



Silergy Corp. 2021 ESG Summary Report



In 2020, the world was strapped in a strait full of difficulties and uncertainties. Under the hardship and challenges, we strived to cash in on the opportunities in the crisis, and our monthly revenue had been reaching new highs month after month, with annual revenue of NT\$13,876,445,000, up 28.8% year on year. In 2020, in addition to the ongoing uncertainty in the supply chain of the semiconductor industry due to the intensifying trade war between the U.S. and China, the global pandemic of the coronavirus (COVID-19) brought about a comprehensive impact and influence on the countries affected by the pandemic. Not only has the lifestyle of people changed, but the supply and demand of the global economy and industries have also changed as a result, leading to a significant increase in demand for our IC products, which is reflected in two ways: work from home and remote learning have become the norm due to the pandemic, leading to an increase in demand for notebook computers and network communication equipment; and in response to the emerging trend of 5G-related applications, a number of new products have been launched for new applications such as 5G base stations and cell phones.

The Company's current products include DCDC, ACDC, PMU, LED lighting, LED backlight driver, solid-state protection switch, smart meter IC, and network communication equipment, as well as products with sensing and smart functions, with a wider range of end-use applications for a total of more than 2,000 products. Our main markets is Asia, and we are gradually expanding to the U.S., Europe and other regions in Asia, such as India, Japan and Southeast Asia.

In terms of R&D and process technology development, we have introduced our own process technology into the G3 platform and increased its production proportion year by year, reaching 20% by the end of 2020 and 30-40% by the end of 2021, while focusing on the development of next-generation processes. In conjunction with new product R&D, we continue to develop newer processes to improve our technical capabilities, product competitiveness, and effectively increase capacity utilization.

Looking ahead to 2022, Silergy Corp. will continue to uphold the business philosophy of "Ethics, Innovation, and Sustainable Service" and focus on technology R&D and business market development. With leading core technologies, highly efficient product development capabilities and highly integrated design capabilities, we will continue to devote ourselves to power management IC design and help the industry achieve carbon neutrality with low carbon technologies.

Chairperson

Wei Chen



Company Profile



Company Name
Silergy Corp.



Date of Establishment
February 7, 2008



Headquarters Location
Hangzhou City,
Zhejiang Province,
China



Capital
NT\$938,494,250



Industry Type
Integrated circuit
chip design



Number of Employees
1,223



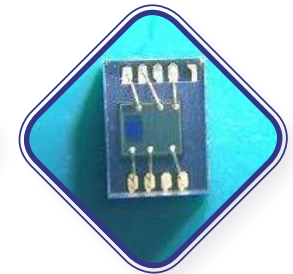
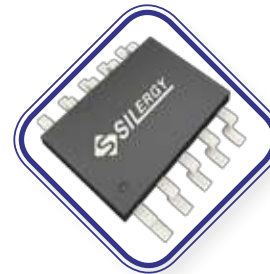
Silergy Corp. Profile

Silergy Corp. was founded in 2008 in the British Cayman Islands with subsidiaries in Silicon Valley, U.S. and Hangzhou, China, and was listed in Taipei in 2013. Silergy Corp. is a professional IC design company, focusing on the R&D and design of analog ICs, with miniaturization, high efficiency and intelligence as its main anchors, and is committed to developing industry-leading products.

Silergy Corp. has been developing power management ICs for more than 10 years, and in recent years, has ventured into the field of electric vehicles, providing technical support and solutions for assisted driving, smart cockpit, and battery management; providing power management solutions for more than 80% of the world's notebook computers; providing battery management solutions for the world's top smartphones; providing screen backlight driver and sensor solutions for the widely used smart TV and smart home; and providing power configurations for communication base stations for 5G manufacturers.

The technology initiatives Silergy Corp. came up with in 2020 include: the industry's most integrated UHD TV panel power management chip, the industry's smallest QFN3x4 packaged 100W USB PD power selector switch chip, and the industry's most sensitive ambient light sensor chip with a human-eye like response spectrum.

Based on the innovative Virtual IDM platform model, Silergy Corp. has filed 1,869 patents and has received more than 1,500 patents.



Silergy Corp. is a professional IC design company, focusing on analog IC design, which is the front-end part of the IC industry system, and belongs to the upstream industry in the industry value chain.

Silergy Corp. has its own semiconductor fabrication process, packaging process and its own test and development technology, and delivers them to manufacturers for production. Unlike other IC design companies that rely on the technology of foundries or packaging companies, which leads to limitations in process technology, the business model of Silergy Corp. is a virtual IDM.

Silergy Corp.'s proprietary process not only provides long-term technological and cost advantages, but also delays the emulation of competitors and better protects the profitability of new products.



External certifications or awards received over the years

- 2021 The 16th "China Chip" - Excellent Technology Innovation Products
- 2021 Top 100 Patent Creation Enterprises in Zhejiang Province - 14th place
- 2020 The 15th "China Chip" - Excellent Technology Innovation Products
- 2020 Leading Industrial Enterprise
- 2020 (the 20th) Zhejiang Province 50 Electronic Information Enterprises with Growth Characteristics

Sustainable R&D Strategy Goals in Clean Tech

Target for the ratio of R&D expenses to sales



Sustainable Product (clean technology) Strategy

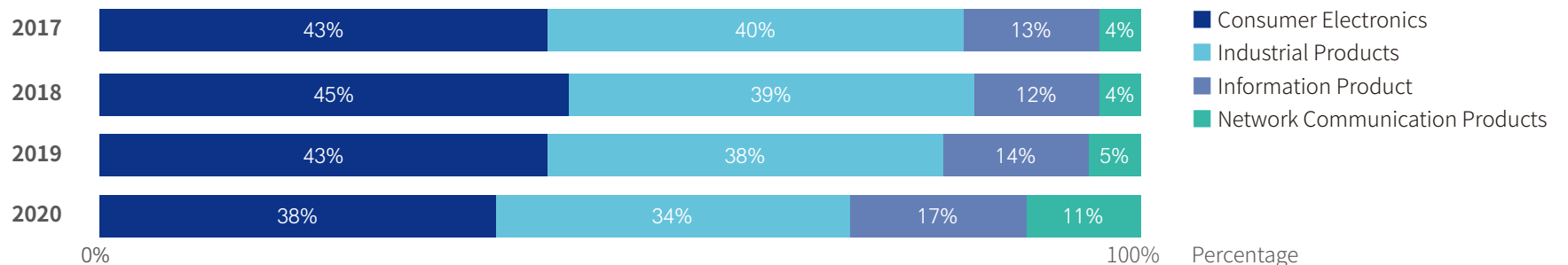
Since its inception, Silergy Corp has focused on developing clean technology products and is committed to designing high efficiency power management chips with environmental protection and energy saving effects to provide customers with diverse and complete energy management solutions. Over the years, we have continued to refine our IC design capabilities and wafer and packaging processes to increase the power density of our latest products to more than four times that of our previous generation products, allowing consumer goods, communication, industrial and automotive products to be more compact and operate with the lowest power consumption, ultimately reducing carbon emissions.

