



# 2022

Clevo ESG Report  
2022



**CLEVO®**

**2022**  
Clevo ESG Report  
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## About this Report

Clevo Co. (hereafter "Clevo" or "we" ) has issued the 2022 sustainability report, which marks the 7th issue of this report issued by Clevo. This report faithfully and transparently presents Clevo's 2022 sustainable results and actions in the 4 aspects of ESGP: Environmental, Social, Governance, and Product. By publishing this sustainability report annually, we hope to improve and streamline communication with Clevo's stakeholders and share our performance and progress in sustainable development.

### Report Preparation Guidelines

Reporting Unit	Guideline Items
The Global Reporting Initiative	The Global Reporting Initiative (GRI) 2021 Edition
Taiwan Stock Exchange	"Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"
United Nations	United Nations Sustainable Development Goals (SDGs)

### Reporting Period

The data and information disclosed in this report are mainly based on the data in 2022 (January 1, 2022, to December 31, 2022). For information completeness and comparability, some data may be traced back to 2021 or extended to 2023 to present a quantitative tracking trend.

### Time and Scope of the Report

This report discloses the information of Clevo Co., including the Taipei Headquarters and Kunshan Plant (under the name of Kapok Computer (Kunshan) Ltd.; referred to as "Kapok Computer (Kunshan) " below). Except for CPA-audited financial information and certain sustainability data, the report does not include other business investments mentioned in the consolidated financial statements. Please refer to the Assurance Chart for more details on the boundary and scope of assurance.

We regularly publish the sustainability report on the official website every year:

The report publication date: August 2023

Next anticipated report publication date: August 2024

### Preparation Guidelines

Clevo has followed the 3 content principles and 6 quality principles of the GRI Standards and principles of materiality, inclusivity, responsiveness, and impact of AA 1000 Account Ability Principle Standard (APS) when drafting this report.

### Management Approach

Data of this report was provided by internal departments within Clevo, for which the head of each department was responsible for reviewing the correctness and completeness of the information supplied. All financial statement figures are denominated in New Taiwan Dollars and have been audited and announced to the public. For environmental data, the basis and units of calculation were taken from government-published information. If any, other quantitative data of special meaning would be explained by the respective department in the form of a footnote.

### Assurance of Report

We have commissioned PwC Taiwan, an independent and credible law firm according to Taiwan Standards on Assurance Engagements (TWSAE) No. 3000 "Assurance Cases for Audits or Reviews of Non-historical Financial Information, " as an independent to conduct the limited assurance work for the selected assurance targets. Outcomes of the assurance review have been fully communicated with the governing body. Please refer to the independent assurance statement, presented as an appendix of this report, for more details on the scope and conclusion of CPA's assurance.

Please do not hesitate to contact us if you have any opinions, queries, or recommendations regarding this report or Clevo's sustainability practices.

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Clevo's official sustainability website





# CLEVO® Message from Management



Chairman

劉建泰

2022 remained quite a difficult year for the world. Even though Taiwan's COVID-19 prevention policy has been gradually loosened and daily economic transactions have gradually returned to normal, various complex factors such as climate change, the war between Russia and Ukraine, and the US-China trade conflict still bring many uncertainties and risks to business operations. The overall economic climate has also been considerably affected.

Under the global consensus to face climate issues, Clevo has continued to improve its products and gradually transformed to grasp the risks and opportunities introduced by climate change. We also echo the SDGs of the United Nations by upholding the concepts of "company sustainability," "environmental sustainability," and "social sustainability." The goal is to incorporate ESG development strategies and goals from the economic, environmental, and social perspectives into business operations to help contribute to sustainable development and slow down the impact of global warming on the world.

## Corporate Sustainability (Governance)

Clevo was selected for the "Corporate Governance 100 Index" Constituent Stocks in 2022. This is an important indicator of corporate sustainability and governance and a strong endorsement of the company's ESG development. In the future, we will continue to provide open and transparent information and strictly adhere to the relevant laws of integrity management and the laws and regulations of each operating base to boost the confidence of all Clevo stakeholders.

Furthermore, global enterprises must prioritize internal information security management as digital transformation accelerates. In December 2022, we incorporated Kapok Computer (Kunshan) and Buynow into the Information Security Committee organization to better understand, prevent, and address various information security needs and coordinate the formulation, implementation, risk management, and compliance review of information security-related policies. These efforts can significantly reduce Clevo customers, employees, and its operations' information security risks.

## Environmental Sustainability (Environment)

With the intensification of extreme weather in recent years, the risks faced by business operations have also increased each year. Clevo introduced the Task Force on Climate-related Financial Disclosures Recommendation (TCFD) formulated by the International Financial Stability Board in 2022 to identify the potential impacts climate change has on the company. The Sustainable Development Team also regularly monitors the company's climate risks and opportunities. The Board of Directors is Clevo's highest level of climate risk governance,

President

蔡明賢



overseeing the development of response strategies. The Taipei Headquarters and the Kunshan Plant completed the carbon inventory in 2022. The Kunshan plant also obtained an ISO 14064-1 verification report from the third-party SGS inspection agency to enhance the information credibility and contribute to Taiwan's 2050 net zero emission goal.

In addition to the carbon inventory, the Taipei headquarters has completed the 2022 greenhouse gas inventory and formed a special team to track carbon reduction progress and implement the greenhouse gas inventory to study future reduction strategies. Clevo will continue to take a proactive attitude and implement carbon reduction actions and regular inventory operations in light of climate change.

### Social Sustainability (Social)

Employees are the company's most important partners and assets. We believe a positive workplace culture can only be achieved by having happy and healthy employees. We are committed to upholding employees' human rights to be treated equally and providing a safe and healthy working environment for all colleagues. In 2022, Clevo officially announced joining the "TALENT, in Taiwan" Taiwan talent sustainability action alliance to contribute to talent cultivation, help Taiwan's industry prosper, and create a win-win situation.

In addition to talent cultivation, we have actively participated in various public welfare and environmental protection activities. We can balance the uneven social resources distribution problem and strive for a sustainable society by matching resources from all walks of life. Clevo's main investments in social welfare can be divided into 3 categories: "Love and Charity," "Community Prosperity," and "Environmental Awareness." In 2022, Clevo invested NT\$2.784 million in social welfare activities. The company hopes its social influence can provide more backing and care for disadvantaged groups, promote social class mobility, and balance social resource distribution.

Moreover, Clevo also actively participated in disaster prevention activities in New Taipei City In 2022 to leverage corporate resources to boost the community's disaster prevention momentum and resilience to deal with extreme weather.

Clevo is about to celebrate its 40th anniversary. We will work harder to deepen our global presence, invest in talents, and implement carbon reduction actions. We aim to increase operational efficiency and profits for the company through organizational transformation. We will also share this achievement with shareholders, give back to society, implement the spirit of corporate sustainability, and fulfill social responsibilities together.








# Stakeholder Engagement and Identification of Material Topics

## Listening to Stakeholders

Clevo is a leading domestic laptop manufacturer. In addition to minimizing the impact of our operations on the external environment, economy, and society through effective management, we also hope to start with Clevo and drive the supply chain toward sustainability under the sustainability trend. We highly value any valuable suggestions from stakeholders for Clevo. That is why we have established an effective and efficient communication mechanism and channel with stakeholders, allowing Clevo to better understand the expectations of internal and external stakeholders.





We referenced the AA1000 Stakeholder Engagement Standard (SES) guidelines to identify the 5 stakeholder identification principles: "Dependence, Responsibility, Influence, Diverse Perspectives, and Tension of Attention." The categories of stakeholders are summarized by contacting and interacting with Clevo's various departments during the operation process. Ultimately, Clevo identified 7 main types of stakeholders: shareholders / investors, banks, government agencies, suppliers, employees, customers, and the community. The following table lists the significance, communication methods, communication frequency, and issues of concern to Clevo for the 7 main types of stakes.

Stakeholder Type	Implications to the Company	Communication Methods and Channels	Frequency of Communication	Concerned Issues
 Shareholders/ Investors	Shareholders/investors agree with the company that maintaining a good relationship and close communication with shareholders or investors is conducive to the sustainable development of Clevo and the key to supporting the company's business development.	1. "CTBC Bank"- stock transfer agent 2. Investor communication hotline 3. Phone visit 4. On-site visit 5. Mail	Unscheduled	❖ Corporate Governance ❖ Legal Compliance ❖ Ethical Management and Anti-corruption ❖ Economic Performance ❖ Response to Climate Change ❖ Customer Relationship Management
 Banks	Engaging with various banks' business contacts can help us to use funds flexibly and assist the company's long-term operation and development.	1. Telephone / communication software 2. On-site visit 3. Mail	1-2 times a months	❖ Corporate Governance ❖ Legal Compliance ❖ Employee Welfare ❖ Occupational Health and Safety ❖ Responsible Production ❖ Customer Privacy ❖ Supplier Management
 Government Institutions	Understanding government agencies and regulatory requirements will assist businesses in complying with regulations and reducing violation risks. The efforts can also effectively plan processes and strategies to improve regulatory compliance accuracy, avoid losses, and ensure long-term stable development.	1. Telephone / communication software 2. On-site visit 3. Mail	Unscheduled	❖ Corporate Governance ❖ Legal Compliance ❖ Responsible Production ❖ Response to Climate Change ❖ Greenhouse Gas and Energy Management

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Stakeholder Type	Implications to the Company	Communication Methods and Channels	Frequency of Communication	Concerned Issues
 Supplier	A sustainable supply chain is essential to a company's regular operations and can provide significant flexibility in the face of market challenges.	1. Market supply/demand trend and price bargaining 2. Arrange senior management meetings and plant visits based on the year's market changes. 3. Telephone / communication software	1. Once a quarter 2. Once a year 3. 1-2 times a week	❖ Employee Welfare ❖ Customer Relationship Management ❖ Supplier Management ❖ Risk Management ❖ Information Security and Customer Privacy
 Employees	Employees are the most important advantage to the Company, and the key to improving operating performance and maintaining market competitiveness	1. Face-to-face communication 2. Telephone communication 3. Announcement / e-mail	Daily	❖ Customer relationship Management ❖ Corporate Governance ❖ Legal Compliance ❖ Ethical Management and Anti-corruption ❖ Economic Performance ❖ Occupational Health and Safety ❖ Employee Education and Training ❖ Employee Welfare
 Customers	Understanding customers' needs and maintaining productive relationships with customers' support the company's growth	1. Customer satisfaction survey 2. Mail 3. Telephone / communication software	1. Half-yearly 2. Unscheduled 3. 1-2 times a month	❖ Corporate Governance ❖ Legal Compliance ❖ Ethical Management and Anti-corruption ❖ Economic Performance ❖ Responsible Production ❖ Supplier Management
 Communities	Clevo's steady development is dependent on the support of neighboring communities. So we promote resource sharing, good neighborliness, and community harmony.	1. Face-to-face communication 2. Telephone communication	1-2 times a months	❖ Water resource Management ❖ Waste Management ❖ Greenhouse Gas and Energy Management ❖ Economic Performance ❖ Charity and Social Contribution ❖ Responsible Production

## Material Topic Identification Procedures

Clevo collects and organizes important sustainable issues in its industry. After referencing the sustainability issues included in benchmarking peers' sustainability reports at home and abroad and the disclosure issues mandated by domestic laws and regulations in recent years, we eventually concluded and decided to include 19 sustainability disclosure topics in the 2022 sustainability report.

### Step 1: Identify the Annual Sustainability Topics

A total of 19 topics eventually converged after referring to domestic and foreign industry benchmarks, regulations, and industry trends and incorporating the issues of interest fed back by stakeholders during the year. They were also divided into 4 major aspects, as shown in the following table:





# CLEVO<sup>®</sup> Stakeholder Engagement and Identification of Material Topics

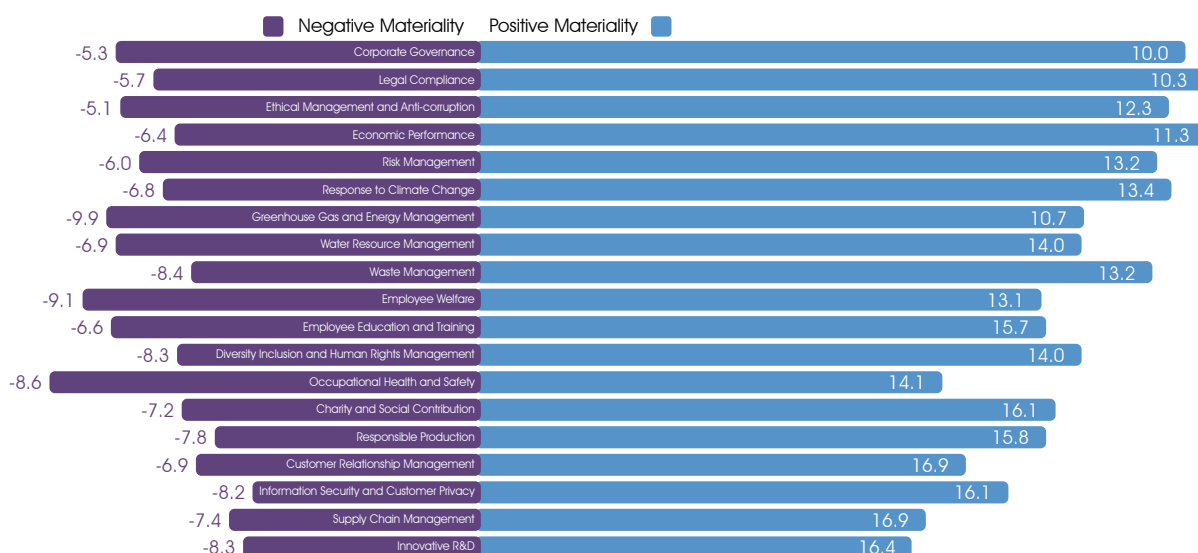


## Step 2: Impact and Likelihood Assessment

In 2022, we used the GRI 3 (2021) major topic identification guidelines to identify the sustainable issues on which Clevo has a significant impact on the internal and external environment, economy, and society. Clevo's senior executives from various departments were convened to identify, quantify, and score the impact and likelihood of occurrence for all sustainable topics. A total of 15 senior executives from the Taiwan headquarters and 3 Kapok Computer (Kunshan) executives participated in the sustainability topic impact assessment.

## Step 3: Material Topic Resolution

After Clevo's internal senior executives quantify and score the sustainability topics, we rank them according to the importance calculated by each topic from high to low, invited third-party external consultants to participate in the resolution of major topics, and eventually consider the materiality. A total of 14 major topics related to legal compliance requirements were resolved, and the resolution results were submitted to the Board of Directors. The impact assessment bar chart is shown below:



## Step 4: Impact Boundaries and List of Major Topics

After confirming 14 major topics, we investigated how each issue affected our value chain. We examined the ESG report chapter-by-chapter to see if our responses for each material topic were adequate and complete. The chart below explains the boundary of each material topic and its impact:

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## Clevo ESG Report

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Material Topics	Explanation of Impacts	Corresponding Chapter	Supply Chain Impact			
			Upstream	Clevo	Downstream	
			Supplier		Distributor	User
Corporate Governance	Clevo complies with government regulations concerning corporate governance policies and practices. We have also continued to strengthen the functions of the Board of Directors. The members of the Board of Directors and the management team are expected to uphold high standards of integrity, self-discipline, and professionalism to ensure the rights and interests of shareholders, improve the management team's management, and strive to improve information transparency and implement corporate social responsibility.	1.3 Sustainable Governance	✓	✓	✓	
Legal Compliance	Ensure that all business activities comply with applicable laws and regulations, build an effective corporate governance structure, improve communication channels to strengthen the employees' understanding of honest management and compliance with the law, and practice the concept of corporate sustainable management.	1.4.2 Legal Compliance	✓	✓	✓	✓
Ethical Management and Anti-corruption	The company strives for sustainable operations while avoiding legal liability and goodwill damage caused by dishonest behavior. Therefore, the management strategy must include values such as honesty and ethics to strengthen and internalize the concept of honesty management within the company.	1.4.1 Integrity within Clevo	✓	✓	✓	✓
Economic Performance	The Clevo Group adheres to the business philosophy of integrity; places a high value on long-term operations and stable profits; and addresses economic value issues that investors, shareholders, and other stakeholders are concerned about. The company is committed to green product R&D as well as employee training and collaborates closely with suppliers, customers, and partners to create multiple values.	1.2 Economic Performance	✓	✓	✓	✓
Information Security and Customer Privacy	Information security issues may cause the company to fail to operate normally, shut down the related systems, and obstruct normal operations. The company established an "Information Security Committee" in 2020 to create continuous improvement; maintain the confidentiality, integrity, and availability of data; and ensure the continuous operation of the company's core business and production facilities. The goal is to create a continuously improving information security environment that can properly respond to threats and impacts caused by information security incidents.	1.4.3 Information Security	✓	✓		✓
Response to Climate Change	The frequency and severity of global extreme climates have increased each year due to the huge impact of the greenhouse effect in recent years. Clevo introduced the Task Force on Climate-related Financial Disclosures (TCFD) developed by the Financial Stability Board in 2022. The goal is to follow the 4 governance frameworks (strategy, risk management, indicators, and goals) to reveal Clevo's climate risks and opportunities and formulate specific management strategies and goals for key issues. The company has implemented climate change responses in its basic operations and management processes.	CH2. Response to Climate Change	✓	✓	✓	





