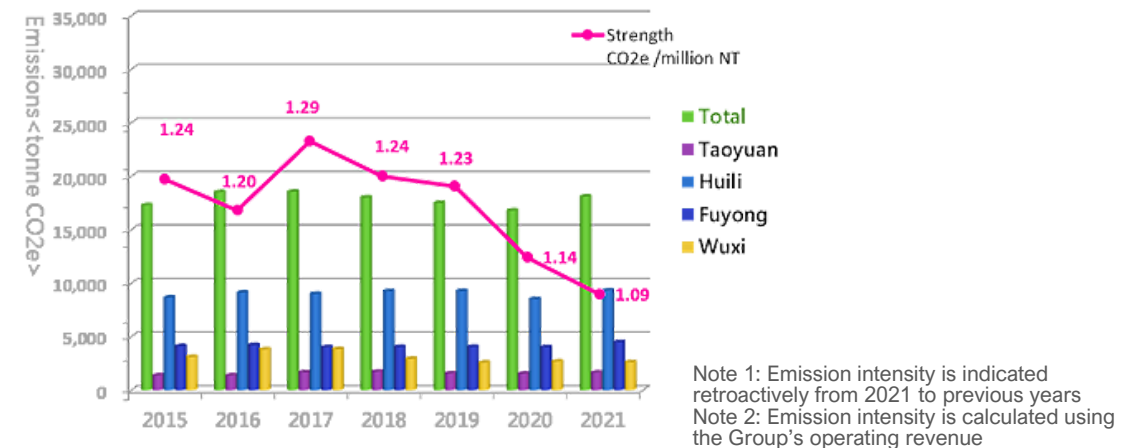
In an effort to slow down climate change, we have taken our own GHG inventories each year since 2011, and also passed external verification of GHG inventories. In 2021, our major production plants achieved 100% external verification. With a view to promoting and keeping track of carbon emissions in our subsidiaries in line with the requirements set forth by competent authorities as well as integrating carbon emissions into our sustainable development strategies, we have formulated climate change management strategies and green development targets while carrying out various GHG reduction activities. Future carbon reduction targets will be evaluated and set by reference to the methods adopted by the Science-based Targets Initiative (SBTi).

Management	Primary strategy	Targets
Promote low-carbon and green manufacturing 	<ul style="list-style-type: none"> <li>Take an inventory of Scope 1, 2, and 3 GHG emissions according to the ISO 14064-1 standards and pass external verification</li> <li>Continue to promote various innovative energy conservation and carbon reduction projects</li> <li>Actively participate in the CDP questionnaire</li> <li>Use renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Reduction target: Achieve a 50% reduction in total GHG emissions by 2050, with 2010 as the base year for GHG emissions</li> <li>Achieve 100% renewable energy use and carbon neutrality by 2050</li> </ul>
Increase energy use efficiency 	<ul style="list-style-type: none"> <li>Promote the ISO 50001 Energy Management Systems</li> </ul>	<ul style="list-style-type: none"> <li>Promote the optimization of power systems and improve the energy efficiency of equipment on an ongoing basis</li> </ul>

### Statistics on the inventory of various types of GHG emissions in 2021:

	Taiwan headquarters	Huilu Plant	Fuyong Plant	Wuxi Plant	Total emissions	Percentage
Scope 1 direct emissions	153.25	579.19	344.40	294.59	1,371.42	7.57%
Scope 2 indirect emissions	1,494.82	8,766.99	4,158.12	2,319.31	16,739.25	92.43%
Total	1,648.07	9,346.18	4,502.52	2,613.90	18,110.67	100.00%

### GHG emissions at FSP's factories in previous years



**Note 1:** Direct GHG emissions (Scope 1 emissions): This category of GHG emissions includes emissions from fuel combustion in stationary equipment, manufacturing processes, mobile combustion sources on various modes of transportation, and fugitive emission sources (e.g., refrigerants and firefighting equipment). The total direct GHG emissions was 1,371.42 metric tons of CO<sub>2</sub>e per year, accounting for 7.57% of the Group's total GHG emissions.

**Note 2:** Indirect GHG emissions (Scope 2 emissions): This category of GHG emissions primarily includes emissions from purchased electricity and purchased steam. The total indirect GHG emissions was 16,739.25 metric tons of CO<sub>2</sub>e per year, accounting for 92.43% of the Group's total GHG emissions.



### Direct Energy

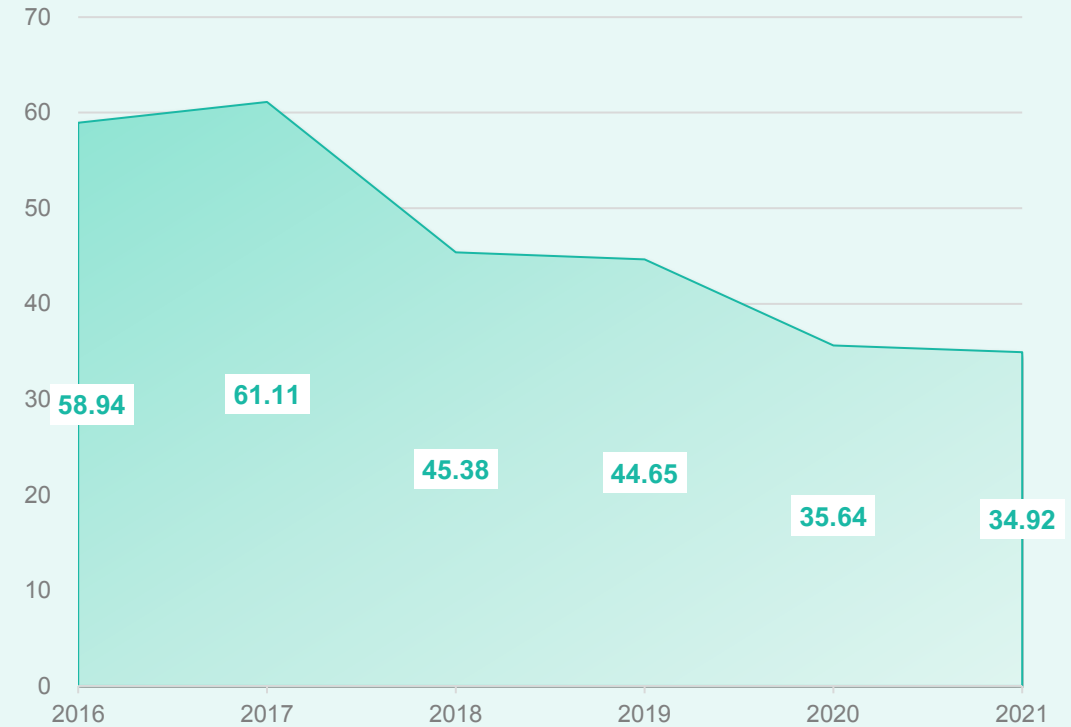
While developing high-efficiency and high-power density power supply products, FSP enhances management in manufacturing processes using monitoring systems via regional power systems. At the same time, FSP improves and reduces energy consumption, as well as engage in environmental protection and sustainable development through energy conservation.