In recent years, Silergy Corp. has introduced ultra-low static power consumption chips for the wearable market, which will turn off unnecessary function modules in the sleep state, achieving a minimum 0.4uA static operating current, effectively reducing the energy loss of wearable devices during standby state, and saving energy consumption.

For the future, Silergy Corp. commits to allocating at least 14% of its annual revenue for R&D to continuously optimize and develop more energy-efficient chips to help customers achieve their energy-saving carbon reduction goals.

The power management ICs of Silergy Corp. play an important role in climate action, as they are the primary key to improving the power saving efficiency of electronic facilities and products. We will continue to aim for more integrated and energy efficient IC design products to help companies in various industries achieve the goal of energy optimization management and realize the vision of carbon neutrality.

The proportion of revenue from sustainable products to total revenue in the past four years





Governance

The State of Corporate Governance

The Board of Directors of Silergy Corp. is the highest governance unit of the Group and implements corporate governance in accordance with the “Securities and Exchange Act”, the “Company Act”, the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, and other laws and regulations. To reinforce the functions of the Board of Directors, an Audit Committee has been established under the Board of Directors to strengthen the effectiveness of the Group's internal audit and internal control as well as the proper presentation of financial statements; and a Remuneration Committee has been established to enhance the transparency of the decisions for the Board of Directors' and managerial officers' remunerations.

Information on the members of the Board of Directors

Name	Job title	Professional knowledge			Whether the individual assumes other senior managerial positions within Silergy Corp.	Number of other public companies in which the individual serves as a director
		Business	Legal	Semiconductor		
Wei Chen	Chairperson	-	-	v	v	0
Budong You	Director	-	-	v	v	0
Chun-Hui Shih	Director	v	v	-	-	0
Lai-Zhuo Chen	Director	-	-	v	-	2
Shun-Hsiung Ko	Independent director	v	-	-	-	2
Yung-Sung Tsai	Independent director	v	-	-	-	1
Wen-Heng Chin	Independent director	v	-	-	-	2

Note: Director Lai-Chu Chen resigned on 2021/8/14



Ethical corporate management policy

Silergy Corp. regards ethical corporate management as the core value of the Group's overall operation and continues to set zero tolerance for ethical cases as the Group's goal. The Board of Directors is the highest decision-making and supervisory body for ethical corporate management. It has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct", which require board members and senior managerial officers to avoid conflicts of interest, comply with the laws and regulations of the competent authorities, and protect the Company's assets. In addition, Silergy Corp. has set up an employee suggestion mailbox and encourages employees to report any suspected or discovered violations of laws, regulations or code of ethical conduct to the Board of Directors, the Audit Committee, managerial officers, internal audit leader or other appropriate personnel, and to assist in providing sufficient information to enable the Company to properly handle follow-up matters. Silergy Corp. has an anti-retaliation mechanism in place to protect the legal rights and personal safety of whistleblowers from retaliation.

As of the end of 2021, there had been no incident related to the breach of integrity and ethical management in Silergy Corp.

Risk management

Silergy Corp. takes the rapid changes in the external environment seriously. By identifying and managing risks and measuring and analyzing the short-, medium- and long-term impacts of various risk factors from all fronts on Silergy Corp., we enhance the effectiveness of decision making and corporate value. Based on the Business Continuity Management (BCM) framework, Silergy Corp. not only identifies risks in R&D, production and operation, human resources, finance, intellectual property (IP), and laboratory stability, but also emphasizes risk management in the areas of climate change and information security.

Silergy Corp. classifies risks into three categories: low, medium, and high, "and formulates response strategies and action plans for high-risk items," to reduce the possibility of business interruption and improve responsiveness.

In addition, through the implementation of the audit plan, we continuously confirm the effectiveness of various internal control systems in controlling potential risks, regularly report the audit results to the Audit Committee and the Board of Directors, and further discuss significant risks, determine response strategies, and review budgets and related resources.

Intellectual property management policy

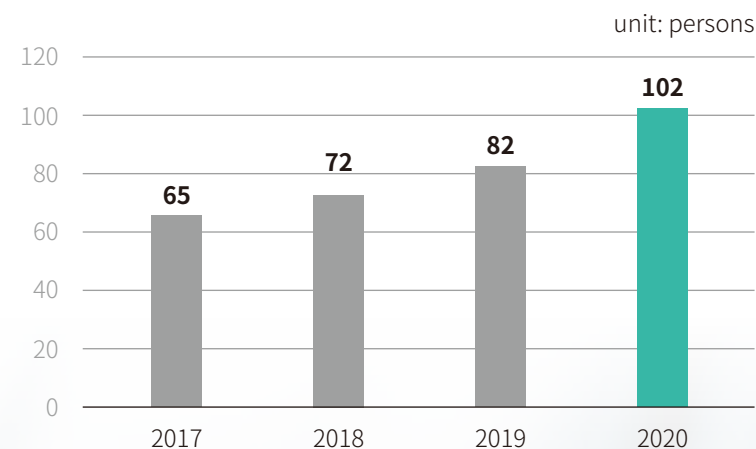
The main objective of our intellectual property management policy is to protect our innovative technological achievements and enhance our competitiveness in the market; at the same time, we respect the intellectual property rights of others. With the advantages of innovative IC design technology, system architecture and software technology, semiconductor fabrication process, device technology, and packaging technology, Silergy Corp. has developed its global IP portfolio strategy.

IP management measures

1. Control the patent proposal review and patent application in a hierarchical manner
2. Use a variety of mechanisms to encourage invention and innovation to encourage employees to continue to apply for patents for inventions
3. Conduct IP rights monitoring at the technology development stage, IP rights infringement due diligence at the result conversion stage, and IP rights optimization before product sales, with risk control covering the entire product cycles
4. Regularly review the Company's patent landscape

In 2020, the patent applications of our employees were awarded the 21st China Patent Excellence Award by the China National Intellectual Property Administration, highlighting the strength of our IP talents. In the future, Silergy Corp. will continue to monitor the market of its products and restrict malicious copying and infringement by competitors to actively protect the Company's IP rights.