# CLEVO<sup>®</sup> Stakeholder Engagement and Identification of Material Topics

Material Topics	Explanation of Impacts	Corresponding Chapter	Supply Chain Impact			
			Upstream	Clevo	Downstream	
			Supplier		Distributor	User
Greenhouse Gas and Energy Management	As the greenhouse effect worsens each year, the loss of global ecosystems as well as animal and plant habitats worsen, and the impact of extreme weather on human society has become an issue that every enterprise must address. Governments worldwide are accelerating the promotion of carbon-reduction responsibilities and regulations for businesses operating within their borders, and international enterprises have started to disclose greenhouse gas emissions and carbon fee collection data. Clevo has responded to the global climate summit's consensus on climate change and is committed to investing in energy and greenhouse gas management to help combat global warming. Our goal is to reduce the negative impact on the environment through our efforts and actively face the climate change challenge together with international enterprises.	3.2 Energy and Greenhouse Gas Management	✓	✓	✓	
Employee Welfare	Clevo adopts people-oriented values. We recognize employees as our vital partners and believe satisfied and healthy employees to be the foundation for a positive work culture, raising work efficiency and retaining suitable talents. We strive to protect employees on all levels, and hope to inspire positivity in every Clevo employee by providing support and assistance in different aspects. We also work with employees to overcome challenges and create new milestones for Clevo.	5.2.3 Employee Welfare Policy		✓		
Employee Education and Training	Clevo is a people-oriented company, and our employees are our valued partners. We believe that employees are the "core principle and the cornerstone of sustainable development" and have actively promoted various training programs to enable employees to improve their expertise and learning according to their needs. The goal is to provide a comprehensive talent training program. We have referenced the "Talent Training and Development Roadmap" to formulate rich and diverse courses for each rank and job function to enhance the personal competitiveness of colleagues.	5.3.3 Life-long Learning System		✓		
Occupational Health and Safety	Having a safe and healthy work environment is what assures employees and allows them to deliver work of the highest efficiency and quality. Clevo places great emphasis on environmental safety and health. We impose a zero-hazard rule and require ongoing examinations and improvements regarding environmental safety and health so that employees may have a comfortable and safe environment to work in.	5.4 Safe Workplace		✓	✓	

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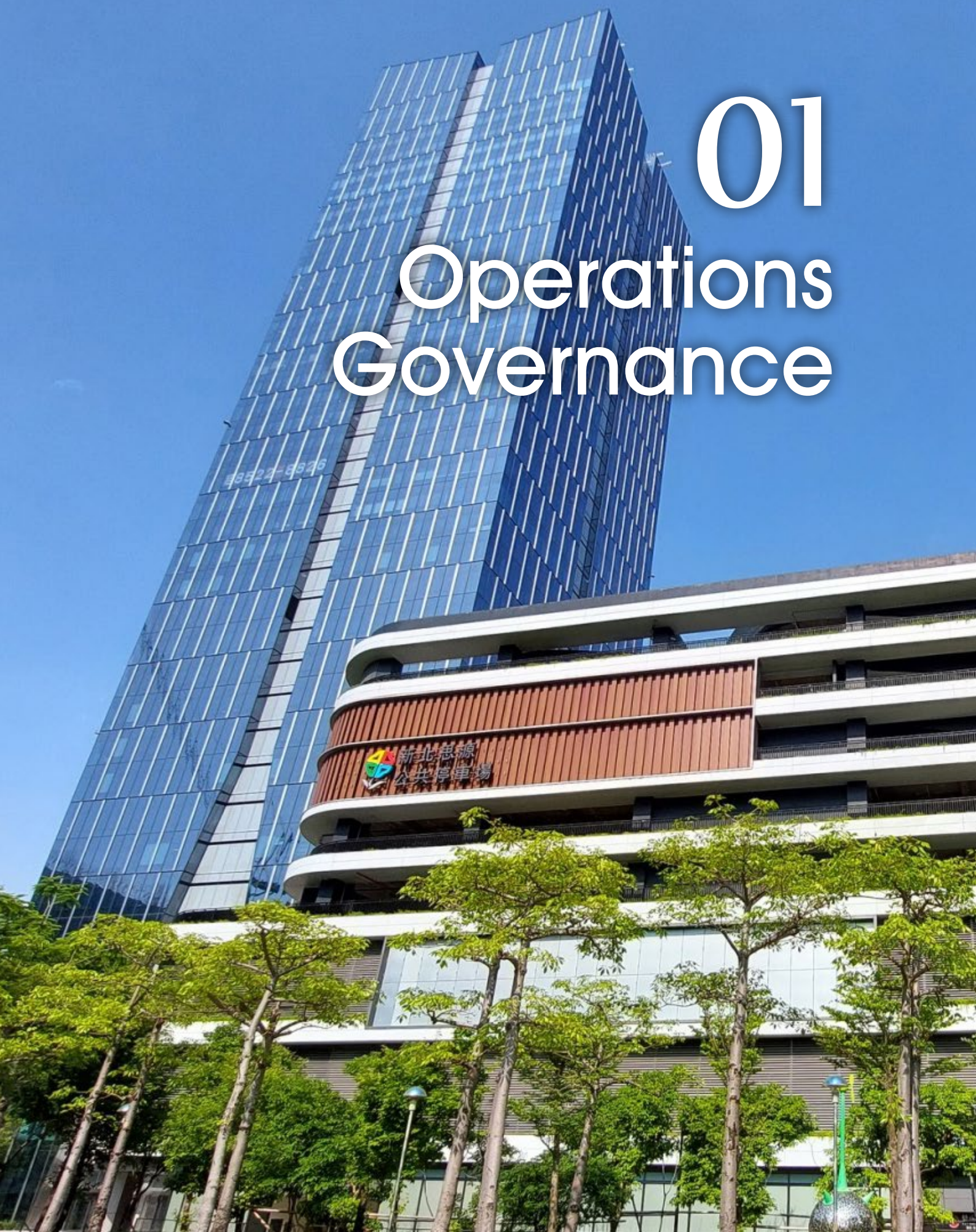
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Material Topics	Explanation of Impacts	Corresponding Chapter	Supply Chain Impact			
			Upstream	Clevo	Downstream	
			Supplier		Distributor	User
Responsible Production	The impact of a company's products and activities on the external environment and society should be minimized during operations. If a company ignores responsible production, it may harm its reputation and miss out on business opportunities. It may raise supply chain risks or even directly violate local environmental and social regulations. Clevo's products have extended the life cycle of products as a product design principle, and they are committed to reducing the environmental impact of production. Low-carbon recycling strategies will be used effectively in all production processes and equipment to strive for energy conservation and carbon reduction. Environmentally friendly plastics and components have also been introduced to reduce the materials' environmental impact.	4.3 Responsible Production		✓	✓	✓
Supply Chain Management	Supply chain management is an issue that every enterprise must address in light of the global sustainable trend and legal compliance. Good supply chain management can help businesses reduce their carbon footprint and increase consumer trust and brand loyalty. In contrast, as the environmental and human rights laws and regulations in various countries tighten each year, failing to conduct due supplier diligence will increase the reputation risk of enterprises due to supply chain management failure and may indirectly lead to human rights violations or environmental damages.	4.2 Supply Procurement - Supply Chain Management	✓	✓	✓	
Customer Relationship Management	Customer relationship management is an essential part of the sustainable operation of the enterprise. Good customer relationship management and immediate response processing can help customers add points to the company's brand image while making them feel Clevo's sincerity and problem-solving efficiency. In contrast, ignoring customers' needs may harm the company's reputation and long-term operations. Clevo is confident that its core goal of improving product and service quality will allow it to maintain market competitiveness and gain a foothold in the increasingly competitive consumer electronics market.	4.4 Customer Service Management		✓	✓	
Innovative R&D	Innovative R&D is key for companies to increase market competitiveness and brand value. Still, it allows companies to seize market technology leadership, promotes industry and industry-university collaboration to accelerate technology application and implementation, and strengthens industry relationship networks through multi-party collaboration. In contrast, if the company fails to properly manage innovation issues, its technology and products may be unable to keep up with current market trends, affecting product sales and layout.	4.1 R&D and Innovation		✓	✓	✓



# 01 Operations Governance





Since its establishment in 1983, Clevo has pioneered laptop computers in Taiwan. We have achieved outstanding results in the R&D of high-tech niche products, particularly in the export market of ultra-high-end laptop computers. We have a wealth of experience and an impressive track record and have been recognized and awarded by customers worldwide. We also rank among Taiwan's top 50 well-known companies.

Clevo joins hands with employees, customers, suppliers, and other friendly business partners to experience corporate growth and prosperity and is expected to celebrate the company's 40th anniversary milestone. We are well aware that running a business is a difficult task. Clevo adheres to the core concept of integrity and steadfastness throughout the journey while cultivating a positive and kind corporate culture through the power of upward and downward effects. We also maintain the ability to adapt to various challenges, including the global economic environment, laws and regulations, and changes in global trends. We face challenges while maintaining a firm and unbreakable corporate style. We also hope that consistently overcoming obstacles will create a growth curve and reach new heights.

Clevo prioritizes high-quality products and services and a positive relationship of trust with customers and stakeholders. We always look forward to innovating, becoming industry leaders, and providing more value and satisfaction to our customers.

## Performance Highlights

In 2022, our corporate governance evaluation score was 96.52, which increased by 3 points compared to 2021. We will strive to remain among the top 6%-20% of listed companies

Selected as a "Taiwan Corporate Governance 100 Index" constituent stock in 2022.

Regarding the external evaluation of the Board of Directors, the average score of the 7 directors is 4.95 (out of 5), and the evaluation results show that the company's operation as well as the financial and auditing management directions are clear.

The Taipei Twin Towers development project construction ceremony kicked off on November 11, 2022.

## Association with SDGs

**8** DECENT WORK AND ECONOMIC GROWTH



**11** SUSTAINABLE CITIES AND COMMUNITIES



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION





## 1.1 About Clevo

Clevo mainly manufactures and sells laptop computers and is a global leader in the laptop computer OEM industry. Our business ranges from R&D, design, and production of portable computers and related products to B2B and post-sales services. We concentrate on developing a wide range of laptop computer products, with our product strategy organized around 4 main concepts: (ultra) thin and light (gaming) laptops with high gross profit margins, mid-to-high-end gaming laptops, commercial laptops, and Studio laptops.

The laptop computer industry has been continuously impacted and challenged in recent years due to changes in the hybrid working environment, the development trend of edge computing products, the fragmentation effect of environmental protection, and geopolitical supply chains. The company pursues a strategy of deeply cultivating blue ocean niches and quality prioritization. In addition to continuing to customize products for different regions or countries with market competitiveness, we also collaborate with international manufacturers to develop products that meet market expectations and continue to deepen the blue ocean market. The efforts have increased the company's profits and received numerous awards and recognitions worldwide.

By adhering to a professional attitude and technology, Clevo has constantly developed new markets, expanded its customer base, stood out in the fiercely competitive market, led the development of the future laptop computer industry, and become a reliable long-term partner for its customers. In 2022, our global laptop computer shipments reached nearly 200 million units, with an annual decrease of 23.4%. Clevo's shipments totaled 1.61 million units, and our consolidated revenues from the laptop business were NT\$18.8 billion, down 17.7% year-over-year but still the second-highest performance in 11 years.

The Clevo Group has ventured into real estate development and actively deployed into the Chinese mainland market since 1998. Buynow is Clevo's technology retail channel in mainland China, with 18 open shopping malls. With the vigorous development of e-commerce in the Chinese market, we have undergone multiple generations of innovation and evolution. Currently, the Buynow Malls combines 6 elements (technology, smartness, trendiness, creativity, fun, and experience) and introduces 5G and Big Data to create a consumers-oriented plaza of people, products, and stores. Buynow Malls offers online-offline multichannel convergence, one-stop shopping, and the experience of professional and smart technology. The number of mall visitors is boosted by continually strengthening the "discovery consumption" of online and offline integration and in-depth collaboration with internationally renowned brands via new entertainment modes such as short videos and live broadcasts. The goal is to develop an experience field that allows consumers to immerse themselves in the environment, generate a flow of people and consumption, and become a leading brand in China's technology shopping malls. We are confident that this new direction will bring us even more success and allow us to continue to lead the development of the technology retail industry. The COVID-19 epidemic significantly impacted China's consumer market in 2022. During the epidemic's lockdown period, Buynow's stores collaborated with merchants to overcome the difficulties, and the average occupancy rate across all Buynow Technology Plazas remained at 95%. Clevo has also actively responded to the development of the green energy industry promoted by the bank syndicate and planned



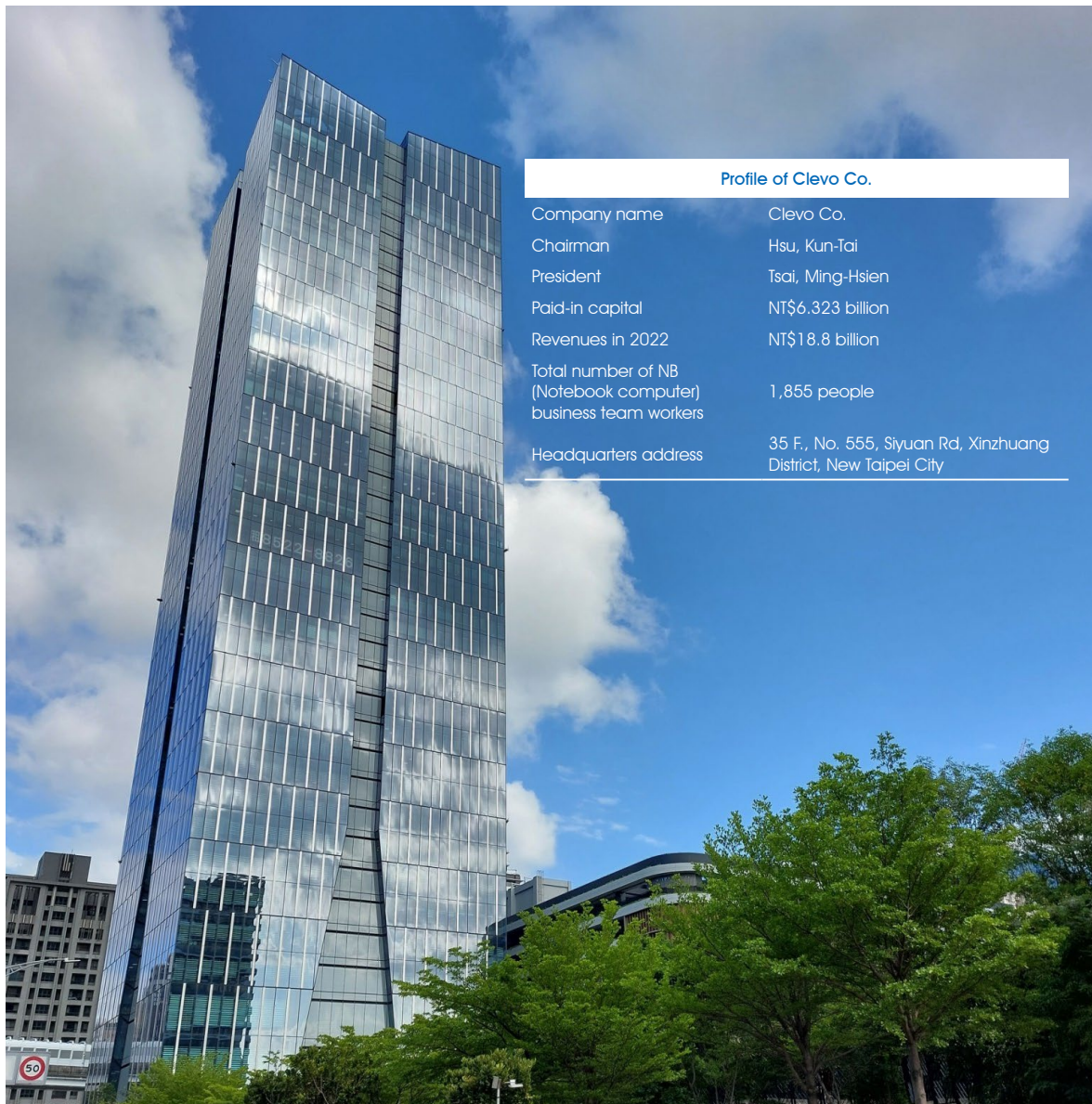
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to include sustainability indicators into the credit conditions to achieve "Taiwan's 2050 Net Zero Emission Roadmap," the energy transformation policy. The company introduced corporate governance evaluation and social welfare indicators and received interest rate discounts for environmental sustainability indicators such as greenhouse gas emissions and green energy power generation. This action further reflects Clevo's emphasis on sustainable finance.