At FSP, direct energy is primarily used in company vehicles and emergency generators, and the use of direct energy is on a decline from year to year.

Overview of direct energy consumption at FSP's factories: (Unit: kiloliter)

	2016	2017	2018	2019	2020	2021
<b>Headquarters</b>	11.76	12.79	13.49	10.89	9.6	9.5
<b>Huili</b>	22.24	21.27	13.49	16.52	11.53	10.52
<b>Fuyong</b>	16.17	18.00	10.44	8.14	8.03	7.90
<b>Wuxi</b>	8.77	9.05	9.25	9.10	6.48	6.99
<b>Group total</b>	58.94	61.11	46.67	44.65	35.64	34.92

Consumption of major direct energy sources



(Diesel for vehicles and diesel for emergency generators; Unit: kiloliter)

Group total





### Indirect Energy

FSP's indirect energy primarily comes from purchased electricity. As of 2021, FSP has consumed 21,940.92 MWh of electricity cumulatively. In order to fully keep track of our GHG inventory and maintain our carbon reduction performance, we have formulated a host of major energy-saving plans as listed below:

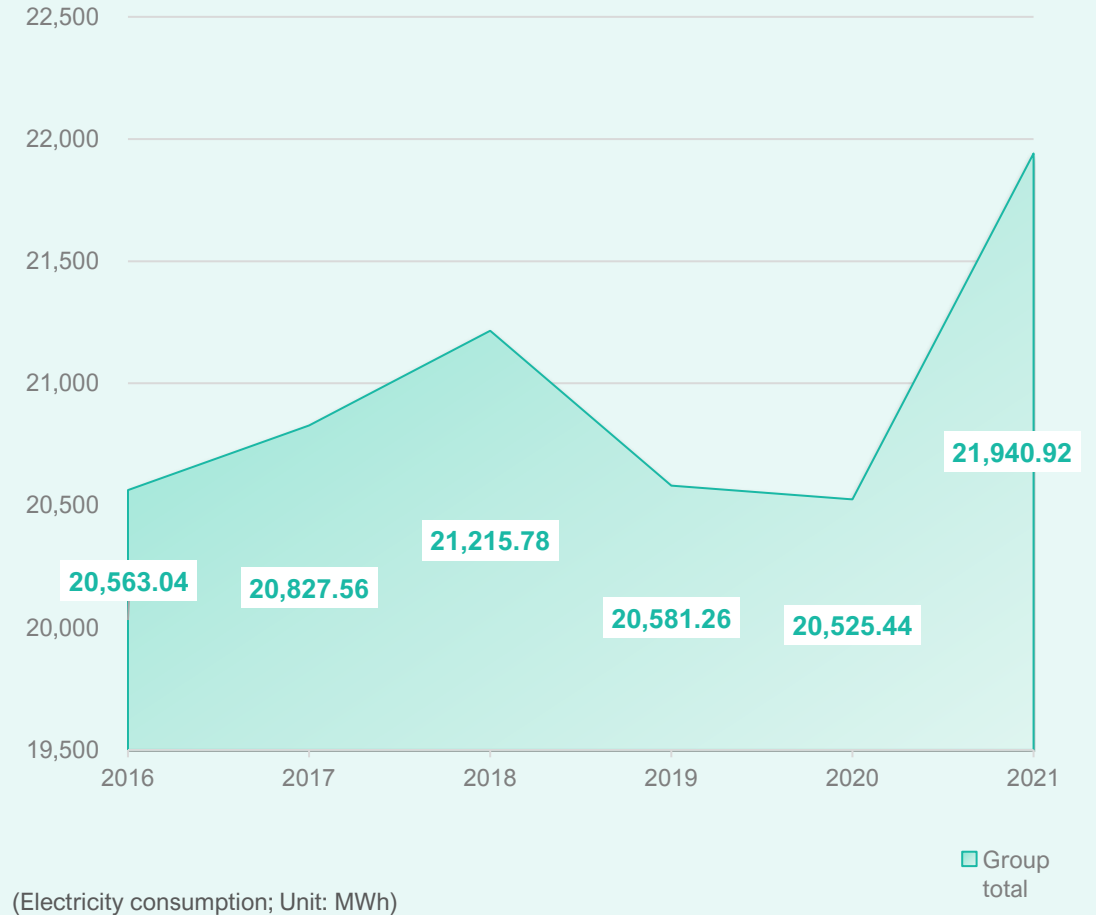
- Improve energy conservation in buildings and carry out upgrading works, and replace exit and evacuation signs with LED ones
- Implement energy recovery in aging factory buildings
- Install sensor lights
- Replace in-person meetings with video conferencing whenever possible
- Use high-efficiency air-conditioners and chillers in new buildings
- Install solar power generation systems on rooftops

With the implementation of the energy-saving program, there is room for FSP to gradually reduce energy consumption from year to year. We also hope to inculcate the concepts of energy conservation and carbon reduction among employees through publicity and turn these concepts into a critical part of our corporate culture.