The number of people and hours of IP-related education and training in the past four years



Training hours per person

4 hours

Patent management

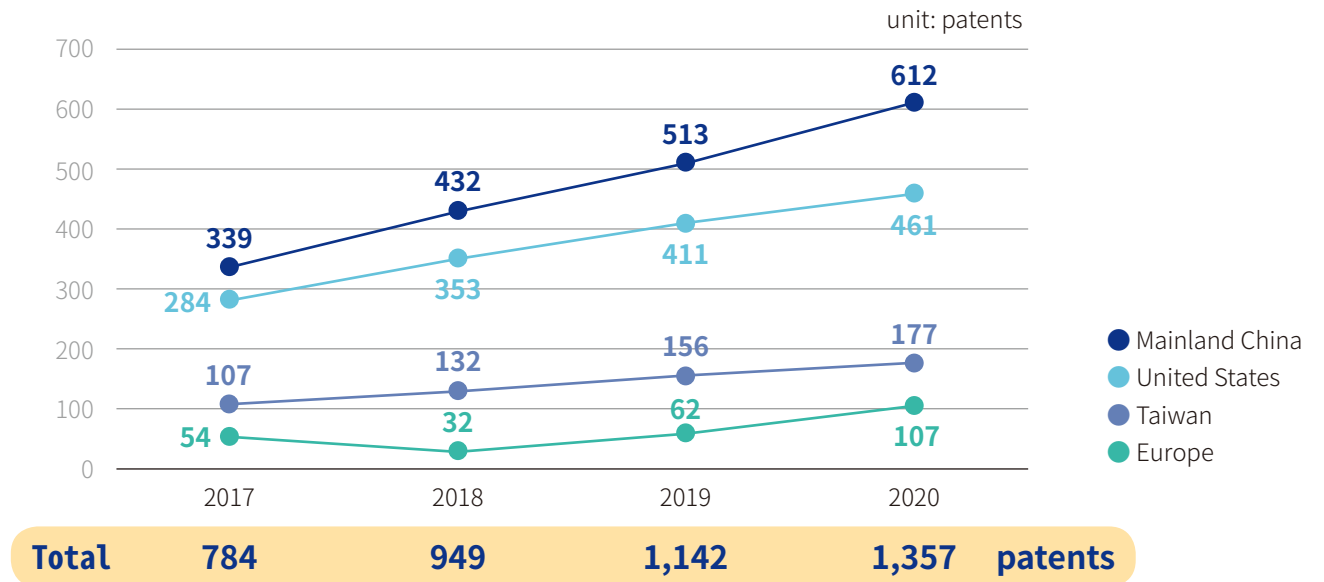
Silergy Corp.'s core team is mainly from Silicon Valley, USA, with more than 15 years of working experience in the same field in many international leading companies. Since its establishment in February 2008, the key technologies applied in the products have been developed by the R&D team in-house. 1,357 patents had been obtained, 357 patents were under application, and 215 patents had been granted as of the end of 2020. We also optimize our products by developing new technologies and integrating multiple product functions to gain a competitive advantage in the market.

The current patent portfolio covers processes, electronic components, packaging, control strategies, circuit structures, and system architectures, all of which have been successfully introduced into mass production. The benefits that our proprietary patents and technologies help our customers achieve are as follows:

1. Reduce chip area and external components, improve voltage/current control accuracy, circuit operation reliability and stability
2. Lower switch on/off resistance and reduce power loss to address heat dissipation requirements, improve conversion efficiency and extend battery life
3. Increase switching frequency, reduce circuit size and weight, and speed up response time, resulting in lower circuit cost, faster design process, and better performance for products

In the future, Silergy Corp. will continue to develop key technologies and patents, and develop new generation products in response to industry trends to maintain its leading position in the industry.

Cumulative number of patents in the past four years



Trade secret protection plan

Trade secret protection policy

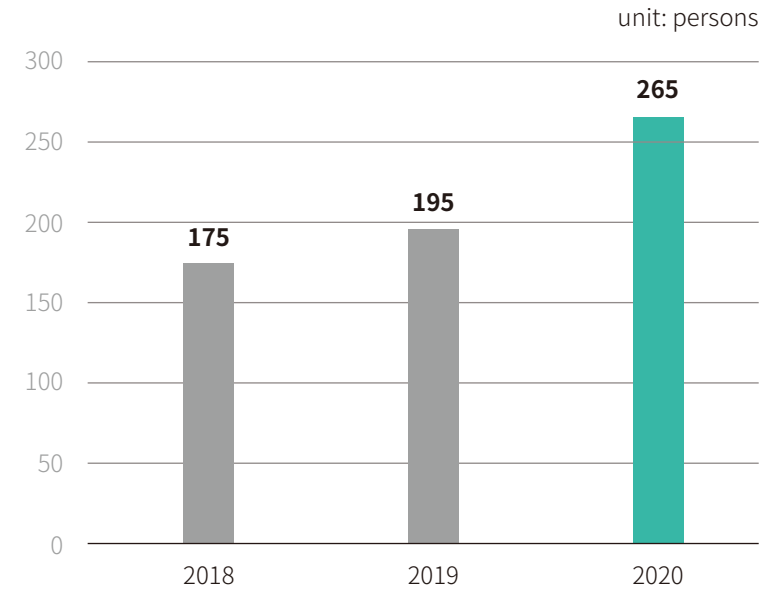
In order to protect the trade secrets of Silergy Corp. and to maintain a fair competition order in the industry, Silergy Corp. has formulated and implemented a protection plan related to trade secrets and information security that the employees of the Company shall observe.

For disputes related to trade secrets, the department that finds the dispute will notify the legal department, and the legal department will conduct an investigation and take timely measures to prevent further disclosure of trade secrets, control the spread of the disclosure, take remedial measures, and, if necessary, collect evidence and take action to defend rights with the relevant departments.

Participated in education and training related to trade secrets in the last three years (2018~2020), whose numbers were 175, 195 and 256.

In 2020, Silergy Corp. did not have any incidents related to the violation of trade secrets regulations.

The number of people and hours of education and training related to trade secrets in the past three years



Training hours per person

2 hours

Trade secret management plan

1. Classify and define trade secrets according to one's own trade secrets and those provided by customers or suppliers
2. Classify the level of confidentiality according to the type and content of information, and implement corresponding non-disclosure measures for each level, such as access control, specific restrictions on access to confidential information, use of confidential information, and authorization hierarchy, etc.