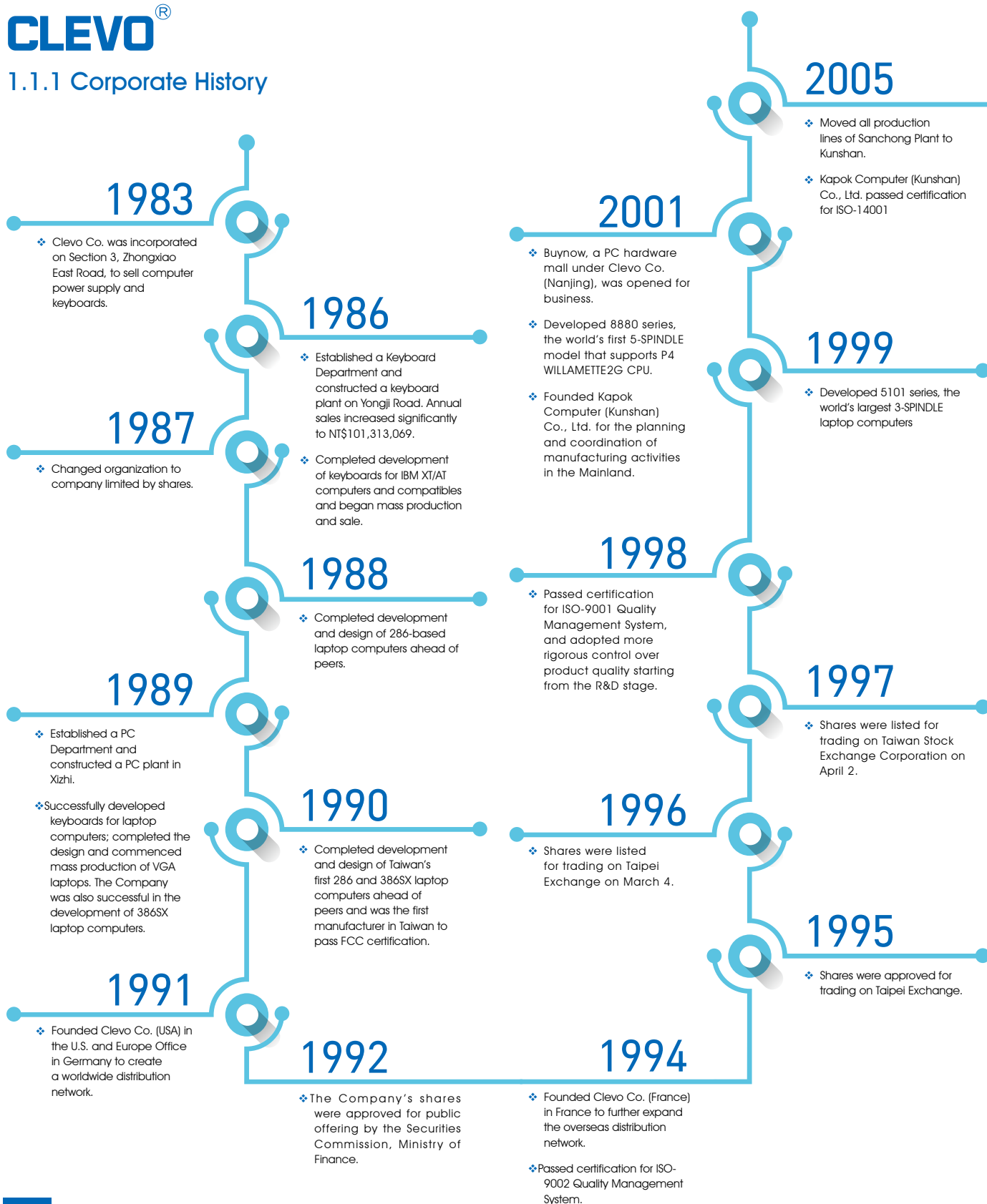
Clevo was added as a constituent stock to the Taiwan Stock Exchange's "Corporate Governance 100 Index" in 2022. This constituent stock is an important indicator of corporate sustainability and governance and is reviewed annually. The inclusion in the "Corporate Governance 100 Index" is a significant validation for Clevo ESG's growth. In the future, Clevo will continue to provide open and transparent information, strictly adhere to the laws of honest management and the laws and regulations of each operating base, shoulder corporate social responsibility, and contribute to Taiwan's long-term development.





## CLEVO®

### 1.1.1 Corporate History





# 2022

## Clevo ESG Report 2022

### 2022

- ❖ Global Views Monthly announced the top 100 evergreen heritage stocks of listed companies in Taiwan that have been established for over 30 years, and Clevo Group ranked 62 on the list.

- ❖ The 2022 corporate governance evaluation results showed that the company has maintained at the top 6%-20% of listed companies, reaching the top level for two consecutive years.

- ❖ Selected as a Taiwan Stock Exchange "Taiwan Corporate Governance 100 Index" constituent stock.

- ❖ In July 2022, the Company entered into a joint venture with Kindom Construction Corp. and Hua Tai Investment to establish "Tua Tiann Co., Ltd.," which is responsible for signing and implementing the "Taipei Main Station Designated Area E1E2 Street Profile Public Urban Renewal Investment Proposal" with the Taipei Urban Regeneration Center.

- ❖ The Taipei Twin Towers development project construction ceremony kicked off on November 11, 2022.

### 2020

- ❖ During the 2020 corporate governance evaluation results, our ranking among the listed companies in the electronic category with a market value of over NT\$10 billion jumped from the third tier to the second tier, showing excellent performance improvement.

- ❖ Chicony and Clevo Group ranked 44th in CommonWealth Magazine's Top-50 Groups 2020.

### 2018

- ❖ The Company moved up in the 4th corporate governance evaluation from the 6th tier to the top-3 tier, indicating exceptional performance improvement.

- ❖ Equity ownership and management of Buynow Wuhan Branch were transferred over to Chicony Square.

- ❖ Chicony Dezhou Branch and Shantou Branch opened for business.

### 2021

- ❖ The 2021 corporate governance evaluation results indicated that we have maintained the top 6%-20% among the listed companies.

- ❖ The Company sold the Sanchong plant at NT\$4.1 billion and will continue to activate the real estate and other assets held.

- ❖ Individual revenue reached NT\$22,839,008 thousand in 2021, a record high.

### 2019

- ❖ The Company maintained its standing in the 3rd tier during the 5th corporate governance evaluation.

- ❖ Buynow sold properties held in Chicony Industry (Wuhan) Co., Ltd.

- ❖ Subsidiary - Lunaria Investment GK sold real estate properties in Japan.

- ❖ Taipei Twin Towers Limited, one of the Company's investees, signed an investment contract with the Taipei City Department of Rapid Transit Systems for "Development of Taipei Main Station Designated Land Area C1/D1 (Eastern Block)," in which the Company acquired a 50% investment stake.

### 2007

- ❖ Shipment volume of Kapok Computer (Kunshan) Co., Ltd. reached 80,000 units a month, a record-high level since plant relocation, and continued to improve in production capacity.

### 2012

- ❖ A memorandum of understanding for industry-academia collaboration was signed with the National Taipei University of Technology.

### 2016

- ❖ Harvard Business Review published the outcome of Best-Performing CEOs in Taiwan 2016. Hsu, Kun-Tai, chairman of affiliated enterprise - Chicony Electronics, was ranked 24th overall and 1st in the electronic components division among the top 50.

- ❖ Hyatt Place Luoyang opened for business.

- ❖ Buynow Shanghai Xuhui Branch re-opened as the first technology and smart solutions mall in Mainland China, offering a more comprehensive range of services to consumers.

### 2006

- ❖ Buynow (Guangzhou) opened for business, and became the largest Buynow branch at the time with a total floor space of 38,539.89 square meters.

### 2008

- ❖ Buynow (Guangzhou) received in-store visitors of more than 100,000 a day, while visitor count across all 13 Buynow stores achieved new height and exceeded 500,000.

- ❖ NB (Notebook Computer) sales reached a record-high level at NT\$1.76 billion.

### 2015

- ❖ Clevo's NB models P651SG and P750ZM were rated the No. 1 choice for Lightweight Gaming and Workstation, respectively, on NOTEBOOKCHECK. NET in Europe, ahead of machines from all other brands worldwide.

- ❖ The Company received A-rating during the 12th information disclosure evaluation for TWSE and TPEX listed companies.

### 2017

- ❖ Published the first sustainability report.

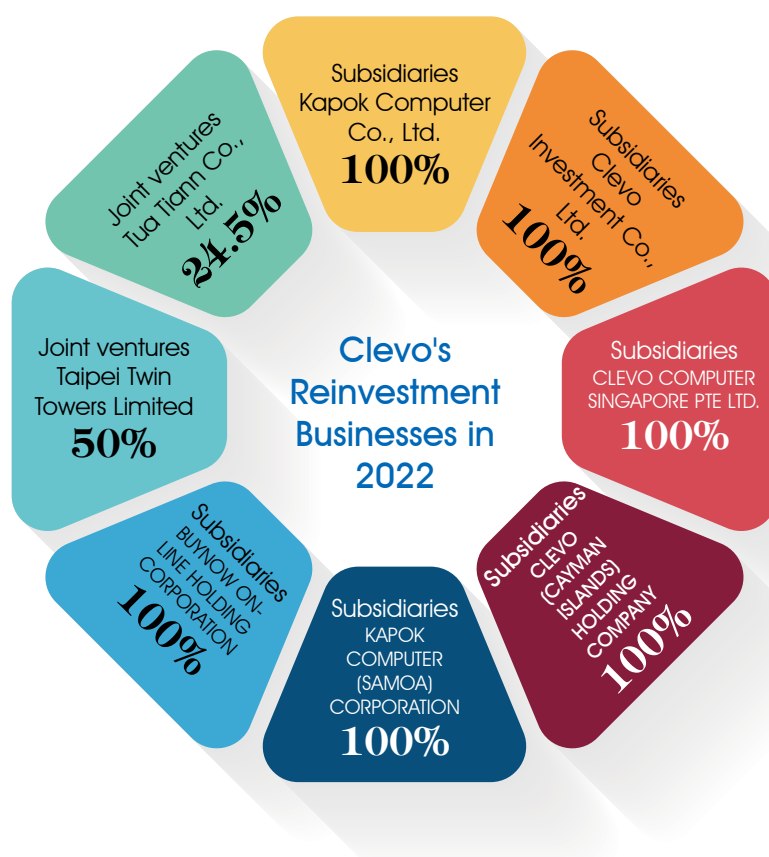
- ❖ Chicony Square Xian Branch opened for business.



## 1.1.2 Business Investments

Clevo has continued to improve the laptop computer industry's product development, production, and sales as well as the group's profitability by effectively controlling costs and focusing on quality. Clevo has actively deployed into mainland China by expanding Buynow IT channels to achieve diversified operations and integrate the upstream and downstream markets. We are committed to increasing the production and sales value of laptop computers while pursuing synergies to maximize the interests of shareholders and stakeholders based on years of experience in IT manufacturing and sales.

Clevo responded to the Taipei City Government's "Taipei Main Station Designated Area E1E2 Street Profile Public Urban Renewal Investment Proposal" in 2022 and was chosen as the best candidate along with Kindom Construction Corp. and Hua Tai Investment. The proposal improves the neighboring cities' living functions and indirectly promotes land development and reuse.



## 1.1.3 External Participation

Clevo has actively strengthened various internal professions and advantages, adhered to the concept of mutual prosperity and growth, and continued to participate in and support external organizations and activities to exchange industry trends, professional experience, and market information. The goal is to establish a mutual assistance and cooperation relationship while leading the industry trends.

### External Organizations that Clevo had Taken Part in 2022



## 1.2 Economic Performance

### Material topics: Economic Performance

#### Impact

◆ The Clevo Group adheres to the business philosophy of integrity; places a high value on long-term operations and stable profits; and addresses economic value issues that investors, shareholders, and other stakeholders are concerned about. The company is committed to green product R&D as well as employee training and collaborates closely with suppliers, customers, and partners to create multiple values.

#### Policy

◆ The Company establishes operational targets each year for the next 3 years and amends these targets year-over-year according to global economic growth. The efforts can facilitate strategic planning and action plans for the future to achieve gradual and stable growth.

#### Commitments and Goals

◆ Short-term goals: The Company aims to focus on sales volume and profit in 2023. The target sales volume is 1.8 million, with an estimated annual growth rate of 12%.  
 ◆ Medium- to long-term goals: Continuously review the inventory and operational efficiency of the business group's assets in China by carefully evaluating each store's operating efficiency and opportunity. Proactive adjustments are continued with underperforming malls. Deleveraging is in progress to adjust the financial structure and push for transformation to maximize the group's interests. We also pledge to hold a quarterly corporate briefing meeting to explain the operation status to stakeholders such as investors and shareholders.

#### Responsible Unit

◆ Directors and Management Team

#### Responsibilities and Resources

◆ The company invests a considerable proportion of funds in R&D every year. In 2022, the combined research expenses were NT\$630,168 thousand, accounting for 3.35% of the annual turnover of the computer department.

#### Grievance System

◆ The Company has an Investor Relations Department that consolidates suggestions from shareholders and passes them on to the management/board of directors to support decision-making.  
 ◆ TEL: (02)2278-9696  
 ◆ Email: public@clevo.com.tw

#### Specific Actions in 2022

◆ Laptop computer business group: The company has actively implemented effective inventory management strategies in collaboration with customers to quickly grasp market destocking changes, collaborated with channel customers to grasp the advantages of destocking efficiency, and actively seized new product market opportunities.  
 ◆ Mainland China business group channel: We will capitalize on the economic recovery following China's removal of COVID restrictions, accelerate asset optimization and activation strategies, and facilitate consistent profit growth for Chinese business groups.

#### Quantitative Management System

◆ We hold regular quarterly business management meetings to discuss the NB business group's operating performance, future prospects and NB trend reports, product competition analysis, and strategic planning. The headquarters holds quarterly Audit Committee and the Board of Directors meetings to review and adjust strategies according to quarterly performance and market changes, enabling risk avoidance and accomplishing annual targets.



# CLEVO® 01 Operations Governance

## Clevo Group's Main Operating Income



Clevo Group's Operating Performance in the Last 3 Years is as Follows:

(Unit: NTD Thousand)

Item	Basic Elements	2020	2021	2022
Direct Economic Values Produced	Income (including net sales, income from treasury investment, income from asset sale)	20,826,893	28,693,175	22,583,072
Economic Values Distribute	Operating costs	16,929,268	22,490,667	17,839,063
	Employee salary and welfare	1,944,575	2,355,365	2,045,363
	Payments to sponsors	1,281,989	1,924,695	1,659,631
	Proceeds paid to government authorities	1,527	123,568	212,469
	Community investment	2,590	2,530	2,020
	Total	20,159,949	26,896,825	21,758,546
Economic Values Retained (Production - Distribution)		666,944	1,796,350	824,526

Note: In 2022, the company applied to the Labor Insurance Bureau for a NT\$21 thousand salary subsidy for "pregnancy checkup accommodation and paternity leaves" and "pregnancy checkup leave." It also applied to the government for investment tax credits, and NT\$49,248 thousand was declared.

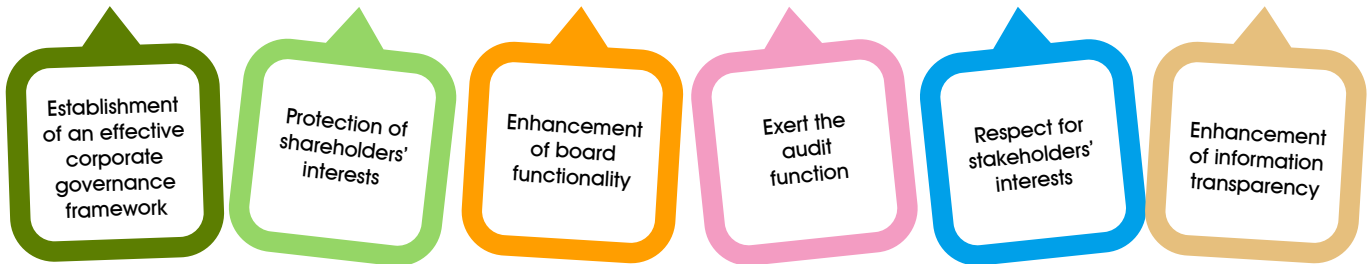
COVID-19 swept the world in 2020 and 2021, and the upsurge in distance teaching and working boosted laptop computer market sales significantly. But as the epidemic slowed down in 2022, the market demand dropped compared to 2021. This led to a market oversupply, which decreased economic performance compared to the previous year. Every year, Clevo evaluates the fiscal year's performance and establishes operational targets to support the company's sustainable development.