Overview of indirect energy consumption at FSP's factories: (Unit: MWh)

	2016	2017	2018	2019	2020	2021
<b>Headquarters</b>	2,399.72	2,929.91	2,903.90	2,690.53	2,785.06	2,940.86
<b>Huili</b>	9,552.66	9,410.29	10,550.85	10,508.28	10,018.98	10,901.51
<b>Fuyong</b>	4,327.02	4,112.73	4,459.12	4,496.37	4,647.84	5,170.50
<b>Wuxi</b>	4,283.64	4,374.63	3,301.91	2,886.08	3,073.56	2,928.05
<b>Group total</b>	20,563.04	20,827.56	21,215.78	20,581.26	20,525.44	21,940.92

### Consumption of major direct energy sources



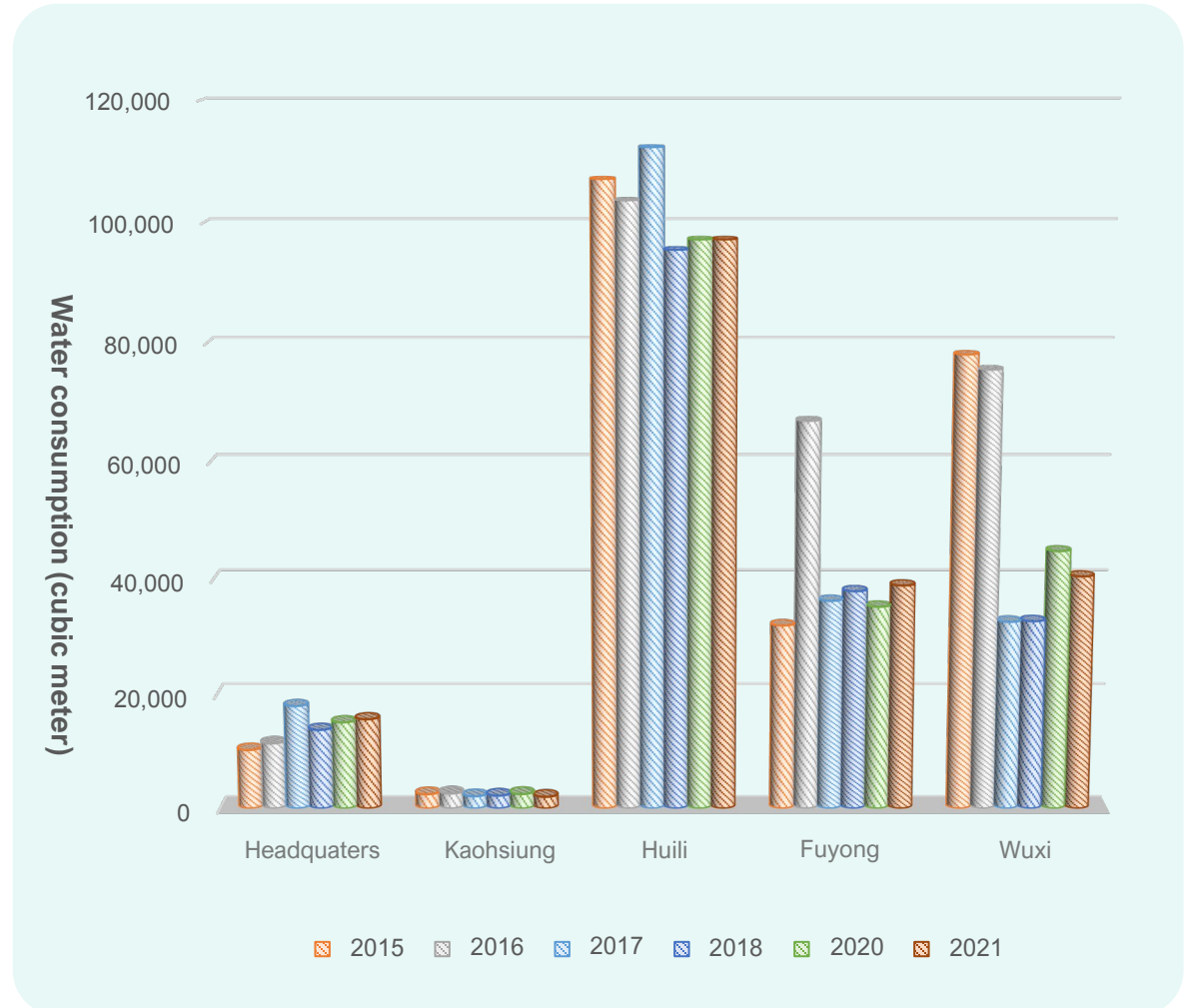


Taking into account clean production and environmental protection, no wastewater is produced in manufacturing processes at each factory. Water consumption at FSP primarily involves domestic water use by employees, so only domestic wastewater is produced at our facilities. We source 100% of our domestic water from government water supply, rather than rivers, lakes, groundwater sources or the sea. Thus, we have no significant influence and impact on water resources and community water use in and around our facilities.

The total water consumption at FSP's factories is illustrated in the following figure. FSP experienced a 5% increase in total water consumption compared to the previous reporting year, due chiefly to an increase in water use by employees in the new R&D building at FSP's headquarters and Wuxi Plant.

As far as domestic wastewater management is concerned, our wastewater is discharged into the sewers and managed by wastewater treatment plants at various industrial areas. Since FSP's factories are located in industrial areas rather than ecologically sensitive areas, our wastewater inspection results comply with local laws and regulations. Therefore, our facilities have no serious effect on the surrounding environment and related natural habitats.