Information security management policy

In order to maintain the confidentiality, integrity and availability of Silergy Corp., the Company has established and implemented an information security management policy to be followed by the Company's employees. The Information Security Department is the highest responsible unit, accountable for information security, the planning and implementation of the information security system, and ensuring the effectiveness of information security incident handling.

Information security management measures

1. Privileged account management
2. Malware detection
3. Equip important information systems and network exits with intrusion detection systems
4. Arrange education and training to enhance information security technical capabilities
5. Perform regular disaster recovery drills
6. Regularly engage third-party professional units to conduct information security audits and health checkups to ensure those information systems and network environments meet security implementation standards, and strictly enforce the information security policy and customer privacy protection measures to protect corporate trade secrets and customer information from leakage

Silergy Corp. will immediately convene technical exchange and response meetings to analyze and review relevant response and defense measures and build a complete protection network for information synchronization in response to unexpected information security attacks. In order to further reinforce the management strength, Silergy Corp. has planned to implement the ISO 27001 management system in 2022 and continue to protect the internal information security of the enterprise through information system vulnerability scanning and penetration test exercises. In 2020, there were no complaints about customer privacy or loss of customer data related to information security.

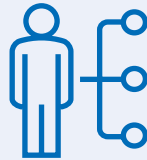


Supplier management policy

Silergy Corp. assesses the environmental and social impacts of procurement practices on the communities we are supplied, and works with suppliers to jointly fulfill our corporate social responsibility (CSR). Silergy Corp. has established a supplier management policy that requires suppliers to follow relevant regulations on environmental protection, occupational safety and health, or labor rights, and will evaluate suppliers' records of environmental and social impact prior to business dealings, and avoid transactions with those whose CSR policies are incompatible.

New supplier selection procedure

Silergy Corp. will ensure that the supplier's capabilities, including process capability, product reliability and product quality, meet the requirements of Silergy Corp. and our customers through paper reviews and on-site audits. We will also investigate whether the supplier has a mechanism to carry through CSR, to confirm the supplier has met the basic requirements related to sustainability before becoming a supplier of Silergy Corp.



Supplier grading management

Silergy Corp. conducts supplier classification and grading to fully command the supply chain's overall status and select key suppliers. Critical suppliers are defined as suppliers that significantly impact the quality and delivery of the Company's products, or the purchases from them reach a certain amount or percentage. These suppliers have resident engineers in our plants to strengthen mutual communication and ensure stable product quality.



As one of the leading companies in the IC industry, Silergy Corp. has long been concerned with international sustainable development issues. For sustainable management of the supply chain, Silergy Corp. not only requires suppliers to comply with environmental protection, occupational safety and health, and labor and human rights regulations, but also continuously ensures suppliers' sustainable actions through risk assessment, monitoring and auditing, etc. For those who do not comply with the regulations, Silergy Corp. will require them to continuously improve. Through the above measures, Silergy Corp. encourages suppliers to be committed to socially responsible operations and work together to bring positive impact on social development and create a sustainable development environment and an enterprise that protects labor rights and interests.

Conflict minerals management

In response to the Responsible Business Alliance (RBA) and the Global e-Sustainability Initiative (GeSI), Silergy Corp. supports industry initiatives and follows the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas" formulated by the Organization for Economic Cooperation and Development (OECD) to design a due diligence framework and conduct due diligence on 100% of suppliers, and establish a conflict minerals management system to ensure that our suppliers use no conflict minerals.

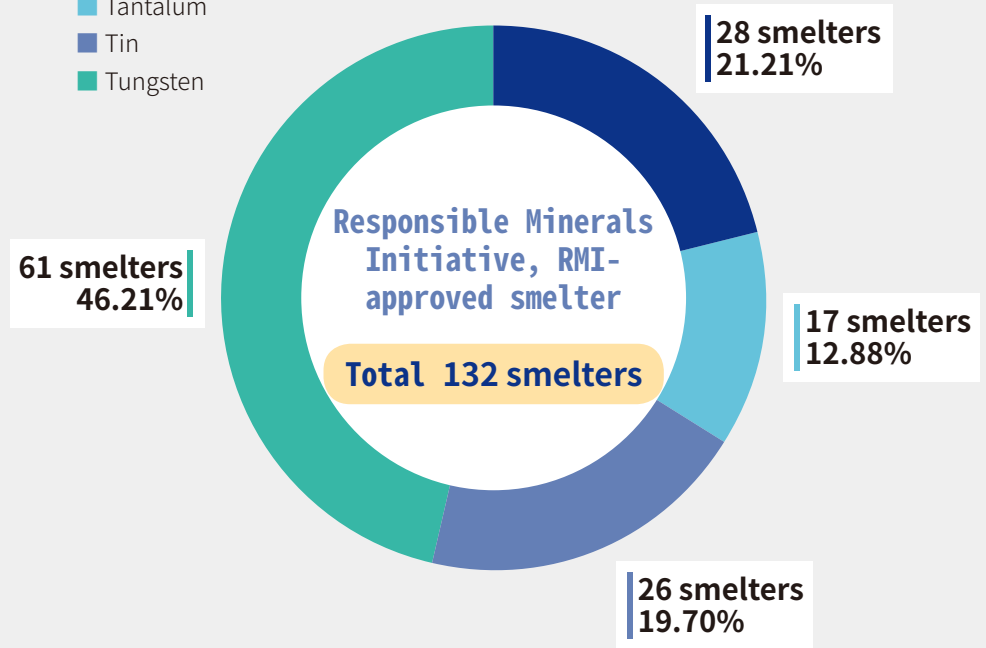
Silergy Corp. purchases only from suppliers who have obtained external certification to ensure that the source of raw materials is in line with our spirit of sustainable procurement. In addition, Silergy Corp. conducts due diligence on the source of various minerals (smelter level) at least annually through the Conflict Minerals Reporting Template-CMRT, Cobalt Reporting Template-CRT, and requires 100% of existing suppliers to conduct due diligence and disclose the results of the investigation. We also conduct a conflict minerals procurement review for new suppliers to ensure compliance with the Company's conflict minerals policy.

Finally, our Quality Department prepares annual conflict minerals investigation and management reports and presents them to the Company's senior management to ensure 100% compliance with the customer's conflict minerals management checking requirements.

Silergy Corp. ensures that 100% of the Company's raw materials are conflict-free through these measures.