## 1.3 Sustainable Governance

Clevo is dedicated to implementing the sustainable management concept and implementing communication with all major stakeholders. The company will act as a good corporate citizen, communicate its sustainable development performance, and ask stakeholders for feedback and guidance. The philosophy and spirit of Clevo are deeply ingrained in the company's workforce. We base our business operations on the six principles of sustainable management and strive to establish a stable, open, and charitable corporate culture by laying a strong foundation for corporate governance to guarantee the company's sustainable development.

### Six Principles of Clevo Sustainable Management





## Material topics: Corporate Governance

### Impact

◆ Clevo complies with the relevant government regulations concerning corporate governance policies and practices. We have also continued to strengthen the functions of the Board of Directors. The members of the Board of Directors and the management team are expected to uphold high standards of integrity, self-discipline, and professionalism to ensure the rights and interests of shareholders, improve the management team's management, and strive to improve information transparency and implement corporate social responsibility.

### Policy

◆ Clevo has established its Board of Directors according to the "Company Act," "Securities and Exchange Act," and other relevant regulations and governance principles. Functional committees are also established under the Board of Directors. They include the "audit committee," "remuneration committee," and "corporate governance committee" designed to strengthen the operational efficiency of the Board of Directors and submit proposals to the Board of Directors for resolution. To strengthen corporate governance and improve the Board of Directors' performance, a Corporate Governance Committee was established in 2020 according to Paragraph 3, Article 27 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The Board of Directors is composed of 5 directors through resolution. Over half of the directors must be independent directors, and the members shall elect one (independent) director to serve as the convener and chairman of the meeting. Its operations shall be handled according to the Company's "Corporate Governance Committee Organization Regulations." Its main responsibilities include formulating the Company's corporate governance code of practice, reviewing the corporate governance system implementation performance and the annual implementation plan and progress, and formulating and regularly reviewing the training plan for directors.

### Commitments and Goals

◆ Short-term goal: Comply with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and maintain the corporate governance evaluation results maintain at 6%-20%.  
 ◆ Medium- and long-term goals: Continue to follow the Sustainable Action Plans for TWSE/TPEx Listed Companies, strengthen the functions of the Board of Directors, disclose information, and focus on sustainable development to improve ESG performance.

### Responsible Unit

◆ Board of Directors and Management Team

### Responsibilities and Resources

◆ The company currently has a Vice President of the Financial Center concurrently serving as corporate governance supervisor. A dedicated supervisor may be appointed for the role in the future, subject to compliance with laws.

### Grievance System

◆ Mailbox: P.O. BOX 3-96, Sanchong, New Taipei City 24199 Taiwan (R.O.C.)  
 ◆ English Mail box: P.O. BOX 3-96 Sanchong New Taipei City 24199 Taiwan (R.O.C.)  
 ◆ Email address: public@clevo.com.tw  
 ◆ TEL: (02)2995-0299

### Specific Actions in 2022

◆ Frontal Impact Management  
 ◆ Formulate a "Code of Practice for Corporate Governance" according to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" to create a solid and effective Board of Directors.  
 ◆ Establish a Corporate Governance Committee according to Paragraph 3, Article 27 of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.  
 ◆ Negative Impact Management  
 ◆ Establish a reporting and complaint channel for stakeholders, and allow anyone can use this channel to make complaints and reports.  
 ◆ Conduct internal and external performance evaluations for the Board of Directors and functional committees.

### Quantitative Management System

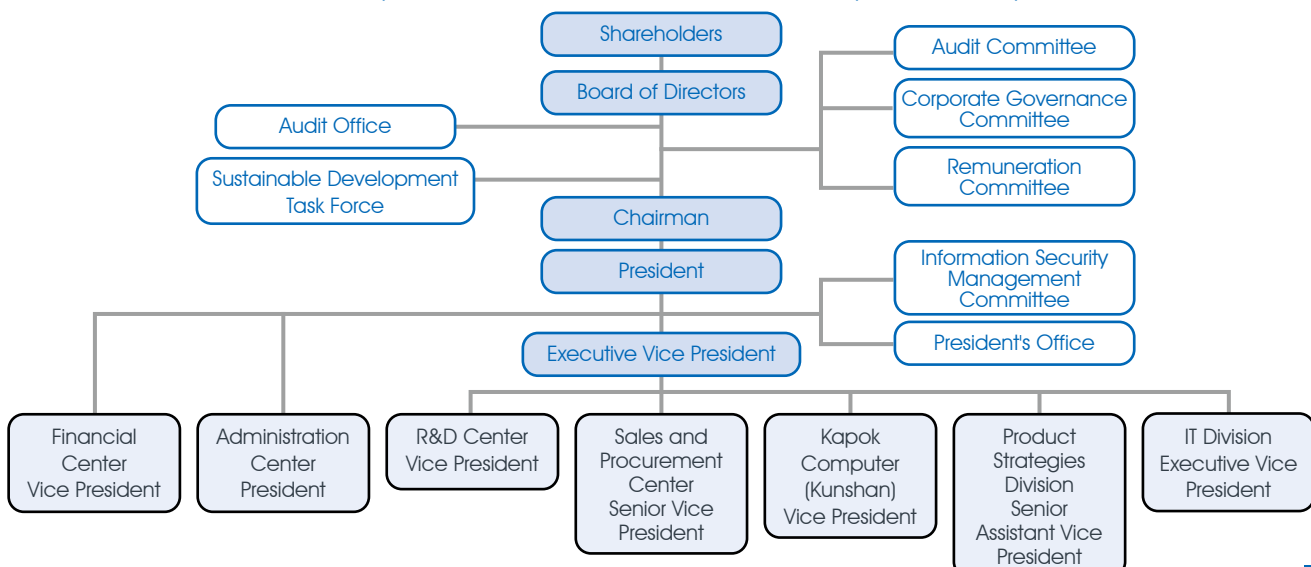
◆ Implement the "Board of Directors Performance Evaluation Method" and announce the directors' annual performance evaluation results on the corporate website.  
 ◆ Draft an annual audit plan and regularly report to the Audit Committee and the Board of Directors.  
 ◆ The 2022 corporate governance evaluation results showed that the company has maintained at the top 6%-20% of listed companies, reaching the top level for two consecutive years.

### 1.3.1 Robust Governance Framework

Clevo places a high value on good corporate governance and sees CSR as a critical component of sustainable management. In addition to continuing to uphold the company's core values in daily operations, it also actively responds to stakeholder expectations to enhance the standard and efficacy of corporate governance and bolster market competitiveness. The company is listed on the Taiwan Stock Exchange and follows a sound corporate governance structure. We have complied with the Securities and Exchange Act and set the shareholders' meeting as the company's highest decision-making body responsible for resolving important matters. The Board of Directors is the company's highest business executive body, responsible for supervising the company's operations and implementing important decisions. The highest person in charge of the company's internal management is the president, who is responsible for formulating company goals and policies, supervising the implementation, and proposing effective improvement plans. The president regularly reports on the company's operations to the Board of Directors. We have established several core centers under the governance structure to efficiently manage the company's operations, including the financial management center, administrative management center, R&D center, business and procurement center, Kapok Computer (Kunshan), product strategy department, and information department.

Clevo adheres to the rules of corporate governance. The board members and management are dedicated to achieving the business's operational goals in the best interests of all shareholders by upholding the business philosophy of integrity and integrity. The goal is to implement good corporate governance via corporate management operations, information transparency and openness, and improved supervision mechanisms. The company has also introduced the "Board of Directors Performance Evaluation Method" through internal and external evaluation and review to motivate ourselves to improve endlessly. The corporate governance evaluation results for 2022 indicated that we had maintained the top 6%-20% among listed companies, showcasing our persistence and efforts in corporate governance. We will continue to develop specific policies and goals and integrate them with operations in the future to ensure that the company's sustainable commitments are met.

Clevo's Corporate Governance Framework and Department Responsibilities





Department	Responsibilities
Auditing Office	Examine and review the internal control system of the Company and the subsidiaries, and audit all rules and systems.
President Office	Establish the Company's business targets and policies, operate each business and supervise/execute the affiliates' management.
Administrative Management Center	<ol style="list-style-type: none"> <li>1. Responsible for the whole enterprise's human resources management and general administrative management.</li> <li>2. Be responsible for the legal and intellectual property management for the entire enterprise.</li> </ol>
Financial Management Center	<ol style="list-style-type: none"> <li>1. Engage in the accounting and tax affairs, set up the budget, analyze the business, and prepare the financial statement.</li> <li>2. Fund planning, long-term and short-term investment, foreign exchange hedging, and interbank transactions.</li> <li>3. Services of stock affairs, investor and media relations management, and corporate governance operations.</li> </ol>
Research and Development Center	Be responsible for product's research, development, design and technological application.
Business and Procurement Center	<ol style="list-style-type: none"> <li>1. Plan the global marketing, promote the business and sales, push the global deployment as well as deepen the regions and channel market.</li> <li>2. Strengthen the after-sales services, meet the customers' demand, intensify the relationships with customers, reduce the risk of the bad debt and take charge of materials' support.</li> <li>3. Strategic purchase, price negotiation and enquiry for the market price of the components of electrons and mechanisms.</li> <li>4. Enhance the Company's image, participate in exhibition, advertise, plan and implement.</li> </ol>
Kapok Computer (Kunshan)	<ol style="list-style-type: none"> <li>1. Be responsible for planning and coordination of orders received from Taiwan as well as production and manufacture in China.</li> <li>2. Analyze the production capacity and set up the plans of production and manpower according to the plans of production and sales.</li> <li>3. Prepare the material plans according to production plans, and control the issuance of material orders to maintain the lowest inventory volume.</li> <li>4. Establish the production system with high-flexibility, high-efficiency, high-quality and low-cost to meet the customers' demand.</li> <li>5. Implement the on-site real time service to enhance the service quality for the customers.</li> </ol>
Product Strategy Office	Be responsible for new products' development and market development's planning.
Information Technology	<ol style="list-style-type: none"> <li>1. Plan and Implement the IT operation and e-operation, integrate the IT and communication.</li> <li>2. Planning and design of applications and systems and information security management.</li> </ol>

## 1.3.2 Board of Directors and Functional Committees

Clevo has established a rigorous corporate governance system to respect regulations and governance principles. We have established a Board of Directors to ensure the healthy operation of the company according to the "Company Act," "Securities and Exchange Act," and related laws and regulations. We have established functional committees under the Board of Directors, such as the "Audit Committee," "Remuneration Committee," and "Corporate Governance Committee" to strengthen the operational performance of the Board of Directors. These committees aim to improve the efficiency of the Board of Directors, assist in the management and supervision of relevant operational activities through dedicated functional committees, and provide more professional and independent opinions and suggestions for the company.

### Board of Directors

The procedures for selecting and appointing members of the Company's Board of Directors comply with the relevant laws and regulations and adhere to the 3 major principles of fairness, impartiality, and openness. The nomination and selection of members of the Board of Directors follow the provisions of the company's articles of association and the candidate nomination system. In





addition to assessing each candidate's academic qualifications and referring to stakeholders' opinions, we also abide by the "Director Election Method" and "Corporate Governance Code of Practice" to ensure the diversity and independence of the Board of Directors. The Company attaches importance to gender equality in the composition of the Board of Directors. Currently, the Board of Directors consists of 4 directors, 3 independent directors, and 7 directors (including one female director). In 2022, the board had 29% of directors concurrently serving as employees and independent directors, representing 43% of the seats. Female directors represent 14% of the board, and the Company will continue looking for female professionals to undertake directorship.

A total of 9 meetings were held in 2022, with an average attendance rate of 96.8%. If the proposal discussed by the Board of Directors has a conflict of interest with the directors themselves, it shall be explained during the meeting. If the preceding conflict of interest involves the interests of the company and directors, the director shall not participate in the discussion or vote and shall be recused from the discussion and vote or exercising the voting rights on behalf of other directors. Proposals requiring recusal due to conflict of interest during the decision-making process are handled according to the conflict of interest recusal provisions specified in the "Code of Integrity Management," "Ethical Corporate Management Best Practice Principles," and "Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct." The recusal policy was followed in 2022, and the relevant regulations were not violated. The recusal policy was followed, and the relevant regulations were not violated. The functions of the board of directors are strengthened according to the "Board Performance Evaluation Measures," and an internal board performance evaluation is conducted at least once a year. The evaluation content includes five major aspects: (1) Participation in the Company's operations, (2) Quality of the board's decisions, (3) The board's composition, (4) Election and ongoing education of board members, and (5) Enforcement of internal control. In addition, it is evaluated by an external professional independent organization or an external team of experts and scholars every three years. The external evaluation focuses on four main aspects: (1) Professional capacity, (2) Decision-making skills, (3) Attention and supervision over internal control, and (4) Perspective towards corporate social responsibilities. In 2022, the internal performance evaluation of the Board of Directors was evaluated as good, and the operation status was sound.

The company has externally evaluated the professional functions, decision-making effectiveness, internal control, and sustainable development of the Board of Directors and functional committees in 2022. The average score of the 7 directors is 4.95 (out of 5), and the evaluation results show that the company's operation as well as the financial and auditing management directions are clear.

Compensations for board members are paid according to the Articles of Incorporation. Please refer to Articles 23 and 26 of the Articles of Incorporation for more details.

### Audit Committee

The company's audit committee operates according to the "Audit Committee Charter" established by the company. Its main goal is to assist the Board of Directors to improve corporate governance efficiency through its professional division of labor and independent stand. The Audit Committee comprises 3 independent directors, and all members elect one of the independent directors as the convener and chairman of the meeting. The audit committee's responsibilities include overseeing the fair presentation of the company's financial statements,



the selection (removal) and independence and performance of accountants, the effective implementation of internal controls, the company's compliance with relevant laws and regulations, and the management and control of the company's existing or potential risks. In general, the main task and purpose of the Audit Committee is to supervise and manage the company's financial statements, internal control, and risk control. In 2022, the Audit Committee held 7 meetings, with an attendance rate of 90.5%. The important resolution items include reviewing financial statements, evaluating the effectiveness of the internal control system, assessing the independence and suitability of accountants, acquiring assets through the transfer of investment companies, agreeing to dispose of the company's subsidiaries' real estate projects, and passing the 2022 Annual audit plan.

#### Remuneration Committee

Clevo has assembled a Remuneration Committee according to Article 3 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The committee's primary responsibilities include reviewing and proposing amendments to the "Remuneration Committee Organization Regulations"; regularly reviewing the annual and long-term performance goals of the company's directors and managers, as well as related salary and remuneration policies, systems, and structures; evaluating the company's directors and managers' performance goals, and determining the content and amount of their salaries. The Remuneration Committee was established as an independent and objective committee to use performance as the basis for remuneration and ensure the company's legal and compliant remuneration system. The Committee also aims to attract outstanding talents, strengthen Clevo's remuneration system, and improve our competitiveness and attractiveness in the job market. The Remuneration Committee is composed of 3 independent directors. It held 3 meetings in 2022, with an attendance rate of 88.9%. During the meeting, the main discussion agenda included reviewing the year-end bonus plan for managers in 2021 and the amount of remuneration allocation for directors and employees.

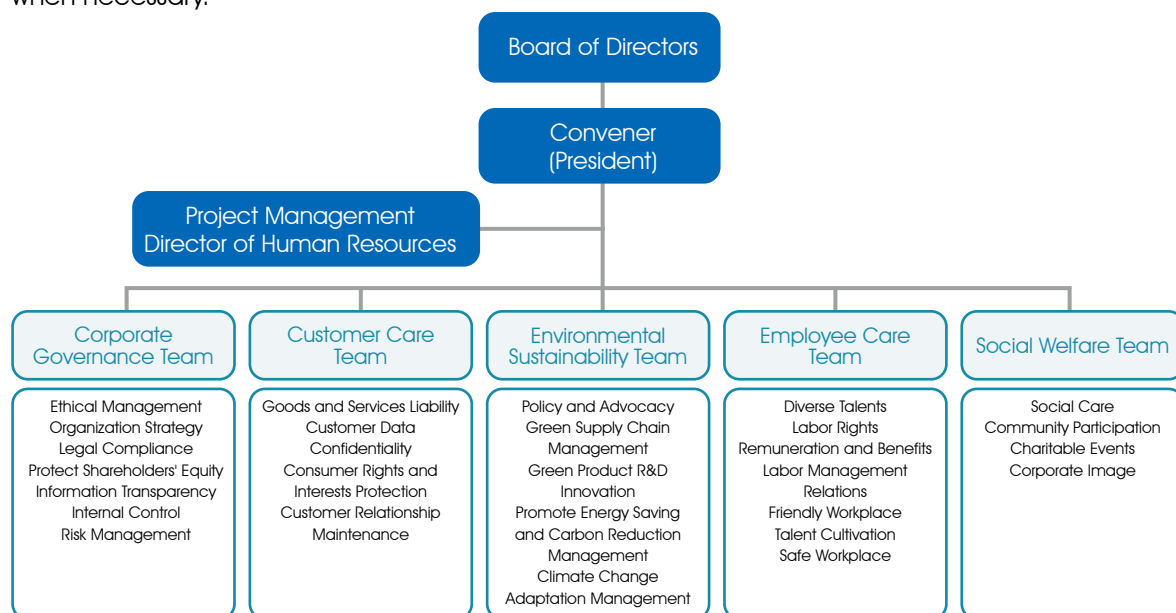
#### Corporate Governance Committee

In 2020, the company improved the functions of the Board of Directors according to Paragraph 3, Article 27 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies to strengthen the management mechanism. As resolved by the Board of Directors, the Corporate Governance Committee comprises five directors, and more than half are independent directors. All the members elect one (independent) director as the convener and meeting chair. The corporate governance committee operates according to the "Corporate Governance Committee Organization Regulations." The purpose is to formulate the code of practice for corporate governance and related regulations, review the effectiveness of the implementation of the corporate governance system and the annual implementation plan and progress, and formulate and regularly review the training plan for directors. A total of 2 meetings were held in 2022, with an attendance rate of 100%. The main topic of discussion at the meeting was the approval of the Corporate Governance Committee's annual implementation plan, a review of the previous year's report on corporate governance implementation, and a report on the audit plan for the coming year.