Total water consumption at FSP's factories

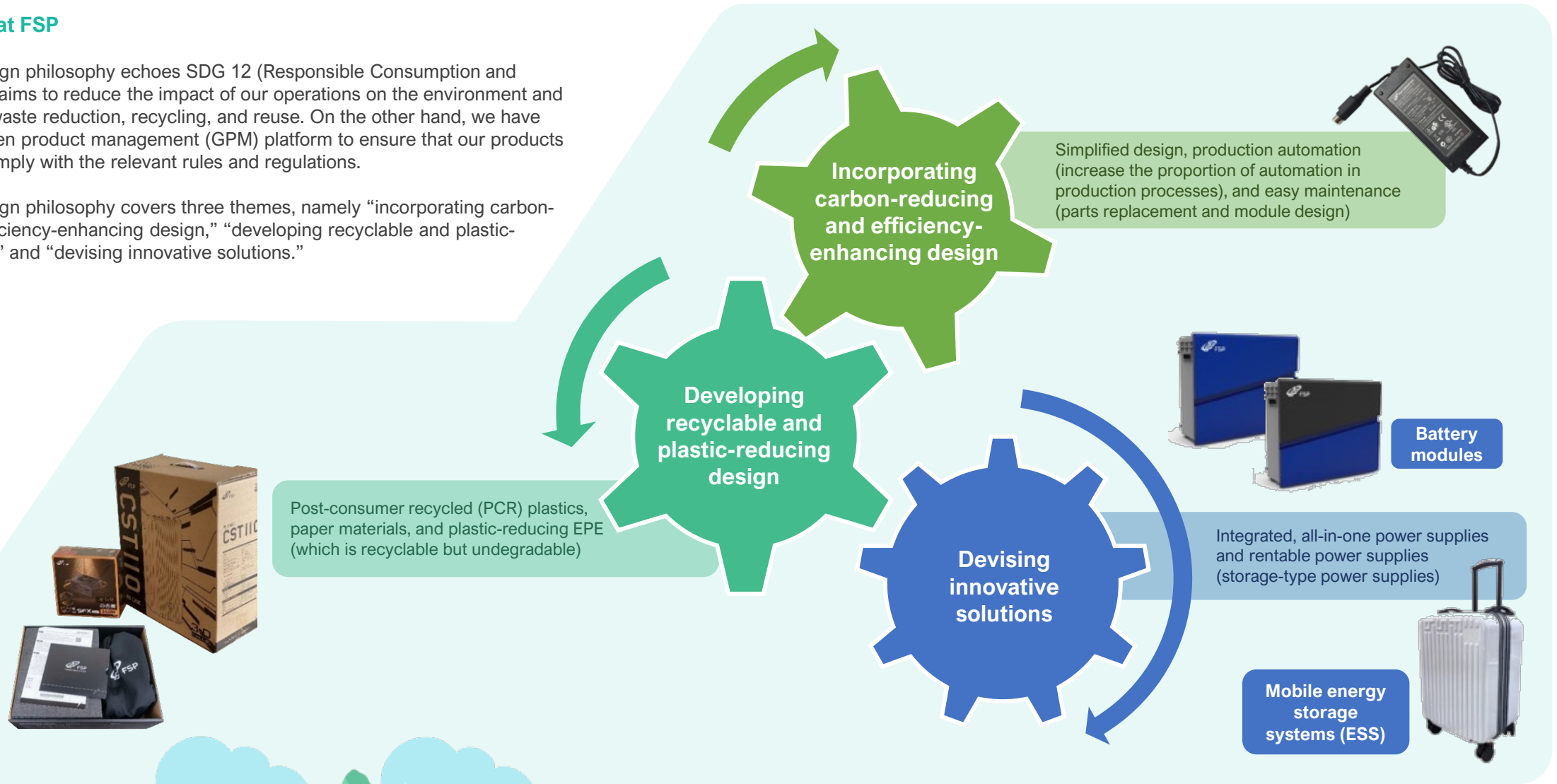




### Green Design at FSP

FSP's green design philosophy echoes SDG 12 (Responsible Consumption and Production) as it aims to reduce the impact of our operations on the environment and people through waste reduction, recycling, and reuse. On the other hand, we have also set up a green product management (GPM) platform to ensure that our products and materials comply with the relevant rules and regulations.

FSP's green design philosophy covers three themes, namely "incorporating carbon-reducing and efficiency-enhancing design," "developing recyclable and plastic-reducing design," and "devising innovative solutions."





## Specific Benefits of Green Design (2021)

### Cost Saving

- Simplified design (miniaturization)

After incorporating miniaturized design into external AC/DC power supplies <sup>[Note 1]</sup>

- ✎ Shipping costs for 45W products fell 82%
- ✎ Shipping costs for 150W products fell 37.5%

### Energy Saving

- Server power supplies <sup>[Note 2]</sup>

When comparing the energy efficiency of 80 Plus Gold-certified and 80 Plus Bronze-certified power supplies, the energy efficiency of 80 Plus Gold-certified power supplies increases by 3.08% at 50% load. These server power supplies can save up to 640 MWh of electricity based on calculations made using shipments of server power supplies.

- External AC/DC power supplies <sup>[Note 3]</sup>

When evaluating the energy saving benefit of the new generation of external power supplies according to the CEC Level IV requirements that meet the EU energy efficiency standards for external power supplies, these external power supplies is found to be able to save up to 270 MWh of electricity based on calculations made using shipments in 2021.

## Carbon Reduction

- Consumer power supplies <sup>[Note 4]</sup>

According to the database provided by the Environmental Protection Administration, Executive Yuan (R.O.C.), the new generation of consumer power supplies can reduce 4,125 kg of CO<sub>2</sub>e based on calculations made using shipments in 2021.

- External AC/DC power supplies <sup>[Note 3]</sup>

According to the database provided by the Environmental Protection Administration, Executive Yuan (R.O.C.), the new generation of external power supplies can reduce 18,840 kg of CO<sub>2</sub>e based on calculations made using shipments in 2021.

Note 1: Based on comparisons between FSP045-D1UP3 and FSP045-A1BR2 and between FSP150-ABBN3 and FSP150-AJCU3.

Note 2: Based on comparisons between HD2-820 (Bronze) and HG2-850 (Gold).

Note 3: Based on comparisons between FSP150-ABBN3 and FSP150-AJCU3.