- Gold
- Tantalum
- Tin
- Tungsten

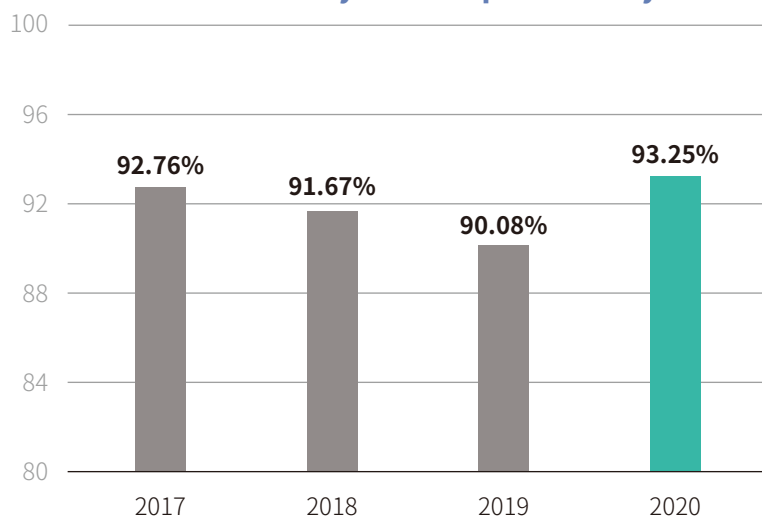


Silergy Corp. is committed to providing better and more diversified services to our customers to achieve the goal of providing complete solutions and making our customers become long-term partners without any worries.

In order to achieve this goal, Silergy Corp. has set up a complete team, from the front-end market research/product sales/after-sales service/customer application support to the back-end defect feedback, quality assurance, and customized products, all of which have dedicated departments to correspond to, in order to provide customers with the most immediate product service and to create the best customer service experience.

The customer service satisfaction rate has remained above 90% in the past four years, highlighting the effectiveness of Silergy Corp.'s customer relationship management. In the future, the Company will continue to improve its technology, strengthen its service quality and management, and have more in-depth cooperation with customers to achieve a win-win situation with them.

Proportion of customers who rated us as satisfactory in the past four years



Silergy Corp. has established a "Group Tax Policy" with the Board of Directors as the highest decision-making and supervisory body for tax management and the Finance Department of the Group Headquarters as the tax management unit. The Group's tax policy is based on tax regulations, honest tax reporting, information transparency, mutual trust and honest communication, prudent assessment of tax risks and impacts, improvement of tax professionalism, and personnel training.

Eight commitments on tax policy

1. All operations are conducted in accordance with relevant tax laws and regulations
2. Transactions between affiliates are governed by the arm's length principle
3. Financial statement information is transparent and tax disclosures are made in accordance with relevant regulations and standards
4. No use of tax havens or tax planning for the purpose of tax avoidance
5. Not to transfer profits generated by the Company to countries with low tax rates
6. Establish a respectful relationship with tax authorities based on mutual trust and information transparency
7. The Company's important decisions are made with the impact of taxation taken into account
8. Analyze the operating environment and apply management mechanisms for tax risk assessment



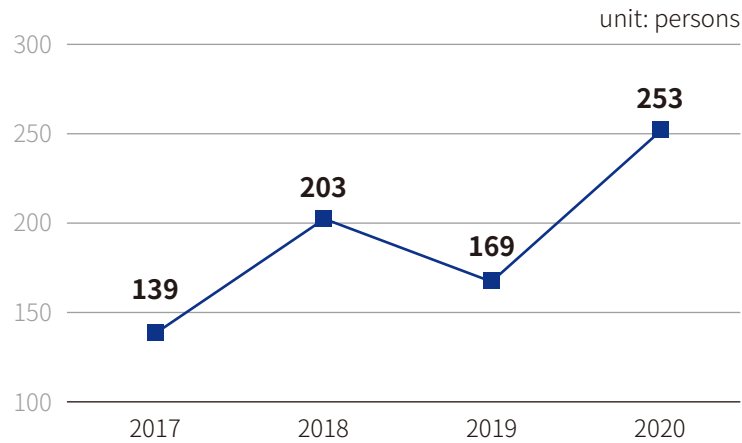
Social

Silergy Corp. attaches great importance to the training and development of professional talents. In addition to providing a good working environment and promotion pipeline, Silergy Corp. also provides comprehensive education and training to foster diversified R&D talents and maintains employee benefits and profit sharing policy to attract outstanding design talents to join us. In addition, we continue to carefully manage the relationship with employees and establish good communication channels to strengthen the alignment and cohesion of employees and reduce the risk of staff turnover. Additionally, the Company relies on an experienced leadership team to establish a training and management system to effectively accumulate professional knowledge and nurture the foundation of sustainable development.

Talent recruitment plan

Silergy Corp. has a variety of talent recruiting methods, such as online recruiting, campus recruiting (campus hiring and campus job training program), recruiting expo, and internal referral mechanisms to attract suitable talents. We recruited 253 people through multiple recruitment channels in 2020.

New employees in the past four years



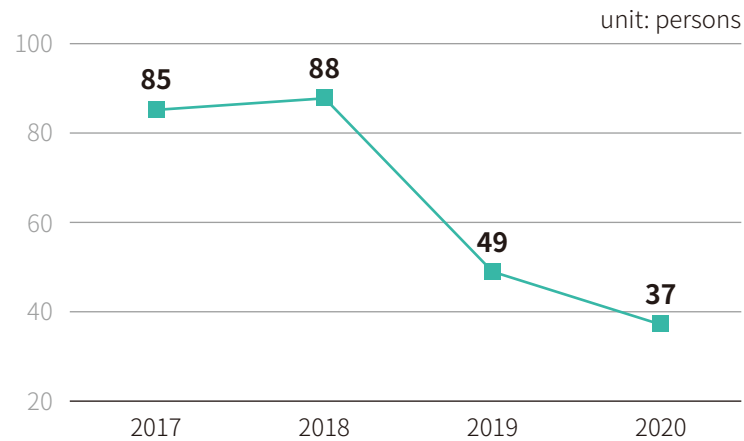
Internship program

With the belief of cultivating professional talents, we provide internship opportunities, recruit campus interns, and cooperate with colleges and universities to establish joint training and internship bases to cultivate professional talents that meet the needs of Silergy Corp. and at the same time bring practical knowledge of the industry to the campus to facilitate social cultivation.

The "Excellence Program" is a corporate internship project jointly implemented by Silergy Corp. and Zhejiang University, providing a platform for outstanding undergraduate students. The internship contents are developed by corporate instructors, who will also evaluate the performances of the interns, and those with outstanding performance will be given priority to work at Silergy Corp.