### 1.3.3 Sustainable Development Task Force

Clevo established a CSR task force in 2016 as a dedicated unit for sustainable development management and changed its name to the Sustainable Development Task Force in 2022. The President serves as the convener. Since its establishment, it has been responsible for compiling and publishing the annual sustainability report; Policy formulation for sustainability development, system establishment, and design of related management guidelines. The President also leads the company's subgroups and various departments in sustainability implementation in Clevo's operation process.

The Sustainable Development Task Force is divided into 5 teams according to the field. They include corporate governance, customer care, environmental sustainability, employee care, and social welfare. The relevant company units select supervisors and colleagues with appropriate functions to form teams, hold regular meetings, coordinate the management, and negotiate and discuss future ESG implementation methods and goals with each team. The Sustainable Development Task Force reported the 2021 sustainable development implementation status to the Board of Directors in June 2022. The Board of Directors can review the strategy progress through the annual implementation report and compel the management team to make adjustments when necessary.



Clevo's corporate website has an ESG section, which includes issues-oriented performance such as environmental protection, social care, employee care, and corporate governance. The goal is to provide stakeholders with a complete understanding of the company; keep the various stakeholders abreast on various issues such as environmental protection, labor rights, and social care; and implement sustainable enterprise and societal development.

#### ESG Education and Training

Under the promotion of the global ESG wave, businesses must identify the key issues that are most relevant to them and collaborate with operations planning to develop corresponding development strategies and actions. They must also Establish quantitative performance indicators as a management tool for evaluation, improvement, and tracking; and disclose information to





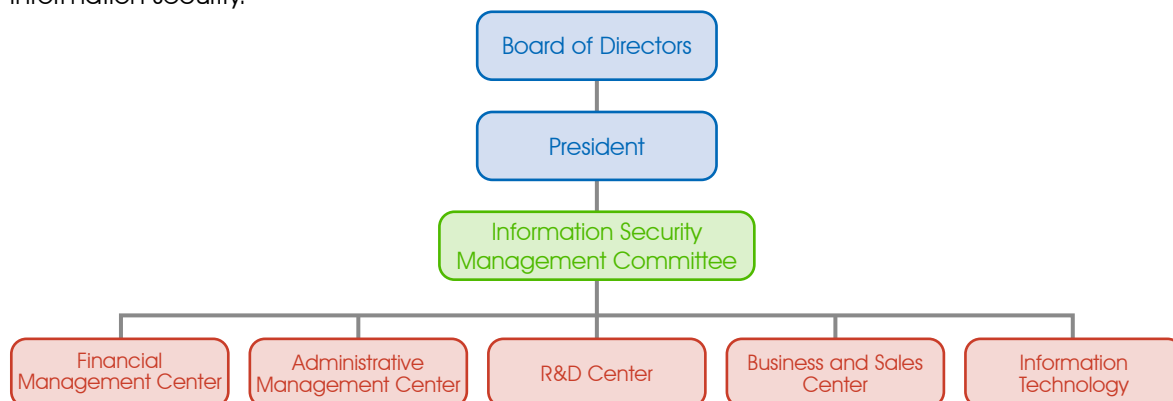
customers, suppliers, employees, and other stakeholders. The enterprise's overall ESG development strategy must be implemented gradually from top to bottom. After the management formulated the overall ESG blueprint, it was subdivided and assigned to different Sustainable Development Task Force teams for implementation.

In 2022, all Clevo directors participated in the "ESG Sustainable New Economy" course training to gain new knowledge of international ESG trends and regulatory changes and to strengthen the link between the company's operational goals and sustainable development strategies. We believe that the company's highest decision-making unit can detect ESG trends and guide the company toward sustainable development. Clevo's Sustainable Development Task Force collaborates with external consultants to conduct more detailed corporate sustainability education and training. In addition to understanding the updated sustainability report compilation specifications, it shares best practices for ESG indicators. The goal is to improve the company's ESG momentum and knowledge through continuous learning and observation.

In the future, we will continue to expand our corporate sustainability and convey the concept of sustainable development to employees, customers, and other stakeholders. We are committed to integrating corporate sustainable management into the DNA of Clevo Group, making sustainable development our core value and action guide. We will continue to strive with a positive attitude to realize Clevo's sustainable vision and build a better society and environment for the future.

### 1.3.4 Information Security Committee

Major information security incidents have occurred in government agencies and listed companies in recent years. The company established a Information Security Committee in December 2020 to strengthen its information security organizational structure according to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The company's president chairs this committee, and the vice presidents of each center appoint directors of division-level units to serve as committee members to ensure the accuracy, integrity, security, and long-term availability of relevant information. Regular meetings are held in June and December every year at the company-wide cross-center management level on dynamic events to help colleagues understand, prevent, and deal with various information security needs. The minutes of such meetings are submitted to the President and the board of directors for verification and decisions on the relevant issues. The goal is to implement various information security-related policies more effectively and make information security awareness and concepts part of the Company's corporate culture. For more information about Information security, please refer to 1.4.3 Information security.



## 1.4 Business Integrity

Clevo continues to uphold the principle of integrity and compliance with the law to ensure that the company's business activities are conducted according to ethics and the law. We firmly believe that integrity management and law-abiding are the core foundations for the sustainable operation of enterprises. We have implemented a strict integrity management code and a zero-tolerance policy for all illegal incidents. As of 2022, Clevo has not had any major violations (referring to incidents in which the penalty amount exceeds NT\$1 million), demonstrating our firm belief in legal operations. In 2022, we revised the "Regulations Governing the Acquisition and Disposal of Assets" to further strengthen the company's operating procedures. These revisions have broadened the scope of applicable operating procedures, ensuring legal compliance in all businesses and transaction transparency and legality.

Below are Clevo's ultimate guiding principles regarding compliance:





## 1.4.1 Integrity with in Clevo

### Material topics: Business Integrity and Anti-corruption

#### Impact

◆ The company strives for sustainable operations while avoiding legal liability and goodwill damage caused by dishonest behavior. Therefore, the management strategy must include values such as honesty and ethics to strengthen and internalize the concept of honesty management within the company.

#### Policy

◆ Clevo conducts business activities at the highest ethical standard. We have implemented a set of Business Integrity Code of Conduct and require all new recruits to sign relevant documents to ensure that all commercial activities comply with laws.

#### Commitments and Goals

◆ We have zero-tolerance for any behavior that violates commercial ethics and are therefore committed to promoting integrity, compliance, and prevention against dishonest conducts through internal reminders and regular awareness campaigns organized by the internal audit unit.

#### Responsible Unit

◆ Auditing Office

#### Responsibilities and Resources

◆ Audit Office, Financial Management Center

#### Grievance System

◆ Mailbox: P.O. BOX 3-96, Sanchong, New Taipei City 24199 Taiwan (R.O.C.)  
 ◆ English Mail box: P.O. BOX 3-96 Sanchong New Taipei City 24199 Taiwan (R.O.C.)  
 ◆ Email address [audit@clevo.com.tw](mailto:audit@clevo.com.tw)  
 ◆ TEL: (02)2995-0299

#### Specific Actions in 2022

◆ The responsible departments shall remind internal board members and key internal managers about insider trading issues and monthly share trading. Progress and findings are reported to the management regularly.

◆ Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and misconduct to ensure ethical management in compliance with the requirements of laws and regulations.

◆ Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines concerning the Company's operations and business.

◆ Plan the internal organization, establishment, and responsibility. Establish a mutual supervision, checks, and balances mechanism for business activities that are less risky of dishonesty.

◆ Promotion and coordination of integrity policy advocacy training sessions.

◆ Ensure the reported cases are handled according to the "Reporting System" and implemented effectively.

◆ Assist the Board of Directors and management to inspect and evaluate the implementation of the preventive measures established by the integrity management, ensure they are operating effectively, and issue reports regularly.

◆ Produce the information about documentation of ethical management policy and compliance statement, fulfillment of the commitment and implementation status thereof, and maintain the same with care.

◆ In 2022, we provided new employees with integrity management and legal compliance education and training.

◆ The Company provided employees with education and training on integrity management through E-Learning. Course topic: Treasure Means Nothing without Integrity - Discussion about Integrity Management. Duration: 1 hour. There were a total of 78 views by the participants as of the end of 2022.

#### Quantitative Management System

◆ Internal audit, corporate governance evaluation, and violations count.

◆ No violation against the above business integrity code of conduct and guidelines and no incident of corruption was found in 2022. In the future, we will more actively promote business integrity and enhance communication through our contact windows.

◆ In 2022, no reports of illegal activities were reported through dedicated lines or emails.

### Clevo's Robust Internal Control System

Clevo has established the administrative management center as a dedicated unit for integrity management. It collaborates with the audit unit to develop relevant laws and regulations to deeply embed the concept of "integrity management" in the work values of every colleague. We generally post relevant ethical behavior and honest management norms on the company's internal website and publicize them to employees. In 2022, a total of 217 people clicked on the relevant operating guidelines and methods. Suppose any violation of the company's articles of association is discovered. In that case, employees can anonymously complain or report illegal acts through multiple smooth channels with the various management levels and human resources units. The company has a whistleblower system in place to protect the company's reputation and property safety and prevent corruption, theft, embezzlement, or other illegal and unethical behaviors. Internal and external personnel are encouraged to report dishonest behaviors or misconduct, and rewards are given according to the severity of the reporting. To prevent retaliation from the accused, the identity and content of the report are kept strictly confidential. In 2022, no reports of illegal activities were reported through dedicated lines or emails.

In 2022, the internal control audit operations were implemented according to the audit plan formulated at the beginning of the year. They cover the relevant projects required by government laws and regulations. A total of 40 audits and 4 follow-up reports were conducted, all of which met the Company's control system requirements, and no major defects were found. But some minor imperfections were suggested for improvement, and the follow-up track was implemented until the improvement was completed. In 2022, a total of 12 improvement items were suggested after the review, and all improvements were completed.

We also use E-Learning to provide education and training related to honest management for employees to ensure that all colleagues in Clevo clearly understand the importance of honest management during the company operation. In 2022, a total of 78 people participated in this training program. Every new employee who joins Clevo must sign relevant documents such as the "Employee Confidentiality Agreement," "Integrity and Self-discipline Commitment," "Employee Self-Discipline Convention," and "Employee Closing Letter" to ensure that employees understand and promise to abide by integrity and ethical behavior requirements. In 2022, a total of 79 people signed the preceding documents, reaching a 100% signing rate. In addition, relevant articles on the company's internal webpage were viewed by a total of 79 people in 2022.

Clevo educates current directors, internal managers, and other employees aware of the company's important internal information at least once a month before the 5th and emphasizes the points requiring attention. Education and publicity will be given within one month of taking office for new directors and internal managers. In 2022, the company conducted 12 educational promotions for current directors, internal managers, or other employees with access to the company's important internal information, with 240 participants. The education, training, and publicity content includes "common irregularities in the declaration of insider equity," "laws related to insider equity changes," "laws related to ownership rights," "regulations of directors and supervisors in the Securities Exchange Law," and related data files. Relevant information files are delivered to all directors, internal managers, or other employees with access to the company's important internal information for reference before the 5th of each month.

The company will notify all directors immediately after the scheduled board of director meeting date every year to prevent directors from illicitly violating the stock trading norms during the closure period before the financial report announcement.





## Intellectual Property Management Plan

In July 2021, we established an intellectual property management team to deal with many internal and external intellectual property-related issues derived from emerging business models, enhance the company's intellectual property protection capabilities, and strengthen intellectual property risk control. The team has successively adjusted the relevant intellectual property management procedural document contents to conform to the Taiwan Intellectual Property Management System (TIPS). The company plans to apply for third-party verification in August 2023, and the review is expected to be completed in 2023.

To establish and strengthen employees' understanding of intellectual property protection, the company has conducted internal education and training for personnel in charge of intellectual property management and all employees and provided intellectual property-related information for employees via E-Learning. The "Basic Concepts of Intellectual Property Rights" course was held, and the number of trainees was approximately 78, accounting for 14.7% of the employees in the Taipei headquarters. The goal is to improve the company's intellectual property rights management.

## 1.4.2 Legal Compliance

### Material topics: Legal Compliance



Clevo strictly adheres to the laws and regulations that each operating base must follow for the organization's products or services. The company upholds the principle of "integrity" and conducts business with the highest ethical standards. We have established a code of integrity management and a code of ethical conduct and required all recruits to sign relevant documents to ensure that all commercial activities comply with laws. We adopt a zero-tolerance policy for any misconduct that violates business ethics. With the regular reminders and internal propaganda by the auditing unit, we are committed to reinforcing our employees' concept of ethical management and legal compliance, to prevent misconduct. The company also regularly collects and updates legal changes in key domestic and international markets and promptly implements countermeasures to address the various regulatory changes

### 1.4.3 Information Security

#### Material topics: Information Security and Customer Privacy

##### Impact

Information security issues may cause the company to fail to operate normally, shut down the related systems, and obstruct normal operations. The company established an "Information Security Committee" in 2020 to create continuous improvement; maintain the confidentiality, integrity, and availability of data; and ensure the continuous operation of the company's core business and production facilities. The goal is to create a continuously improving information security environment that properly responds to threats and impacts caused by information security incidents to clients and the company.

##### Policy

We have formulated the "Enterprise Information Network Management Measures" and the "Information security Management Measures" according to international standards and use them for evaluation analysis to improve and implement implementation.

##### Commitments and Goals

Short-term goal: Refer to the ISO27001 international standard to strengthen information system security, maintain system reliability, eliminate doubt about information security leakage, and reduce the occurrence of information security incidents that can affect the company's operations. Continue to implement, audit, and improve to ensure compliance with laws and regulations.  
Medium and long-term goals: Introduce the ISO27001 Information Security Management System (ISMS) international standard certification.

##### Responsible Unit

Company Directors and Management Team

##### Responsibilities and Resources

Board of Directors and Information Security Office

##### Grievance System

Mailbox: P.O. BOX 3-96, Sanchong, New Taipei City 24199 Taiwan (R.O.C.)  
English Mail box: P.O. BOX 3-96 Sanchong New Taipei City 24199 Taiwan (R.O.C.)  
Email address: ce12@clevo.com.tw  
Special line: (02)2995-0299

##### Specific Actions in 2022

Follow the ISO 27001 infrastructure specification, check information security policies' applicability and security measures using the standard's management cycle mechanism of Plan-Do-Check-Act (PDCA), and report the implementation results to the Information Security Committee twice a year.

##### Quantitative Management System

Regularly conduct routine meetings, information security audits, and social engineering drills. Conduct a personal software asset inventory once a year.



The number of information security threats detected in 2022 increased by 55%, according to Trend Micro's 2022 Annual Information Security General Assessment Report. Furthermore, hackers have indiscriminately attacked all industrial consumers and business organizations, increasing blocked malicious program files by 242%. An observation of Taiwan's information security situation in the past year revealed that Taiwan ranks among the top 5 countries worldwide for the 4 types of information security threats received. They include ransomware attacks, malicious links, mobile phone information security threats, and internal and external attacks on smart home networking. As a result, information security has emerged as a major risk factor in business operations. Clevo believes that information security is the digital fortress of enterprise management. We have formulated internal management practices for the company's internal audit and control based on domestic and international information security standards. We have effectively implemented information security management, planning, supervision, promotion, and regular internal and external audits through our rigorous management program to ensure normal operating operations and truly protect the information security of employees and customers.

The Information Office will regularly announce and promote information security awareness to colleagues to help them develop good data backup and access habits, correct software and hardware access procedures, and use the uniformly authorized legal operating systems. The Information Office has also provided a list of legal software on the Company's homepage for review by colleagues to help them avoid violating laws and regulations related to intellectual property rights.

In addition, we have also strengthened the control and maintenance of internal information security through refined governance mechanisms, enhanced defense capabilities, and situational drills, improved the overall information security management level, and established a Information Security Committee in December 2020. The Information Security Committee was also reorganized in December 2022 to include Kapok Computer (Kunshan) and Buynow to strengthen the Clevo Group's information security control. The company's president will serve as the committee's chairman, and each center's deputy president will appoint directors of division-level units to serve as committee members. Meetings were held every 6 months to understand, prevent, and deal with various information security needs while coordinating information security-related policy formulation, implementation, risk management, and compliance inspections. The top supervisor of the information security department shall report to the Audit Committee of the Board of Directors every 6 months concerning the information security management performance as well as information security-related topics and directions.