Note 4: Based on comparisons between HPT2 and HPT3.





Being primarily in the less-polluting electronics and information technology industry, FSP does not face any issue related to wastewater and waste gas from manufacturing processes. At the same time, zero waste is also the ultimate goal of waste management at FSP. With the management strategies of reducing the total amount of waste and engaging in resource recovery from waste, FSP replaces the existing end-of-pipe treatment model with recycling and reuse, turning waste into useful resources. In addition, FSP's factories have dedicated personnel in place to take charge of waste management, and submit online reports on their status of waste management on a regular basis in compliance with regulatory requirements.

FSP's waste management model is detailed as follows.

### Waste Management Model at FSP

In 2021, FSP produced 262.12 tons of waste, including domestic waste, in total, a 15% increase from the previous reporting year, due chiefly to an increase in waste produced by our factories in China.

### 5.7 Environmental Protection Expenditure

Since FSP does not belong to a highly polluting or energy-consuming industry, our environmental protection expenditure primarily covers expenses related to resource recycling, waste disposal and treatment, and verification of environmental systems. FSP's total environmental protection expenditure in 2021 was NT\$4,131,094.

	Type of waste	Description	Treatment method	Final disposal method
Type of waste and disposal method in 2021	General industrial waste	Used adhesive tapes, used sponges, used soldering iron tips, and office waste	Outsourcing of waste management to qualified waste disposal and treatment vendors	Sanitary landfill or incineration
	Hazardous industrial waste	Mixed metal scrap, waste printed circuit boards (PCBs), waste ting slag, waste electronic parts, liquid chemical waste, etc.	Outsourcing of waste management to qualified waste disposal and treatment vendors	Sanitary landfill or incineration
	Paper	Magazines, newspapers, photocopying paper, printing paper, cartons, etc.	Recycling vendors	Reuse
	Iron and aluminum cans	Iron and aluminum cans, and styrofoam	Recycling vendors	Reuse
	Normal glass	Beverage bottles	Recycling vendors	Recycling and reuse
	Normal plastics	Beverage bottles, waste containers, and plastic containers	Recycling vendors	Recycling and reuse
	Kitchen waste	Composting kitchen waste and kitchen waste as pig feed	Catering vendors	Fertilizers
	Other recyclable resources	Toner cartridges, batteries, and light tubes	Recycling vendors	Recycling and reuse



# 6

## Love at FSP

- 72 6.1 Social Engagement
- 74 6.2 Arts and Culture





### Social Engagement at FSP

We provide the greatest support and assistance based on our full commitment to corporate social responsibility in combination with our philosophy that “many a little good deeds makes a contribution.”

On the subject of educational care, assistance for disadvantaged groups, and resource donations, FSP has long been contributing to social welfare in collaboration with volunteers and multiple stakeholders, with the intention of creating a society with no poverty, fair distribution of wealth, and equality.

### Social welfare figures in 2021

- NT\$10,946,670
- 22 social welfare activities in 2021
- Over 2,000 participants in total

#### Educational care

- Embracing Happiness - Sponsorship for after-school tutorial classes for economically disadvantaged students
- FSP Scholarship - Making dreams come true in the workplace

- Industry-academia collaboration on the “Development of Key Technologies for the New Generation of High-efficiency Green Energy” between FSP and the Department of Electrical Engineering, National Ilan University launched in 2021

#### Assistance for disadvantaged groups

- Love Continues - Donation to St. Francis Xavier School for Girls for its efforts to care for disadvantaged children
- Ongoing donations to Yuli Catholic Church since 2020
- Services for the elderly in rural areas in collaboration with AIC Taiwan Ladies of Charity

- Performance by social welfare organizations on FSP Family Day - Spreading the power of life
- Blood and love donation to create happiness

#### Resource donations

- Fei Ni Bu Ke Coffee House - Charity coffee subscription
- Long-term support for small organic farmers - Sharing of organic vegetable boxes with employees for a better health
- Support for arts - Formosa Circus Art, Contemporary Legend Theatre (The 108 Heroes), and Taipei Folk Art Troupe

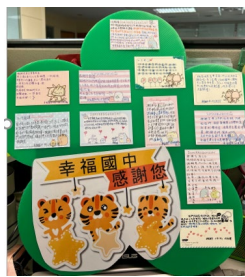
- Support for green consumption - Spreading eco-friendly and toxic-free concepts
- Support for the promotion of programs launched by the Being Present Youth Support Association and the Chinese Tibetan Esoteric Buddhism Right Heart International Cultural Association





長濱社區音樂教室

長者開始學習不同的嘗試



長者自製地棒也可以開心啊!

FSP

節屆2021仲冬·銀白聖誕夜,  
FSP董事、賓客、以及同仁,如同家人般的相聚在台北101的雙融域AMBI SPACE ONE  
在這頗具意義的時空,  
FSP謹以至誠佐以美食、心靈饗宴《蕩寇誌之終極英雄》全沉浸體驗,感謝一路陪伴、相挺、激勵的夥伴們,不管今晚您是否在現場,對您的祝福及感恩一直都在。  
祝願 大家福氣安康 佳節愉快。

劉相 12.24.21





### Beautifying Your Life, Encouraging Art Appreciation

FSP has collaborated with the Aeon Foundation for many years. Aside from organizing exhibitions of different themes and displaying different types of art works at our factories, FSP also arranges a wide range of art seminars encompassing various areas ranging from appreciation of graphic arts and promotion of animation activities to actual experience and production of three-dimensional works, in hopes of cultivating an atmosphere of arts, humanities, and culture at FSP.