In addition, Silicon Power cooperates with the Department of Electrical Engineering of National Kaohsiung University of Science and Technology to provide an internship program for students to learn the practical experience of product circuit testing/board design directly within Silergy Corp. Upon completion of the internship, outstanding performers will be given priority in job opportunities. Through the above internship program, Silergy Corp. is able to nurture outstanding and suitable talents as early as possible to facilitate the Company's sustainable development.

Number of interns in the last four years



Note: Reduced number of interns due to COVID-19 in 2019~2020.

Talent cultivation

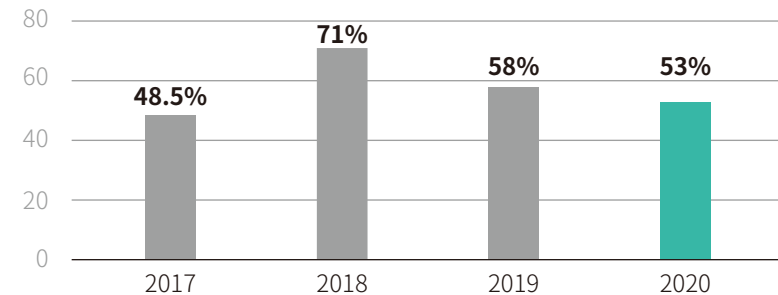
Human resources are the cornerstone of sustainable business operation. In order to enhance the ability and quality of employees and maintain a long-term competitive advantage, Silergy Corp. has arranged suitable development plans for different types of employees, and 100% of employees have received corresponding education and training.

- For new graduates/new employees (including part-time and contractors), we provide onboard orientation and basic work skills training to facilitate their quick integration into the Company
- For the current employees, we provide two development paths, technical and managerial, with reference to their career planning and development direction, and further design functional training according to their stage, based on the framework of "basic knowledge", "core competencies" and "professional capabilities", and provide suitable training courses

At the same time, we provide a training evaluation mechanism to assess the effectiveness of employee learning and development and continuously observe the performance of trained employees in the business process for verification to create the value of sustainable human resources development.

In 2020, more than 50% of the job vacancies were filled by internal leaders, indicating that Silergy Corp. provides sufficient opportunities and resources for talents to effectively develop their careers within the Company.

Proportion of internal promotions for supervisory positions in the past four years

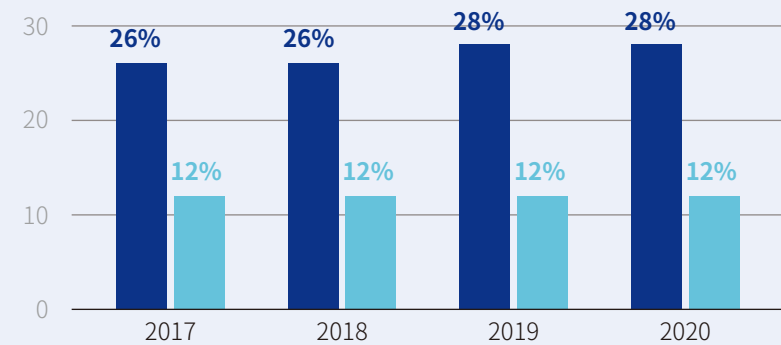


Diversified workplace

In addition, Silergy Corp. attaches great importance to fair competition and a friendly atmosphere for women in the workplace, so the proportion of female employees has increased yearly in recent years.

- Female employees as a percentage of general staff
- Female employees as a percentage of managerial staff

Proportion of female employees in general and management positions in the past four years

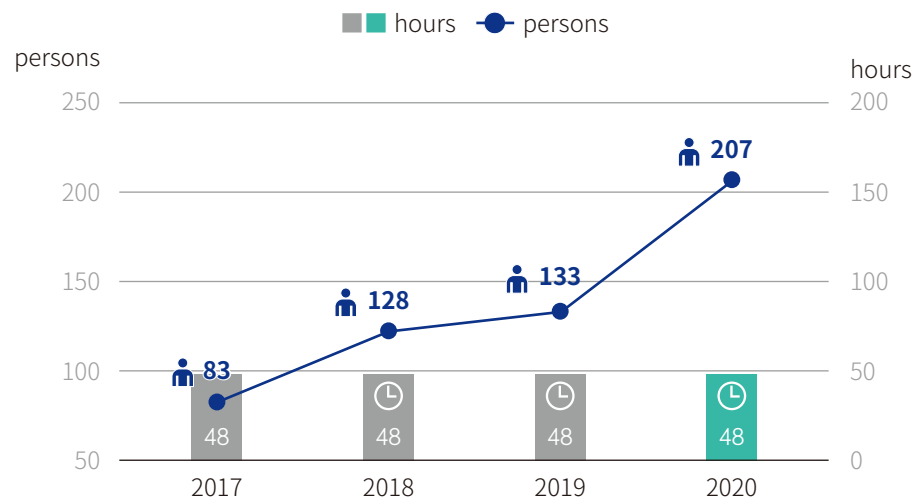


Management and leadership development plan

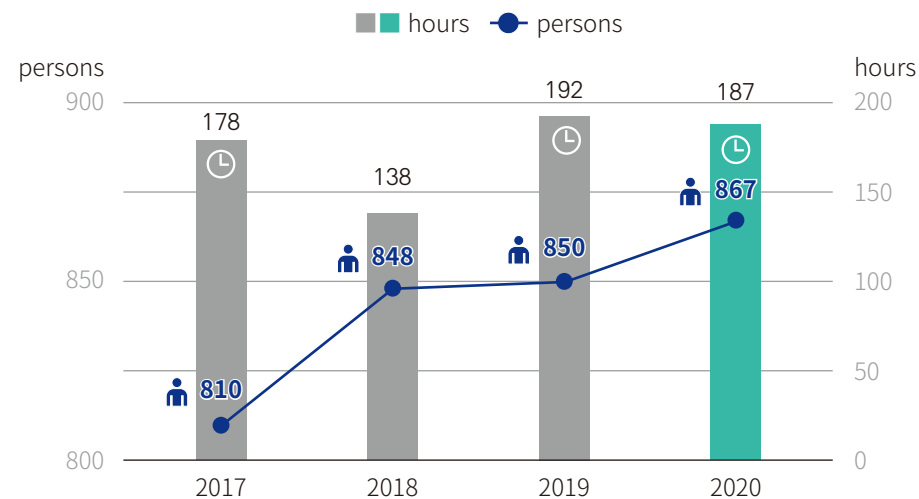
Silergy Corp. attaches great importance to the leadership and development of the Company's talents. Therefore, we have developed a complete and appropriate training program for leaders at different levels to ensure the high quality of the Company's entire human resources. Through customized development plans, we can effectively set off the potential of our employees.