We adopted specific information security measures in 2022 to reduce the operation level impacts and information security risks. These measures included optimizing firewall and virus protection and performing test drills on backup hosts. These measures are designed to ensure that the Oracle EBS servers Clevo's computer room can be restored in the shortest time and with the least loss when faced with disasters or intentional and malicious system damages and smoothly switch to the backup server in the remote IDC computer room to maintain the normal operation of the company.

The information security threats faced by major enterprises are changing with each passing day. Every year, Clevo has implemented a series of strict monitoring and inspections on equipment security in the computer room to more effectively avoid information security attacks. The efforts include regular vulnerability scanning and penetration testing of important service

servers in the computer room, establishing Security Information and Event Management (SIEM) for important services, collecting system records in a centralized manner, and helping to analyze early indications of an abnormal occurrence.

### 2022 Information Security Management Operations

#### System Usability

- ❖ System/network usability status monitoring
- ❖ Remote backup mechanism, data backup, and backup measures
- ❖ Regular disaster recovery drills

#### External Threat

- ❖ Virus protection and malware detection
- ❖ Computer server vulnerability scanning and system update

#### Privilege Management

- ❖ Computer room personnel access privilege control
- ❖ Personnel account and privilege management

#### Data Access Management

- ❖ Control information data access privilege
- ❖ Confidential information access is subject to approval

### 2022 Information Security Management Policy and Objectives

- ❖ Announce the latest information security matters on the enterprise employee portal website to remind and educate employees to be cautious.
- ❖ Check virus patterns and Microsoft operating system updates every week.
- ❖ Social engineering: Phishing email simulation drill, click rate < 10%
- ❖ System Backup and Restore Drill
- ❖ Conduct software inventory on computers to ensure the legal use of authorized software.
- ❖ Software and hardware asset management system monitoring.





02

# Response to Climate Change





In recent years, the huge impact of the greenhouse effect as well as the frequency and severity of global extreme climates, have increased each year. Climate change has greatly impacted human society and ecosystems and become the most concerned issue for global companies and governments. As the United Nations Climate Change Conference COP27 ended, it pointed out that global climate action must be accelerated, or it will be difficult to control global warming within 1.5 degrees before 2030, which will turn into an irreversible climate disaster.

Clevo started implementing the Task Force on Climate-related Financial Disclosures Recommendation (TCFD) developed by the International Financial Stability Board in 2022 to address the potential impact that climate change has on the company and implement effective climate management strategies. The goal is to describe the climate risks and opportunities at Clevo according to the 4 frameworks of governance, strategy, risk management, indicators and goals. We aim to determine and assess the main climate risks and opportunities, create specialized management plans and objectives for the most pressing problems, and implement climate change mitigation strategies across the company's operations. We want all employees to understand and address the effects of climate change on Clevo throughout the operation management processes.



## 2.1. Climate Governance

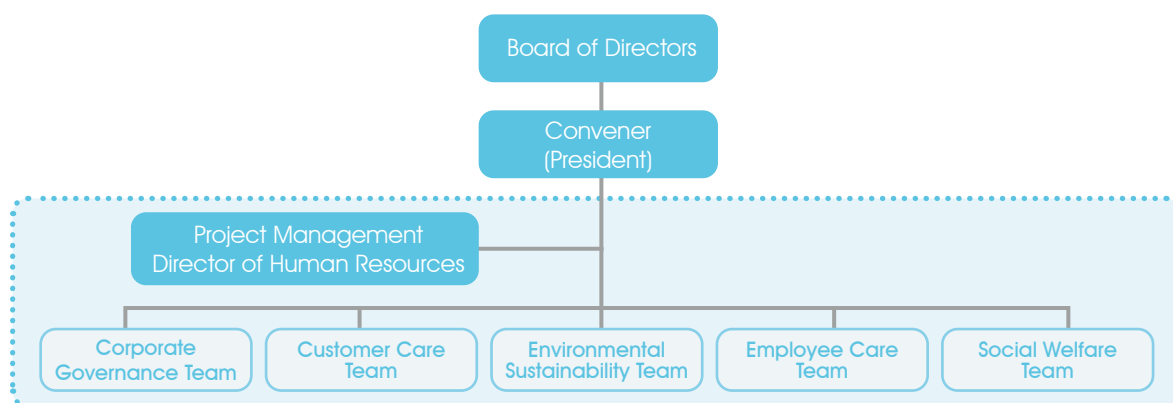
### 2.1.1 Board of Directors

Clevo's Board of Directors is the highest governance unit for managing issues related to climate change and is responsible for managing and supervising Clevo's climate risks and opportunities. The Sustainable Development team must report to the Board of Directors at least once a year on the company's climate risk management progress and the related-goal achievement. It also researches the company's key climate risks and opportunity trends over the last few years. It develops the company's overall climate risk opportunity response strategy as well as future target layout.

### 2.1.2 Sustainable Development Task Force

The company has established a dedicated unit for climate change and sustainable development for Clevo. The President serves as the convener. It is divided into 5 teams according to the nature of work: corporate governance team, employee care team, social welfare team, environment sustainability team, and customer care team. Each team comprises appropriate functional members chosen from the company's departments, and the team leader is the department head.

The Sustainable Development Task Force is responsible for communicating with various departments; identifying key climate risks and opportunities related to Clevo operations through interviews, peer benchmarking reports, and CDP questionnaires; and negotiating climate response strategies and goals with various departments to establish goals and management plans. The President convenes the Sustainable Development Task Force is convened regularly to hold meetings, gather the company's departments to determine the climate risk opportunity status and countermeasures, and report to the Board of Directors after the President's review. Each discussion meeting aims to establish goals and implement the climate strategy throughout Clevo's core operations.

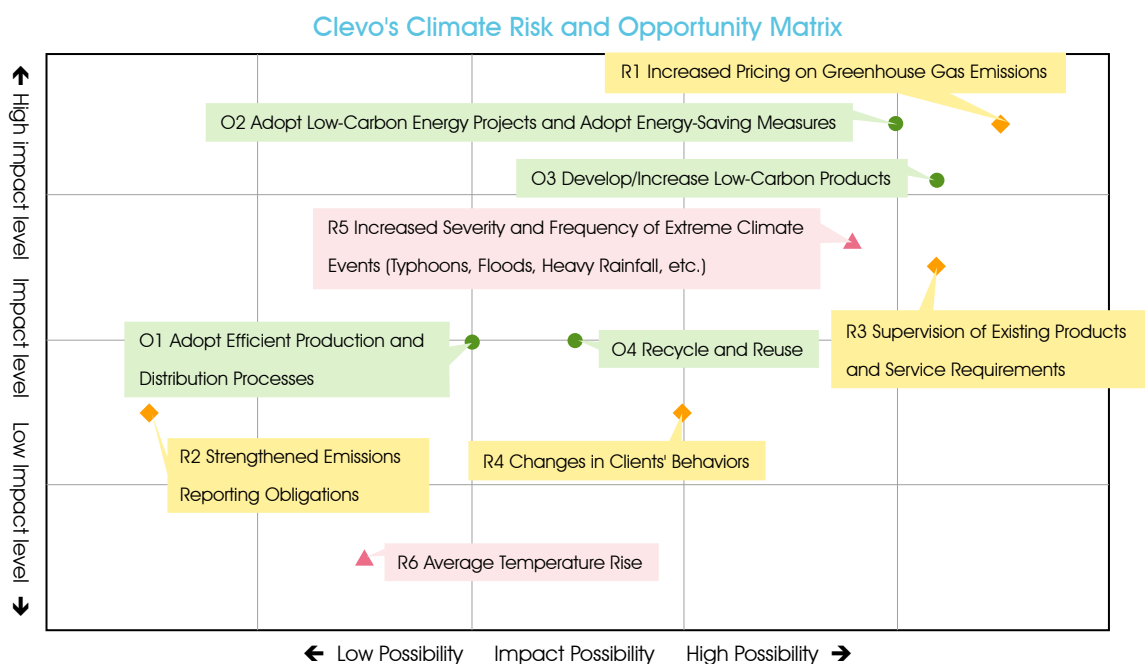




## 2.2. Climate Change Response Strategies

In 2022, Clevo followed the TCFD guidelines, peer reports, and international trends to collect and identify the key annual issues of Clevo's climate risks and opportunities. The President convenes the Sustainable Development Task Force and uses the Sustainable Development Task Force to collect the actual climate issues faced by each unit. Each unit and department scores the impact and probability of climate issues. Finally, 5 key climate risks and opportunities for Clevo were determined to include 2 transition risks, 1 physical risk, and 2 climate opportunities. The 5 key issues are listed below in 2.2.2 Climate Risk and Opportunity Identification Results to showcase the occurrence schedule, Clevo's current status, and future response management measures.

### 2.2.1 Clevo's Climate Risk and Opportunity Identification Matrix





## 2.2.2 Climate Risks and Opportunities, Identification Results, and Management Measures

Aspects	Issues	Impact Period	Current Status for Climate Change Risks and Opportunities	Response Strategies and Management Measures
Transformation Risks	Increased Pricing on Greenhouse Gas Emissions	Short-term (within 3 years)	Countries have successively promulgated product import carbon fees and carbon tax regulations in recent years as global climate actions lag. Clevo's products are sold in the Americas, Europe, and Asia. The United States and the European Union will also implement the Clean Competition Act (CCA) and the Carbon Border Adjustment Mechanism (CBAM) in 2024 and 2023, respectively. Taiwan will also impose a carbon fee on large carbon emitters in 2023. Although Clevo is not a high-energy-consuming industry, a high-carbon-intensive product, or the first wave of regulatory targets, it may still face carbon fee/tax risk as regulations tighten.	<ol style="list-style-type: none"> <li>1. Plan to invest in low-carbon product design and optimize and improve the energy efficiency of the production process.</li> <li>2. Suppliers must disclose carbon emission data and reduction plans by strengthening supply chain management.</li> <li>3. To track the carbon emissions and energy consumption trends, the factory has established a dedicated department and commissioner to take charge of the annual greenhouse gas inventory and energy management.</li> <li>4. Introduce ISO50001 energy management system and third-party certification such as green factory to ensure the company's energy management policy performance.</li> </ol>
Transformation Risks	Supervision of Existing Products and Service Requirements	Medium-term (3-10 years):	<ol style="list-style-type: none"> <li>1. Under climate change, consumers are increasingly paying attention to product energy efficiency and the impact of terminal waste on the environment. International standards for energy efficiency and substances prohibited or restricted in consumer electronics have also increased.</li> <li>2. All of Clevo's laptop computers on the market adhere to the most recent energy efficiency and environmental protection standards. While complying with various countries' environmental protection regulations, Clevo also works to comply with Windows 11's energy-saving settings. However, higher energy efficiency and restricted/hazardous substance requirements for consumer electronics products may increase in the future. Clevo may still need to invest more in R&amp;D costs to improve laptop energy efficiency or find alternatives to restricted raw materials.</li> </ol>	<ol style="list-style-type: none"> <li>1. The dedicated unit regularly reviews international energy efficiency regulations such as ENERGY STAR, 80 PLUS, and other norms. It also reports the changing trend internally so that the R&amp;D unit can adjust its focus based on regulatory and trend requirements.</li> <li>2. The supply chain must sign the Hazardous/Restricted Substance Commitment and honestly declare the prohibited and restricted substances in raw materials for Clevo to establish a raw material database.</li> </ol>

# 2022

## Clevo ESG Report

### 2022

Aspects	Issues	Impact Period	Current Status for Climate Change Risks and Opportunities	Response Strategies and Management Measures
Physical Risks	Increased Severity and Frequency of Extreme Climate Events	Medium-term (3-10 years):	<p>1.In recent years, China's average temperature and extreme rainfall have set new records, prompting local governments to announce power cuts and peak-staggered production policies in response to high temperatures and droughts, and resulted in local factories shutting down without warning.</p> <p>2.Although Clevo's Kunshan factory in China uses only domestic and no processed water, short-term droughts have little impact on the company. However, in October 2021 as well as August and September 2022, the Kunshan factory experienced staggered power consumption and power cuts due to high temperatures. Although it did not directly cause the factory to shut down, the factory urgently adopted backup diesel generators to keep the factory running. These factors also raise reserve diesel prices and increase annual carbon emissions.</p>	<p>1.The company has compiled the "Special Emergency Plan for Extreme Weather incidents" and conducts targeted drills yearly to reduce financial losses caused by extreme weather.</p> <p>2.The company will comply with the government holidays if the government issues a red warning for extreme weather (such as strong typhoons, floods, or heavy snowstorms).</p> <p>3.The company's factory building is designed to be raised 1 meter above the foundation and is equipped with a water collection motor to deal with flooding.</p> <p>4.The factory has 4 sets of 2800kw emergency diesel generators and backup diesel to maintain production in case of temporary government power cuts.</p>
Opportunities	Adopt Low-Carbon Energy Projects and Adopt Energy-Saving Measures	Short-term (within 3 years)	<p>1.In 2018, 3,500 solar panels with an installation capacity of 0.9MW were fully installed on the roof of the Kunshan factory, generating approximately 1 million kWh of green electricity for the Kunshan factory each year.</p> <p>2.The hot water boiler in the dormitory of the Kunshan factory was changed from burning diesel oil to burning natural gas with a lower calorific value to avoid the increase in the company's production costs due to rising oil prices and reduce greenhouse gas emissions.</p> <p>3.The lighting fixtures in the factory area use the most energy-saving LED lamps to reduce the company's electricity consumption.</p>	<p>1.In the future, Clevo laptop computers will strive to reduce energy consumption and carbon emissions, provide new user experiences to customers, pursue the advancement of low-carbon technology, and maintain the market position.</p> <p>2.Every year, the factory performs routine equipment maintenance, confirms the efficiency of the factory's old equipment, and replaces the old equipment with efficient new equipment.</p>



# CLEVO® 02 Response to Climate Change

Aspects	Issues	Impact Period	Current Status for Climate Change Risks and Opportunities	Response Strategies and Management Measures
Opportunities	Develop/ Increase Low-Carbon Products	Short-term (within 3 years)	<p>As the sustainable trend gains traction, brand owners and consumers are gradually shifting their preferences toward low-carbon and energy-saving products. Clevo regards green environmental protection as an important concept of product innovation. The company has strived to extend battery life through product design, usage, and end-of-life management; collaborate with Windows 11's energy-saving settings, such as power, battery, screen brightness, and dark mode, to save laptop energy consumption; and minimize charge cycles. Currently, the laptop computers produced by Clevo all meet the energy efficiency specifications Energy Star requires. Five laptops also passed the China Energy Label (CEL) energy-saving certification. In the future, we will continue to deploy low-carbon product R&amp;D to grasp the low-carbon product market.</p>	<ol style="list-style-type: none"> <li>1. In the future, Clevo laptop computers will strive to reduce energy consumption and carbon emissions, provide new user experiences to customers, pursue the advancement of low-carbon technology, and maintain the market position.</li> <li>2. Require low-carbon development from direct suppliers to increase the use of low-carbon materials and enhance the low-carbon image and added value of laptop computers.</li> <li>3. Review and evaluate the low-carbon development status of suppliers every year, and include them in the qualified supplier selection items.</li> </ol>





## 2.3 Climate Risk Management

Clevo's president convenes the Sustainable Development Task Force to identify climate risk and opportunity issues annually. Converge Clevo's potential climate issues through international trends and climate risk opportunities revealed by peers, and quantify and rank each issue's impact and occurrence opportunities to identify their significance. Then set goals and manage Clevo's climate risks and opportunities based on the key climate risk and opportunity factors.

The identification procedure is as follows:

Workflow	Workflow Description
Summary of Climate Issues	The potential climate risk opportunity issues related to Clevo operations were initially summarized using the climate risk/opportunity category classification suggested in the TCFD guidelines and collecting the climate risk opportunity issues disclosed by domestic and foreign peers in the CDP questionnaire and sustainability report.
Issue Identification	Design a questionnaire from Clevo's list of potential risks and opportunities. Ask Clevo's departments and factories to assess the degree of impact and occurrence time for each issue by evaluating factors such as historical experience, current policy and regulatory trends, and stakeholder requirements.
Materiality Analysis	The Sustainable Development Task Force is in charge of gathering the perspectives of various units on various climate opportunities and risks. The significance of each issue's impact on Clevo's operations is identified by aggregating and analyzing the scores of each unit on each issue in the questionnaire to identify Clevo's key climate risk and opportunity issues.
Management Response	Discuss specific response measures and management plans for future factories and departments based on assessing significant key climate risks and opportunities.