# 7

## Appendix

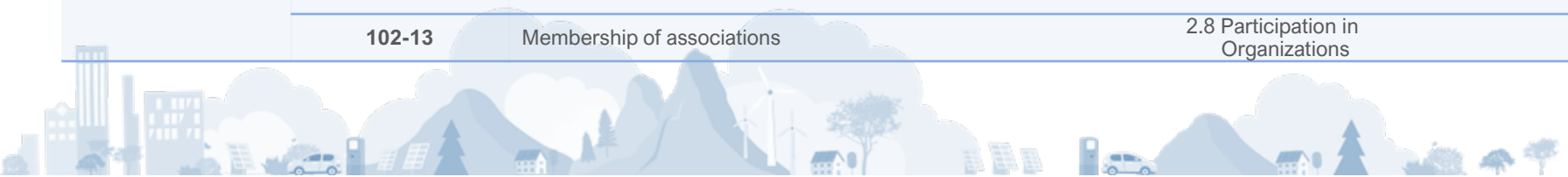
76 7.1 GRI Standards Index





**GRI 102: General Disclosures**

Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission	
1. Organizational profile	<b>102-1</b>	Name of the organization	2.1 Company Overview	20	
	<b>102-2</b>	Activities, brands, products, and services	2.1 Company Overview	20	
	<b>102-3</b>	Location of headquarters	2.1 Company Overview	20	
	<b>102-4</b>	Location of operations	2.1 Company Overview	20	
	<b>102-5</b>	Ownership and legal form	2.1 Company Overview	20	
	<b>102-6</b>	Markets served	2.1 Company Overview	20	
	<b>102-7</b>	Scale of the organization	2.1 Company Overview 2.2 Financial Performance 2.3 Corporate Governance	20, 24, and 25	
	<b>102-8</b>	Information on employees and other workers	4.1 Friendly Workplace	42	
	<b>102-9</b>	Supply chain	1.4 Identification of Material Topics and Stakeholder Engagement 3.1 Supplier Management	13 and 37	
	<b>102-10</b>	Significant changes to the organization and its supply chain	2.1 Company Overview	20	
	<b>102-11</b>	Precautionary Principle or approach	2.4 Risk Management	29	
	<b>102-12</b>	External initiatives	-		<ul style="list-style-type: none"> <li>• In compliance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</li> <li>• In line with external initiatives such as the UN SDGs and the Responsible Minerals Initiative (RMI).</li> </ul>
	<b>102-13</b>	Membership of associations	2.8 Participation in Organizations	35	





Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission	
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	<b>102-15</b>	Key impacts, risks, and opportunities	2.4 Risk Management	29	
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	<b>102-17</b>	Mechanisms for advice and concerns about ethics	1.4 Identification of Material Topics and Stakeholder Engagement 4.3 Labor-management Communication	13 and 48	
4. Governance	<b>102-18</b>	Governance structure	2.3 Corporate Governance	25	
	<b>102-19</b>	Delegating authority	2.3 Corporate Governance	25	
	<b>102-20</b>	Executive-level responsibility for economic, environmental, and social topics	2.3 Corporate Governance	25	
	<b>102-21</b>	Consulting stakeholders on economic, environmental, and social topics	2.3 Corporate Governance	25	
	<b>102-22</b>	Composition of the highest governance body and its committees	2.3 Corporate Governance	25	
	<b>102-23</b>	Chair of the highest governance body	2.3 Corporate Governance	25	
	<b>102-24</b>	Nominating and selecting the highest governance body	2.3 Corporate Governance	25	
	<b>102-25</b>	Conflicts of interest	2.3 Corporate Governance	25	
	<b>102-26</b>	Role of highest governance body in setting purpose, values, and strategy	Message from the Chairman	4	
<b>102-27</b>	Collective knowledge of highest governance body	Message from the Chairman	4		



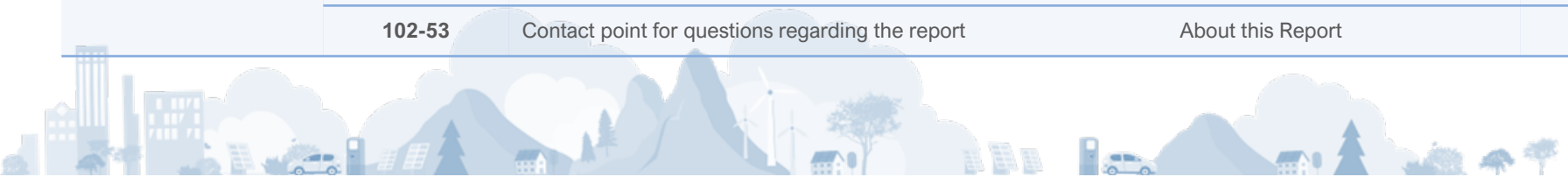


Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission	
4. Governance	102-28	Evaluating the highest governance body's performance	Message from the Chairman 2.3 Corporate Governance	4 and 25	
	102-29	Identifying and managing economic, environmental, and social impacts	Message from the Chairman 2.3 Corporate Governance	4 and 25	
	102-30	Effectiveness of risk management processes	2.3 Corporate Governance	25	
	102-31	Review of economic, environmental, and social topics	2.3 Corporate Governance	25	
	102-32	Highest governance body's role in sustainability reporting	About this Report	2	
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	102-35	Remuneration policies	2.3 Corporate Governance	25	
	102-36	Process for determining remuneration	2.3 Corporate Governance	25	
	102-37	Stakeholders' involvement in remuneration	2.3 Corporate Governance	25	
	102-38	Annual total compensation ratio			No disclosure
	102-39	Percentage increase in annual total compensation ratio			No disclosure





Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
5. Stakeholder engagement	102-40	List of stakeholder groups	1.4 Identification of Material Topics and Stakeholder Engagement	13
	102-41	Collective bargaining agreements	4.1 Friendly Workplace 4.2 Protection of Rights	42 and 45
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	102-44	Key topics and concerns raised	1.4 Identification of Material Topics and Stakeholder Engagement	13
6. Reporting practice	102-45	Entities included in the consolidated financial statements	2.2 Financial Performance	24
	102-46	Defining report content and topic Boundaries	About this Report	2
	102-47	List of material topics	1.4 Identification of Material Topics and Stakeholder Engagement	13
	102-48	Restatements of information	-	No matters related to restatement of information are reported by FSP
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102-53	Contact point for questions regarding the report	About this Report	2	