<p>Base-level leaders</p> <ul style="list-style-type: none"> • Business decision-making and allocation capability • Understanding your tasks • Strengthening organizational management skills • Deploying coaching and development capability • Problem prevention and resolution capability • Enhancing leadership capability • Foreign language communication skill 	<p>Mid-level leaders</p> <ul style="list-style-type: none"> • Business decision-making and allocation capability • Understanding your tasks • Strengthening organizational management skills • Deploying coaching and development capability • Problem prevention and resolution capability • Enhancing leadership capability • Foreign language communication skill
<p>Senior-level leaders</p> <ul style="list-style-type: none"> • Management decision-making and coordination skill • Understanding the tasks of department managers • Developing management decision-making skill • Mastering your departmental management priority • Learning how to develop successors • Learning basic budget management and goal management capability • Foreign language communication skill 	

Number of participants and hours of training for new employees



Number of participants and hours of training for skills and management



Performance evaluation

As an innovative and efficient firm, Silergy Corp. has established a scientific and effective management system, a comprehensive performance appraisal system, which sets the criteria for promotion according to individual ability and seniority, promotes continuous and effective communication between leaders and employees on the status of goal achievement, and provides timely feedback and guidance to achieve forward-looking management. Also, performance management is integrated with training and development and remuneration and benefits systems to motivate employees to perform well.

1. Half-yearly performance appraisal is conducted for all employees. Employment performance, the achievement rate of the previous year's goals, professional behavior and ethics, and corporate culture values are used as appraisal components
2. Annual salary adjustment, year-end bonus, stock options, etc. are linked to employees' performance
3. Leaders communicate with employees about their overall performance and career goals, and provide consultation on short-, medium- and long-term career development plans

Note: The number of participants in the performance appraisal at the end of 2020 was expected to be 968, with an appraisal rate of 96%.

Silergy Corp. provides competitive remuneration and has established the "Employee Remuneration Management Measures", which stipulate that a maximum of 20% of pre-tax profits and a minimum of 8% may be set aside as employee profit sharing bonus, thus fully linking the profitability of the Company's overall operations with the performance of individual employees and effectively motivating employees to perform well.

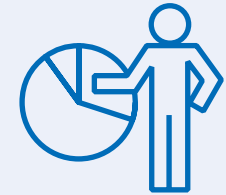
Scope of employee stock ownership plan

Since 2008, Silergy Corp. has launched an employee stocks incentive program, which is applicable to all employees. The incentive program serves as a long-term incentive to retain talents and protect the Company's core competitiveness.






Non-salary benefits and work-life balance mechanism

In addition to a competitive remuneration mechanism, Silergy Corp. has developed and implemented a variety of non-remuneration benefits to maintain work-life balance to achieve sustainable management.



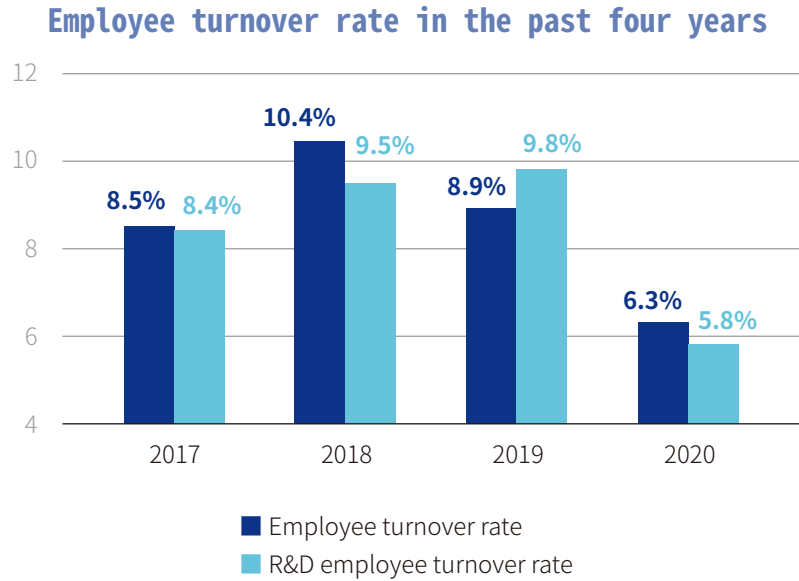
Diversified mind, body and spirit welfare care

 Health care	 Life care	 Vacation benefits	 Insurance care
<ul style="list-style-type: none"> Annual health checkup 	<ul style="list-style-type: none"> The Company has 31 associations and clubs, and holds regular club activities Regular birthday parties, quarterly events, etc. 	<ul style="list-style-type: none"> Flexible working hours Family leave, seniority leave Additional 15 days of special leave for calendar days after 5 years of service One group trip per year, multiple travel routes 	<ul style="list-style-type: none"> Additional supplemental commercial insurance for each employee Maximum percentage for the five insurances and housing fund

Note: Seniority leave means an additional day of paid vacation for every full year of employees working in the company.

Remuneration and benefits

In summary, Silergy Corp. continues to use employee satisfaction and turnover rate as indicators of remuneration and benefits, and the latest employee satisfaction survey reached 90%. The turnover rate has dropped sharply in the past three years. Among them, the turnover rate of R&D employees dropped to 5.8%, which was even more significant. It demonstrates the effectiveness of Silergy Corp.'s favorable benefits.



Human rights policy

Silergy Corp. complies with relevant laws and regulations and follows international human rights conventions to ensure gender equality, right to work, and prohibit discrimination, etc. We have established appropriate management policies and procedures to fulfill our responsibility to protect human rights, which include:

1. Proposing corporate human rights policies or statements.
2. Evaluating the impact of the Company's operating activities and internal management on human rights, and establishing procedures to deal with them accordingly.
3. Reviewing the effectiveness of corporate human rights policies or statements regularly.
4. Disclosing the procedures for dealing with stakeholders involved in human rights violations.

Silergy Corp. defends internationally recognized labor human rights, such as freedom of association, the right to collective bargaining, care for the underprivileged, prohibition of child labor, eradication of all forms of forced labor, elimination of hiring and employment discrimination, etc. Silergy Corp. also confirms that its human resource utilization policies do not discriminate based on gender, race, socio-economic class, age, marital status and family status, and that they provide equal and fair employment, hiring criteria, remuneration, benefits, training, evaluation and promotion opportunities. Silergy Corp. provides an effective and appropriate complaint mechanism to ensure equality and transparency in the complaint process in cases where labor rights and interests are jeopardized.