## 2.4 Indicators and Goals

Clevo has established climate-related management goals to improve climate resilience, implemented various goals in the operation and management of factories and departments, effectively managed the threats posed by climate risks, and strengthened Clevo's ability to respond to climate change. Clevo's Kunshan factory and Taipei headquarters completed the carbon inventory in 2022. In the future, we will use it as the base year to set carbon reduction targets. The Kunshan plant has set carbon reduction targets to reduce carbon by 1%, solid waste by 3%, and comprehensive energy consumption by 1% every year compared to the previous year. The goal is to execute carbon operation management and contribute to extreme climate mitigation. °

Target Type	Target Description	Benchmark Year Comparison	Target Achievement Status
Carbon Reduction Target	Scope 1 and Scope 2 total carbon emissions are reduced by 1% each year compared with the previous year.	2022	During Execution
Energy Target	The total energy consumption is reduced by 1% yearly compared to the previous year.	2022	During Execution





# 03

## Environment Sustainability



Climate change is a serious worldwide problem. It not only devastates the global ecological habitat but also has a direct impact on biodiversity. Extreme weather also causes human losses in terms of life and property. Clevo has strived to mitigate the climate and environmental impacts by continuing to inspect and refine the environmental management system, strictly abiding by the law, actively investing in environmental protection, and publicly disclosing environmental performance-related information, demanding environmental protection actions from all employees. Clevo has partnered with its suppliers, customers, and consumers to fulfill its environmental responsibilities and obligations to exist in harmony and prosperity with the environment.

## Performance Highlights

The Kunshan plant's energy-saving measures are equivalent to a carbon reduction of 33.31 tons.

Kunshan plant purchases 1,080,595 kWh of solar energy generated on the roof of the plant area, equivalent to an emission reduction (CO<sub>2</sub>e) of 575.8 tons of CO<sub>2</sub>e.

environmental protection projects investment amount NT\$992,775

The annual carbon emission intensity of the Taipei headquarters was reduced by 13.1% compared to 2021.

## Association with SDGs

7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION





## Disclosure Contents: Greenhouse Gas and Energy Management Policy

### Impact

- ◆ As the greenhouse effect worsens each year, the loss of global ecosystems as well as animal and plant habitats exacerbates, and the impact of extreme weather on human society has become an issue that every enterprise must address. Governments worldwide are accelerating the promotion of carbon-reduction responsibilities and regulations for businesses operating within their borders, and international enterprises have started to disclose greenhouse gas emissions and carbon fee collection data.
- ◆ Clevo has responded to the global climate summit's consensus on climate change and is committed to investing in energy and greenhouse gas management to help combat global warming. Our goal is to reduce the negative impact on the environment through our efforts and actively face the climate change challenge together with international enterprises.

### Policy Commitment

- ◆ Clevo is committed to meeting the requirements and standards for energy savings and carbon reduction in various exporting countries, continuously improving energy use efficiency in factories and offices, and investing in developing energy-saving, low-carbon products, and renewable energy deployment. The goal is to provide low-carbon model products in the market, reducing product life in the utilization cycle. The cycle's carbon emissions encourage brand owners and users to collaborate to reduce carbon emissions.

### Goals

- ◆ Scope 1 and Scope 2 total carbon emissions are reduced by 1% each year compared with the previous year. (The base year is 2022)
- ◆ Energy consumption is reduced by 1% year-on-year. (The base year is 2022)

### Responsible Unit

- ◆ Manufacturing Division and Administrative Division

### Resources

- ◆ Introduce ISO 14001 and ISO 50001, entrust solar equipment manufacturers with the construction of solar panels, annual carbon inventory consultant fees, replacement costs for old factory equipment, and introduce automatic air-conditioning electronic control systems in offices.

### Grievance System

- ◆ [public@clevo.com.tw](mailto:public@clevo.com.tw)

### Specific Actions in 2022

- ◆ The energy conversion efficiency of products is improved through the R&D of high-efficiency products, thereby reducing the carbon footprint of product life cycles.
- ◆ Improve energy conversion efficiency through R&D of high-efficiency products, and reduce the carbon footprint of product life cycles.
- ◆ Inspect the old equipment and machines in the factory each year, replace low-performance equipment, improve the energy efficiency of the factory operation, and reduce the basic electricity consumption.

### Quantitative Management System

- ◆ Implement key performance indicator (KPI) management, assessment, and tracking of energy consumption in the plant area every year, and propose improvement plans.
- ◆ Review the annual carbon reduction target implementation, and track and review the carbon reduction progress through the annual routine carbon inventory operation.



## 3.1 Environmental Management

Clevo believes that effective environmental management is the critical and fundamental component for an enterprise to achieve long-term development. Clevo is a professional laptop computers manufacturer and service provider, and it cannot afford to be careless with its environmental management. Clevo meets every year to discuss various environmental management policies. Clevo's environmental management are guided by environmental indicators. We review and follow the PDCA cycle steps every year and continuously improve our environmental management system to ensure the management policy's suitability. The President, and formulate the management policy. The importance of environmental management is publicized to colleagues through different channels. It also requires employees to integrate the management policy's content into their daily operations, propose specific environmental management plans and measures to improve their performance and actions and continue to practice the goal of a friendly environment. Clevo's environmental management policy includes the following:

- ◆ Follow the relevant environmental protection laws and regulations to be a legally compliant enterprise <sup>Note\*</sup>.
- ◆ Take preventive measures against pollution to reduce impacts on the environment.
- ◆ Make ongoing improvements to environmental management practices, and fulfill our responsibilities to the Earth.
- ◆ Actively classify, recycle, and reuse waste generated from corporate activities.
- ◆ Create communication and promotion channels for the environmental management system, and maintain frequent communication with external parties.

### 3.1.1 Environmental Management System

Clevo's Taipei headquarters is an office and R&D building, while the Kunshan factory is responsible for producing and manufacturing laptop computers. Therefore, Kunshan's potential impact on the environment is greater than that of the headquarters. The Kunshan factory has established an ISO 14001 environmental management system to reduce the impact of its operations on the external environment. The Kunshan factory adheres to the Plan-Do-Check-Action (PDCA) philosophy and annually reviews each process operation's environmental considerations and hazards. The goal is to identify risks and conduct external re-examinations and audits every three years to keep the certificate valid. The most recent is the new version of ISO 14001:2015 environmental management system verification, which was implemented in April 2020. In addition, Clevo has also referenced local regulatory requirements to formulate its environmental management policies and goals and continues to fulfill the vision of sustainable operation.

Note\* There was no violation of environmental protection law in 2022.



Kunshan Plant's ISO14001:2015 Environmental Management System Certification (valid until April 7, 2023)



## 3.1.2 Environmental Monitoring

The ISO 14001 environmental management system is the main management system adopted by Clevo in the manufacturing process. This standard establishes internal management procedures for various environmental projects, and the air quality, discharge water quality, noise, and perimeter of the working environment are monitored and improved annually and regularly. Air pollutants are among the four environmental testing items.

Clevo not only detects environmental data independently throughout the factory area but also entrusts a third notary organization to assist in the detection of environmental data annually to ensure that the environmental management system can be effectively implemented. Based on the findings of each test, Clevo can determine whether various environmental factors and indicators are in compliance with national and local laws and regulations and ensure that they align with the environmental management objectives. If abnormal environmental data or potentially significant impacts are discovered, the plant will convene immediately to discuss and propose appropriate improvement measures. Clevo's environmental testing results 2022 are consistent with internal and external norms and standards, and no significant pollution leakage has occurred. Clevo will strive to maintain its excellent performance.

Clevo invested a total of NT\$992,775<sup>Note\*</sup> in 2022 to perform various environmental operations, such as air quality monitoring, water quality testing, energy-saving measures, waste removal, noise testing, and other environmental management operations. We will continue to assess whether the detection value and frequency meet current needs and maintain long-term management.

**Environment Protection Related Expenditures for Taipei Headquarters and Kunshan Plant - 2022**

Environmental Protection Expenditure Items	Kapok Computer (Kunshan)			Taipei headquarters		
	Inspection Frequency	Self / Outsourced Inspection	Cost(RMB)	Inspection Frequency	Self / Outsourced Inspection	Cost(NTD)
Air quality	Once / year	Outsourced	11,000	Twice / year	Outsourced	-
Quality of effluents	Once / year	Outsourced		Once / year	Outsourced	-
Noise	Once / year	Outsourced		-	-	-
Air pollutants in the nearby area	Once / year	Outsourced		-	-	-
Waste removal fees	Twice / year	Outsourced	23,520	-	-	-
Wastewater treatment fees	Once / year	Outsourced	148,502	Once / month	Outsourced	144,000
ISO14001 external audit fee	-	Outsourced	13,000	-	-	-
Total investment amount (NTD)			992,775			

Note 1: The Taipei headquarters has conducted carbon dioxide testing for the working environment. The Kunshan plant operating environment testing items include other dust (total dust), tin dioxide, sodium carbonate, lead fume, dipropylene glycol methyl ether, cyclohexanone, ethyl acetate, n-butanol, methanol, ether, isophorone.

Note\*: The total is derived by adding expenses from Taipei Headquarters (in NTD) and Kunshan Plant (in RMB), rounded to the nearest integer. In December 2022, the exchange rate of RMB to NTD was calculated at 4.33.

## 3.2 Energy and Greenhouse Gas Management

One of the key propositions of the United Nations Climate Change Conference on climate strategy in recent years has been to phase out the use of fossil fuels. As a result, under the current global sustainable development trend, companies cannot ignore energy transition and greenhouse gas management. Clevo's Kunshan plant began purchasing green electricity in 2018 in response to the energy transformation trend, and the ISO 50001 energy management system was implemented to identify key energy consumption in the plant and propose improvement strategies to reduce the demand for fossil fuels and greenhouse gas emissions year by year. In addition, Clevo has established a task force to track carbon reduction progress and implement greenhouse gas inventory work. The annual inventory for 2022 has been completed at the Taipei headquarters. The greenhouse gas inventory project at the Kunshan factory is expected to begin in 2023. Clevo takes a proactive approach to climate change. Face it, and keep implementing carbon-cutting measures and regular inventory operations to achieve sustainable development goals.

### 3.2.1 Energy Usage and Greenhouse Gas Emission

Electricity dominates the energy consumption structure of the Clevo's sites, which include the lighting and air conditioning of the Kunshan plant and the Taipei headquarters building. The second source of energy consumption is the natural gas boiler in the Kunshan plant's employee dormitory, and a minor source of energy consumption is the gasoline and diesel used for official vehicles and the plant's emergency generators. The Xinzhuang headquarters in Taipei is an office and R&D center, so daily electricity consumption accounts for a large part of the total energy consumption. Therefore, energy savings in the office building's air conditioning and lighting are critical for Clevo headquarters to implement energy-saving measures.

In March 2022, the headquarters was relocated to Xinzhuang Building, and the carbon inventory operation (scope 1 + scope 2) was implemented in the first year after the relocation, according to the GHG Protocol guidelines. The total carbon emissions of the Clevo headquarters in 2022 was 452.8 tons CO<sub>2</sub>e, with electricity consumption in the office accounting for the majority. The rest of the emission sources, such as refrigerant escape and official vehicle gasoline, accounted for a small amount. The total energy consumption was 3,194.29 GJ, about 27.3% lower than that of the previous year, of which electricity consumption accounted for 96.3% of the total energy consumption.

The relocation of the headquarters in 2022 may be the main reason for the large change in electricity consumption compared with 2021. In the future, we will continue monitoring changes in electricity intensity to track and manage the office's electricity consumption trend in the new building. Clevo has established timer-switching measures on the air-conditioning in the Xinzhuang headquarters to reduce electricity consumption during off-peak hours for off-duty employees. The company also reviews the electricity consumption every month to track the energy-saving and carbon reduction progress.

Moreover, Clevo has continued to promote the concept of energy saving and carbon reduction to its colleagues through various channels to inspire energy saving and carbon reduction habits during daily life via the following management measures:



1. Avoid idling powered equipment once turned on, and cut power after use where possible.
2. Employees are asked to conserve power by turning off lights when leaving the workplace.
3. The air conditioner's temperature is controlled at 26° C in summer and below 20° C in winter. It is forbidden to open the windows while the air conditioners are operating.
4. For areas that are used for intermittent (non-continuous) production activities, lighting must be turned off when there is no production activity.
5. Energy-efficient equipment should be used in new/replacement/expansion projects where possible.
6. Personal computers and office equipment are to be turned off after work.
7. Recycling requirements for lubricant and waste oil are strictly enforced, and employees are being instructed to conserve the use of oil to a reasonable extent.
8. Power generators are used only at times of outage or insufficient local power supply, which minimizes the use of diesel.
9. Gasoline conservation awareness is being promoted among drivers of corporate vehicles.

## Energy Consumption at Taipei Headquarters in the Last 3 Years

Total Internal Energy Consumption		2020	2021	2022
Non-renewable fuel	Gasoline (liters)	5,982	2,455	3,562
Purchased energy	Purchased gray electricity (kWh)	1,202,388	1,197,491	854,793
The gross calorific value of energy consumed (GJ)		4,525	4,392	3,194
Density (GJ/ping)		1.02	0.99	0.84

Note 1: The statistical scope of energy consumption data covers:

(1) 2020-2021, the Sanchong - Clevo Building 1F, 9F, 11-13F.

(2) In 2022, Clevo's headquarters changed, so the electricity consumption meter benchmark also changed. It was Sanchong - Clevo Building BF1-BF3, 1F, 9F, 11-13F from January 2022 to March 2022, and Xinzhuang 1 tower building 31-36F from April 2022 to December 2022.

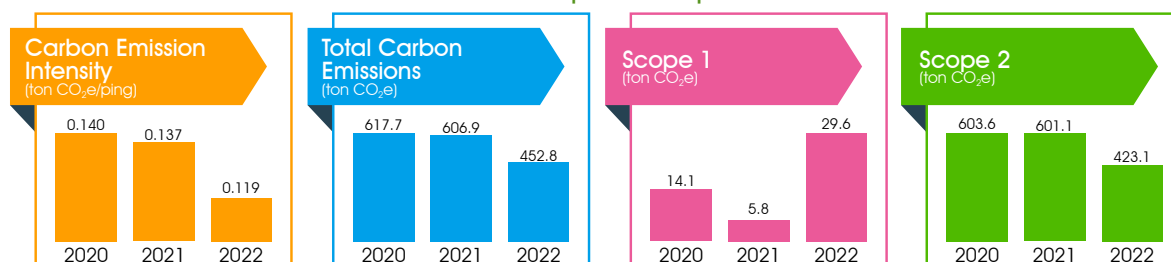
Note 2: Calorific value of gasoline = 7,800 kcal/L, calorific value of electricity = 860 kcal/kWh, and the coefficients are derived from the energy product unit calorific value table of the Energy Bureau of the Ministry of Economic Affairs.

Note 3: The density's denominator is the building area (ping). The inherent area was changed due to the relocation of the headquarters in March 2022:

(1) Floor area from 2020 - March 2022: 4,422.29 pings

(2) Floor area April 2022 - December 2022: 3,810.36 pings

## Greenhouse Gas Emission of Taipei Headquarters in the Last 3 Years



Note 1: The greenhouse gas inventory boundary is: (1) 2020-2022, the Sanchong - Clevo Building 1F, 9F, 11-13F. (2) Sanchong - Clevo Building BF1-BF3, 1F, 9F, 11-13F from January 2022 to March 2022; and Clevo building 31-36F from April 2022 to December 2022.

Note 2: Scope 1 direct emission: covers refrigerant escape and mobile emission sources from official vehicles. Scope 2 Energy Indirect Emissions: The emission source is purchased electricity.

Note 3: Inventory methodology: Statistical calculations are executed according to the GHG Protocol and the Greenhouse Gas Inspection Guidelines of the Executive Yuan's Environmental Protection Agency.

Note 3: Greenhouse gas factor source: The emission coefficient is from the Environmental Protection Agency's 6.0.4 version of the greenhouse gas emission coefficient management table, announced in 2019, and the GWP value is from the IPCC Sixth Assessment Report (2021).

Note 5: The carbon emission coefficient of Scope 2 purchased electricity in 2022 is calculated based on the 2022 electricity carbon emission coefficient announced by the Energy Bureau of 0.495kg CO<sub>2</sub>e/degree.

Note 6: Greenhouse gas inventory scope includes a total of 7 greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

Note 7: Greenhouse gas inventory is implemented using the operation control method.

Note 8: Emission intensity = (Scope 1 + Scope 2 emissions CO<sub>2</sub>e)/total office floor area (ping).

Note 9: From 2020 to 2021, the total leased area of the Clevo Building was 4,422.29 ping. After the headquarters relocation in March 2022, the total leased area of the Xinzhuang headquarters was 3,810.36 ping.



The Kunshan plant mainly executes Clevo's laptops manufacturing. So the factory area's energy consumption and carbon emissions are much higher than those of the Taipei headquarters office. Therefore, in addition to incorporating energy management into daily life (such as dormitories and parking sheds) and business at the Kunshan plant, we have gradually increased the proportion of renewable energy used in the factory area by constructing solar panels for self-use and continuously evaluated the energy efficiency of factory equipment. In 2022, the Kunshan factory implemented an energy-saving plan to switch from an adsorption dryer to a refrigerated dryer. The goal is to reduce air compressor gas emissions during the drying process, the number of air compressors turned on to lower power consumption, and the factory's overall electricity reliance.