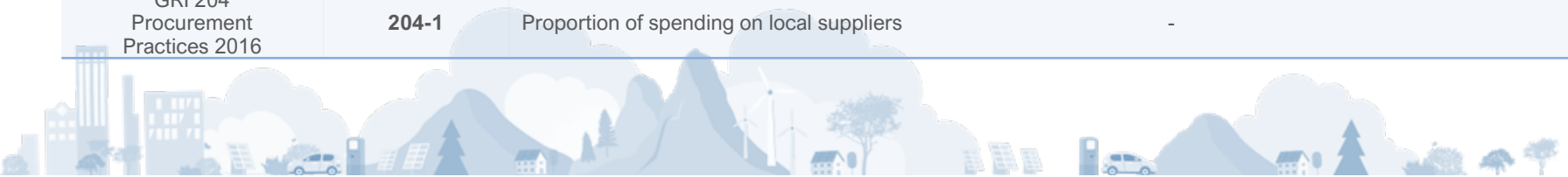


**GRI 103: Management Approach 2016**

Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
GRI 103 Management Approach 2016	Economic performance	02 Corporate Governance	25	
	<b>103-1 to 103-3</b> Environmental management performance	05 Environmental Protection	60	
	Labor relations	04 Employee Relations	41	

**Special Disclosures: Economic Topics**

Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
GRI 201 Economic Performance 2016	<b>201-1</b> Direct economic value generated and distributed	2.1 Company Overview 2.2 Financial Performance 2.3 Corporate Governance	20, 24, and 25	
	<b>201-2</b> Financial implications and other risks and opportunities due to climate change	5.2 Climate Change Response and Carbon Management	62	
	<b>201-3</b> Defined benefit plan obligations and other retirement plans	4.2 Protection of Rights	45	
	<b>201-4</b> Financial assistance received from government	4.5 Education and Training	51	
GRI 202 Market Presence 2016	<b>202-1</b> Ratios of standard entry level wage by gender compared to local minimum wage			No disclosure
	<b>202-2</b> Proportion of senior management hired from the local community			No disclosure
GRI 204 Procurement Practices 2016	<b>204-1</b> Proportion of spending on local suppliers	-		No disclosure

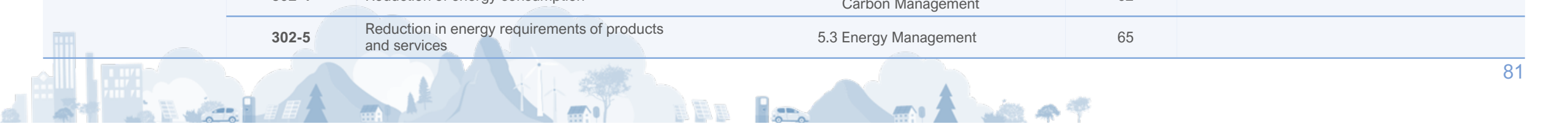




Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2.5 Ethical Corporate Management	32
	205-2	Communication and training about anti-corruption policies and procedures	2.5 Ethical Corporate Management	32
	205-3	Confirmed incidents of corruption and actions taken	2.5 Ethical Corporate Management	32
GRI 206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.5 Ethical Corporate Management	32

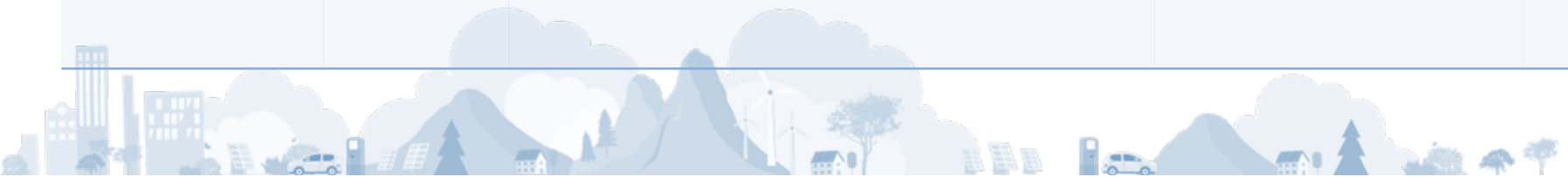
**Special Disclosures: Environmental Topics**

Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
GRI 301 Materials 2016	301-1	Materials used by weight or volume	-	No disclosure
	301-2	Recycled input materials used	-	Since FSP is a component and ODM supplier, raw materials are provided according to customer needs and specifications, while the use of recycled materials is determined based on customers' production specifications.
	301-3	Reclaimed products and their packaging materials	-	Since FSP is a component and ODM supplier, packaging materials are recycled according to customer needs
GRI 302 Energy 2016	302-1	Energy consumption within the organization	5.3 Energy Management	65
	302-2	Energy consumption outside of the organization	-	No disclosure
	302-3	Energy intensity	5.3 Energy Management	65
	302-4	Reduction of energy consumption	5.2 Climate Change Response and Carbon Management	62
	302-5	Reduction in energy requirements of products and services	5.3 Energy Management	65





Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
GRI 303 Water 2016	303-1	Water withdrawal by source	5.4 Water Resources Management	67
	303-2	Water sources significantly affected by withdrawal of water	-	As FSP uses water from Taiwan Water Corporation, FSP has no impact on water resources
	303-3	Water recycled and reused	-	No disclosure
GRI 304 Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	FSP's headquarters, factories in China, and various operating locations are not situated in protected areas
	304-2	Significant impacts of activities, products, and services on biodiversity	-	FSP's factories have passed environmental impact assessments in local areas prior to their development. Therefore, the development of these factories has no significant impact on biodiversity
	304-3	Habitats protected or restored	-	FSP's factories have passed environmental impact assessments in local areas prior to their development. Therefore, the development of these factories has no significant impact on biodiversity
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	FSP's factories have passed environmental impact assessments in local areas prior to their development. Therefore, the development of these factories has no significant impact on biodiversity





Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	5.2 Climate Change Response and Carbon Management	62
	305-2	Energy indirect (Scope 2) GHG emissions	5.2 Climate Change Response and Carbon Management	62
	305-3	Other indirect (Scope 3) GHG emissions		FSP's scope 3 GHG emissions stem from business travel. In 2021, FSP recorded 11.57 metric tons of CO2e in total scope 3 GHG emissions
	305-4	GHG emissions intensity	5.2 Climate Change Response and Carbon Management	62
	305-5	Reduction of GHG emissions	5.2 Climate Change Response and Carbon Management	62
	305-6	Emissions of ozone-depleting substances (ODS)		No such substances are emitted from manufacturing processes at FSP
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		No significant air pollutants are emitted from FSP's main facilities
GRI 306 Effluents and Waste	306-1	Water discharge by quality and destination		As FSP's factories are located in densely developed industrial areas, domestic wastewater is primarily discharged from these factories but no process wastewater is discharged into public sewers
	306-2	Waste by type and disposal method	5.5 Waste Management	70
	306-3	Significant spills		No significant spills were reported by FSP in 2021
	306-4	Transport of hazardous waste		No hazardous substances are imported by FSP
	306-5	Water bodies affected by water discharges and/or runoff		Wastewater treated by FSP is discharged into wastewater stations in industrial areas while sludge is cleared, transported, and treated by qualified operators, thus having no significant impact on the ecological environment

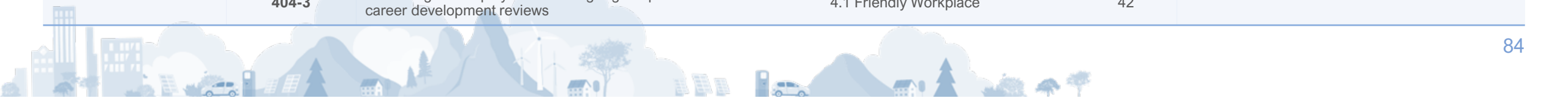




Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
GRI 307 Environmental Compliance 2016	<b>307-1</b> Non-compliance with environmental laws and regulations	-		No penalties for violations of environmental laws and regulations were imposed on FSP in 2021
GRI 308 Supplier Environmental Assessment 2016	<b>308-1</b> New suppliers that were screened using environmental criteria	3.1 Supplier Management	37	
	<b>308-2</b> Negative environmental impacts in the supply chain and actions taken	3.1 Supplier Management	37	

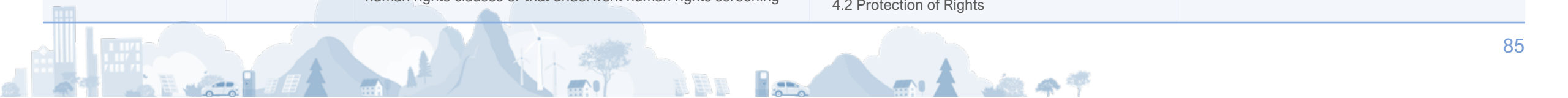
**Special Disclosures: Social Topics**

Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
GRI 201 Economic Performance 2016	<b>401-1</b> New employee hires and employee turnover	4.1 Friendly Workplace	42	
	<b>401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Protection of Rights	45	
	<b>401-3</b> Parental Leave	4.2 Protection of Rights	45	
GRI 402 Labor/Management Relations 2016	<b>402-1</b> Minimum notice periods regarding operational changes	-		No disclosure
GRI 403 Occupational Health and Safety 2016	<b>403-1</b> Workers representation in formal joint management-worker health and safety committees	-		No disclosure
	<b>403-2</b> Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	4.4 Safety and Health	49	
	<b>403-3</b> Workers with high incidence or high risk of diseases related to their occupation	4.4 Safety and Health	49	
	<b>403-4</b> Health and safety topics covered in formal agreements with trade unions	4.4 Safety and Health	49	Owing to the absence of a labor union at FSP, such meetings are regularly reviewed by FSP's Labor Safety and Health Committee on a quarterly basis
GRI 404 Training and Education 2016	<b>404-1</b> Average hours of training per year per employee	4.5 Education and Training	51	
	<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	4.5 Education and Training	51	
	<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	4.1 Friendly Workplace	42	





Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission	
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1 Friendly Workplace	42	
	405-2	Ratio of basic salary and remuneration of women to men			No disclosure
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	2.5 Ethical Corporate Management 4.3 Labor-management Communication	32 and 48	
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.1 Supplier Management 4.3 Labor-management Communication	37 and 48	
GRI 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	3.1 Supplier Management 4.3 Labor-management Communication	37 and 48	
GRI 409 Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.1 Supplier Management 4.3 Labor-management Communication	37 and 48	
GRI 410 Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures			All security guards at FSP are subject to personnel entry/exit management in accordance with FSP's Regulations for Factory Entry/Exit Management.
GRI 411 Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	4.3 Labor-management Communication	48	
GRI 412 Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	4.2 Protection of Rights	45	
	412-2	Employee training on human rights policies or procedures	4.5 Education and Training	51	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	2.5 Ethical Corporate Management 4.2 Protection of Rights	32 and 45	





Topic	Disclosure item	Corresponding chapter	Page	Remark/Omission
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs		No disclosure
	413-2	Operations with significant actual and potential negative impacts on local communities		FSP does not have any operations with potential or actual impact on local communities
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		No disclosure
	414-2	Negative social impacts in the supply chain and actions taken		No disclosure
GRI 415 Public Policy 2016	415-1	Political contributions	2.5 Ethical Corporate Management	32
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories		No disclosure
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No disclosure
GRI 417 Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling		No disclosure
	417-2	Incidents of non-compliance concerning product and service information and labeling		No disclosure
	417-3	Incidents of non-compliance concerning marketing communications		No violations of laws and regulations related to marketing communications have been committed by FSP
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Customer Service	39
GRI 419 Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area		Since 2008, FSP has taken out a full range of product liability insurance with Fubon Insurance Co., Ltd., in hopes of enhancing corporate image while apportioning risks and liabilities from sales channels. No violations of laws and regulations related to products were committed by FSP in 2021.



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