Human rights policy

Employee communication

Silergy Corp. has established a regular communication and dialogue channel for employees to have the right to obtain information and express their opinions on the Company's management activities and decisions. Silergy Corp. respects the right of employee representatives to negotiate on working conditions, and provides employees with the necessary information and hardware facilities to promote negotiation and cooperation between management and employees and employee representatives. In addition, Silergy Corp. provides reasonable notice of operational changes that may significantly impact employees.

Employee health and safety policy

Health and safety policy

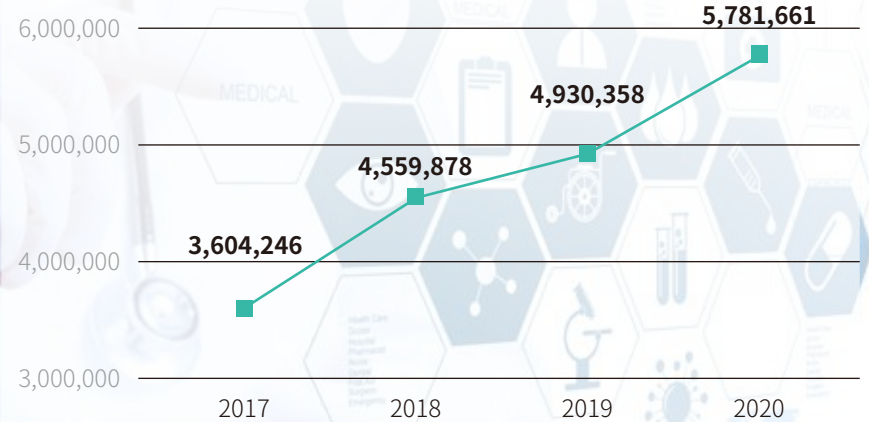
Silergy Corp. emphasizes workplace safety and aims to create a safe and healthy working environment for employees and contractors with zero occupational injuries, including the provision of necessary health and first aid facilities, and strives to reduce the risk factors to employee safety and health in order to prevent occupational hazards. Silergy Corp. provides regular safety and health education and training to all employees and provides annual health checkups for all employees.

No occupational diseases or injuries occurred in 2020.

Health promotion measures

- Annual health checkup
- Regular health seminars

Employee health and safety-related expenditures for the past four years unit: NTD



Note: Employee health and safety insurance, medical care expenditures, etc.



Environment

Environmental management policy

Silergy Corp. is committed to improving the efficiency of the utilization of various resources and using recycled materials with low impact on the environment, so that the earth's resources can be used sustainably. For environmental management, we adopt the principles of precaution, prevention and control, and comprehensive governance; we are committed to promoting green environmental protection, energy saving and carbon reduction; we adhere to the principles of pollutant emission compliance and total pollutant control.

In addition, we have established an internal management system in accordance with the ISO 14001 environmental management framework. The system includes the following items:

1. We adequately and timely collect and assess information on the impact of operational activities on the natural environment
2. We have established measurable environmental sustainability goals and regularly review the sustainability and relevance of their development
3. We have established specific plans or action plans and other implementation measures, and review their effectiveness on a regular basis

Environmental management measures

Hangzhou headquarters has obtained ISO 14001 certification. In accordance with the international standard ISO 14001 environmental management system, Silergy Corp. carries out environmental management and takes the following related measures:

1. We implement green design for products and processes so that both products and service outsourced vendors follow green requirements
2. We comply with government requirements to recycle or process the "three wastes" generated in the production and household activities
3. We recycle water resources and regularly check the water pipes of the headquarters building for leaks
4. We inspect the sewage in the headquarters building quarterly, clean the septic tank no less than twice a year, and discharge the kitchen wastewater to the sewage pipe after separating the oil from the grease trap to ensure that the standards are met before discharging to the municipal pipe
5. For strong acid testing laboratories, we set up waste gas treatment equipment to prevent volatile gases from polluting the environment or generating odors to avoid pollution of the environment or odor nuisance to the public
6. The headquarters building is prone to noise generation and vibration, so we have silencing, sound insulation, anti-vibration and other measures
7. We set up exhaust vents for warehouses, garages, and places with dense populations; exhaust gases are discharged through shafts on the roof



Silergy Corp. is well aware of the impact of global climate change, so we continue to optimize our internal energy management, compile statistics on greenhouse gas emissions, and formulate measures to reduce energy consumption and greenhouse gas emissions, and promote them accordingly in order to reduce the impact of our operations on climate change.

During its operations, Silergy Corp. mainly uses electricity as the main source of energy. In 2020, the total greenhouse gas emissions from the Hangzhou headquarters were 4,849 metric tons of CO₂e.

Energy management measures

1. Our walls are made of heat-insulating metal materials, the glass is made of LOW-E insulating glass, and the exterior walls and roofs are insulated with thermal insulation measures
2. Solar energy panel heat collector is used for hot water
3. Adoption of LED light bulbs
4. Installation of heat recovery devices
5. Segmented lighting
6. Air conditioner energy consumption control



Water management policy

In order to enhance the efficiency of water resources utilization, Silergy Corp. focuses on conservation and protection, strengthens water demand and water use process management, and improves water use efficiency in all aspects by improving systems, implementing responsibilities, strictly controlling total water use, and ensuring water supply safety.

Water management action

Silergy Corp. enhances water saving rates by posting water saving slogans at the public water use areas and by managing the daily water consumption reduction. In 2020, Hangzhou headquarters' actual annual water consumption was 12,879 m³, and 19,430 m³ of water was saved. Compared with the original design amount, the annual water saving is about 34%.



Waste management policy

In order to achieve sustainable resource utilization and ensure proper disposal of waste, Silergy Corp. continues to promote waste reduction and recycling of waste. The solid waste recycling rate reached 100% in 2020.

Waste types and treatment methods

Silergy Corp.'s waste can be divided into three types: non-recyclable solid waste, recyclable solid waste, and hazardous solid waste. We regularly assign a qualified waste removal and treatment vendor to handle the waste for hazardous waste.

Separate bins are installed on each floor of the building and collected and disposed of by the property. The logistics department supervises and inspects the collection, classification, storage and disposal of solid waste every month.

1. Non-recyclable solid waste is food waste and household garbage
2. Recyclable solid waste includes metal parts, waste cardboard boxes, wooden waste boxes, waste plastics, waste paper, etc.
3. Hazardous waste includes used fluorescent lamps, used ink cartridges, toner cartridges, electronic waste

Waste disposal method statistics in 2020



Incineration	279
Reuse	8
Physical treatment	184

unit: metric tons





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(FAE technical support, Products recommended)