In 2022, the total energy consumption of the Kunshan plant was 31,055 GJ. It decreased by 16.5% compared to 2021, mainly because of the month-long power supply restriction days in 2021, resulting in a large increase in the use of diesel generators in the plant. Due to reduced power-rationing days in 2022, diesel oil consumption was also significantly reduced. Furthermore, total laptop computers production in 2022 also fell by 22.4% compared to 2021, contributing to decreased energy demand in the plant area. Overall, when energy efficiency is measured in terms of unit output, the energy intensity in 2022 was 0.019 GJ/thousand units, a slight increase from 2021.

#### Energy Consumption at Kunshan Plant in the Last 3 Years

Total Internal Energy Consumption		2020	2021	2022
Outsourced non-renewable energy	Gasoline (liters)	9,230	5,000	4,258
	Diesel (tons)	7,059	70,588	9,408
	Liquefied natural gas (m3)	107,028	79,268	80,012
	Purchased gray electricity (kWh)	6,949,596	7,651,025	6,574,084
	The total calorific value of non-renewable energy consumption (GJ)	29,612	33,231	27,164
Renewable energy	Purchased solar energy (kWh)	1,058,524	1,096,281	1,080,595
	The total calorific value of renewable energy consumption (GJ)	3,811	3,947	3,891
The gross calorific value of energy consumed (GJ)		33,424	37,179	31,055
Density (GJ/number of laptops produced)		0.022	0.018	0.019

Note 1: The statistical scope of energy consumption data covers: Kapok Computer (Kunshan) plant

Note 2: The coefficient is taken from Table 2.1 of the Guidance for Accounting Method and Reporting of Greenhouse Gas Emissions from Electronic Equipment Manufacturing Enterprises (trial implementation).

Note 3: The output density denominator = the number of laptop computers produced in the year.

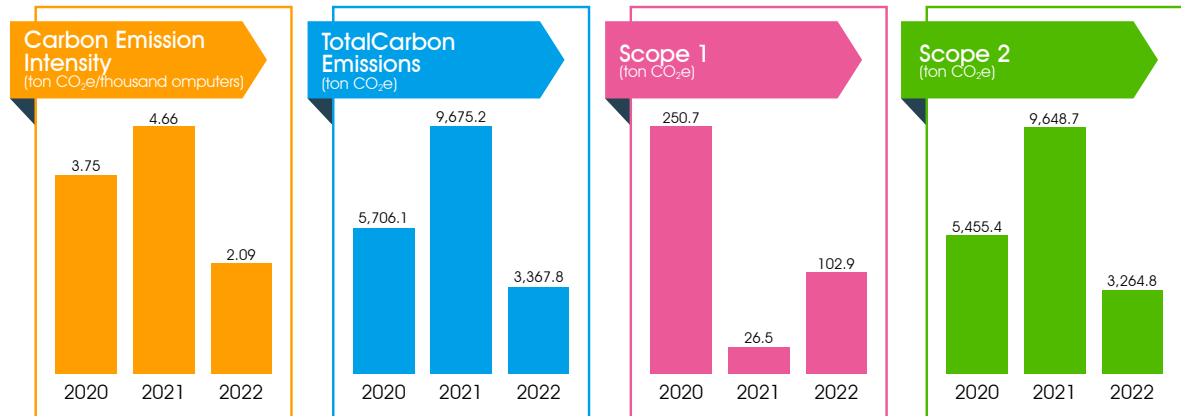
Since its inception, the Kunshan plant has voluntarily conducted greenhouse gas inventory operations to continuously monitor carbon emissions and reduce the carbon footprint of products. It also received the ISO 14064-1 verification report from the external third-party inspection agency SGS in 2022. The total emission of the Kunshan plant in 2022 was 3,367.8 tons CO<sub>2</sub>e, 65.2% decrease from 2021. The emission intensity was 2.09 kg CO<sub>2</sub>e / laptop. The following are the reasons for the Kunshan plant's lower greenhouse gas emission intensity in 2022 compared to 2021:

1. In April 2022, production in Kunshan was closed due to COVID-19. So there were fewer business trips and customers in 2022, and the use of diesel for the company's official vehicles also decreased.



- From the end of September 2021 to October 2021, Kunshan Power Supply Company restricted power, and the plant turned on its generator for about 30 days. In 2022, the plant's power was restricted for 3 days. Therefore, the consumption of diesel power generation in 2022 was significantly reduced.
- In 2022, the number of units shipped by the Kunshan plant was reduced by 465,000 compared to 2021. Coupled with the implementation of energy-saving projects in the factory area, the overall electricity consumption and greenhouse gas emissions dropped significantly.

## Greenhouse Gas Emission of Kunshan Plant in the Last 3 Years



Note 1: The greenhouse gas inventory boundary is: the Kunshan plant.

Note 2: Scope 1 direct emission: Diesel and gasoline from official vehicles, diesel from emergency generators, escape from refrigerant equipment, escape from CO<sub>2</sub> fire extinguishers, and escape from septic tanks. Scope 2 Energy Indirect Emissions: Purchased electricity.

Note 3: Inventory methodology: Statistical calculations are carried out according to ISO14064-1.

Note 4: Source of greenhouse gas coefficient: The coefficient comes from Table 2.1 of the Greenhouse Gas Emissions Accounting Method and Reporting Guidelines for Electronic Equipment Manufacturing Enterprises (Trial) and the GWP value refers to the IPCC Sixth Assessment Report (2021).

Note 5: The carbon emission coefficient of Scope 2 purchased electricity in 2022 refers to the national grid average emission factor of 0.5703 ton CO<sub>2</sub> / MWh in 2022.

Note 6: Greenhouse gas inventory scope includes a total of 7 greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (sub-CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

Note 7: Greenhouse gas inventory is implemented using the operation control method.

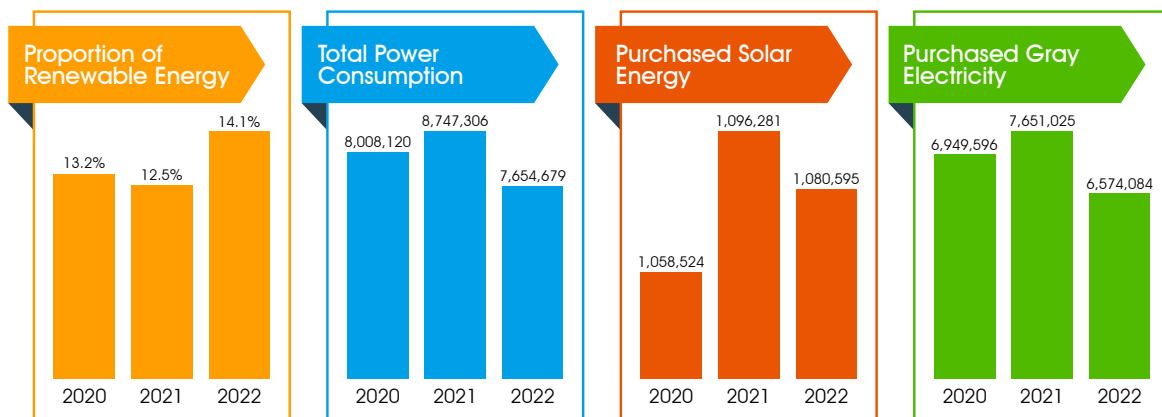
Note 8: (Scope 1 + Scope 2 emissions CO<sub>2</sub>e)/number of computers produced annually (1000 units).

### 3.2.2 Solar Power

Reducing the use of fossil fuels is a key resolution of COP26. Renewable energy development has gradually become an important means for global companies to reduce carbon emissions. In addition to optimizing energy efficiency and reducing greenhouse gas emissions, Clevo is also active in integrating resources and idle space. The Kunshan plant was equipped with solar energy equipment in January 2018. The manufacturer completed the construction of 3,500 solar panels on the roof of the factory building, and a total of 0.9MW installation capacity has been built. The Kunshan plant has purchased green electricity generated by solar energy from the solar equipment manufacturer, which can generate about 1 million kWh of green electricity for the Kunshan plant to use every year. In 2022, the solar energy system generated a total of 1,080,595 kilowatt-hours. The purchased solar power accounted for 14.1% of the total power consumption of the Kunshan plant, which is equivalent to reducing the greenhouse gas emissions of 575.8 tons CO<sub>2</sub>e from purchased power. In the future, Clevo will continue to take renewable energy deployment as its responsibility, evaluating the possibility of increasing the proportion of renewable energy, reducing the demand for gray electricity procurement in the factory area, and contributing to global climate change mitigation.



The Proportion of Renewable Energy in the Kunshan Plant in the Last 3 Years







## 3.2.3 Energy Saving and Carbon Reduction Measures

Most of Clevo's energy consumption is for factory equipment, office lighting, and air conditioning. To achieve carbon reduction and energy savings, it is necessary to continuously evaluate the possibility of saving electricity in the office and factory. Clevo's office area was outfitted with air-conditioning electronic timers in 2022 to reduce unnecessary air-conditioning energy consumption in the office after leaving work and to reduce annual air-conditioning electricity consumption. To reduce energy consumption, the Kunshan plant also installs timers for all lighting equipment and exhaust fans in the factory area, replaces high-energy-consuming lighting lamps with low-wattage LED lamps, and updates air-conditioning inverters. In 2022, the overall energy-conservation measures were estimated to reduce the annual carbon dioxide equivalent to about 33.31 tons of carbon dioxide equivalent. Clevo will continue to seek improvements that can be made in the factory area and offices every year and implement energy conservation and carbon-reduction plans.

Statistic Table for Kunshan Energy Conservation Measures in 2022

Purchased Gray Electricity	Conservation Plan Description	Total Power Savings (kWh)	Total Power Savings (GJ)	Annual Carbon Reduction (ton CO <sub>2</sub> e)	Cost for Conservation (NTD)
Install timers for control switches of factory aisles, bathroom fluorescent lamps, and exhaust fans.	Install timers for control switches of factory aisles, bathroom fluorescent lamps, and exhaust fans.	10,800	38.88	6.16	5,400
LED lights replace the outdoor street high-pressure sodium lights in the plant area	A total of 39 outdoor street high-pressure sodium lights (250W/unit) in the plant area were replaced by LED lights (80W/unit)	29,040	104.54	16.56	14,596
Install frequency converters in SMT air conditioning boxes to reduce power.	Install inverters in AH-11 and AH-13 air-conditioning boxes in the SMT workshop.	18,571	66.86	10.59	15,600
Total		58,411	210.28	33.31	35,596



Aisle, bathroom fluorescent lamp, and exhaust fan control time controller



Install frequency converters in SMT air conditioning boxes to reduce power.



LED lights replace the outdoor street high-pressure sodium lights in the plant area

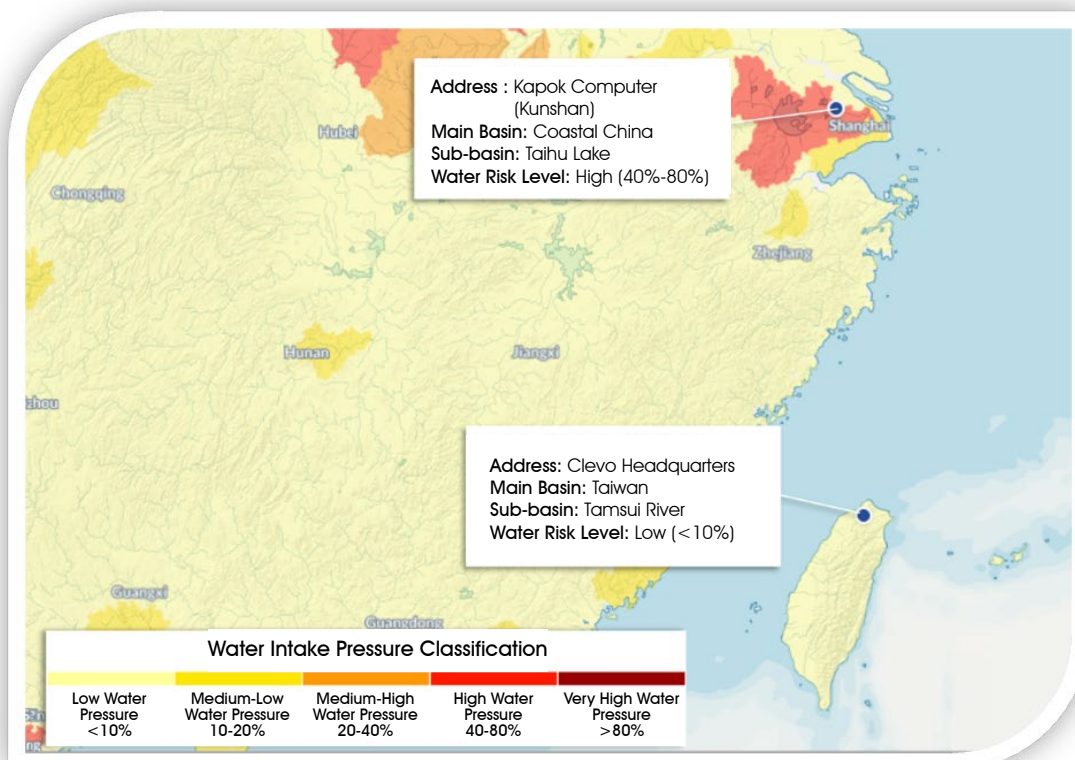
## 3.3 Water Resource Management

Water resource abundance is closely related to climate and environmental factors. As climate change worsens, the global rainfall frequency and uneven distribution will deteriorate. Extreme drought and heavy rain disasters occasionally occur in Taiwan and mainland China. These disasters directly affect production and domestic water use in the factory area, and they may also disrupt the supply chain's raw material transportation, indirectly increasing operational interruption risks. This emphasizes the importance of thorough water resource risk assessment and management for enterprises.

### 3.3.1 Water Risk Assessment

The Aqueduct Water Risk Atlas Tool was used in 2022 to analyze Clevo and Kunshan plant facilities in water risk areas to prevent water shortage risks at each operating site. The goal is to evaluate the water withdrawal and availability of water users in the local catchment area and determine whether the recycled surface water to groundwater supply ratio is sufficient. The analysis showed that the Taiwan headquarters is located in a low-water-risk area and relatively free from water intake risks. The Kunshan factory is in a high water risk area (40-80%). However, most of the water used in the Kunshan factory is used for people's livelihood instead of process water. The analysis showed a relatively low impact on the local water catchment area. To avoid water shortages, the Kunshan plant has strengthened emergency response measures for drought, water cuts, and water shortages and implemented daily water-conservation measures to reduce the intensity of water intake in the plant.

The Kunshan plant uses the ISO 14001 environmental management system to formulate





control measures for water resources and water pollution prevention and control operations and strictly manages the use of water resources and wastewater discharge. We also adopt the "Energy and Resource Management Operating Procedures" to regulate the water resource use requirements and continue to advocate water-saving policies focusing on water-related issues and daily operations to colleagues. The policies advocated include:

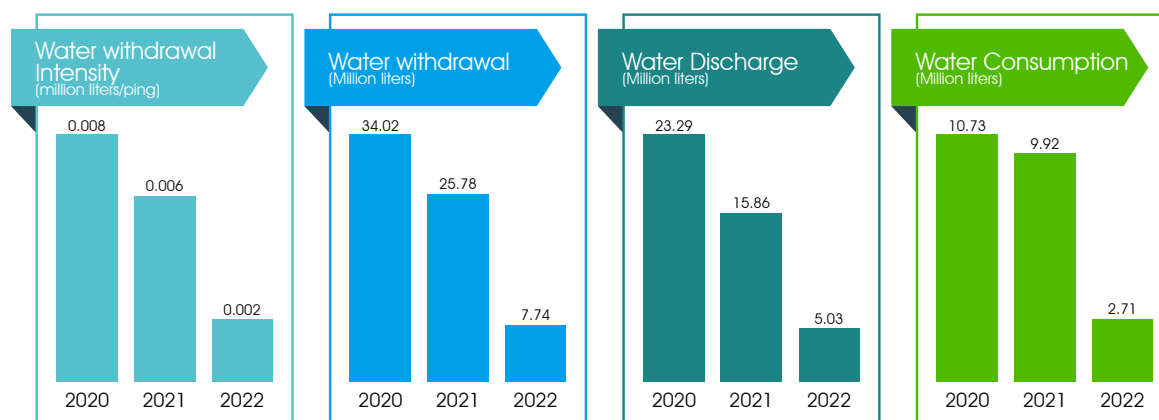
1. Strengthen drip and leak management and regular water inspections.
2. Submission of maintenance or replacement request upon discovery of any damage to faucet or valve.
3. Use the loop to Recycle and reuse the cooling water from the cooling systems and other equipment.
4. Always remind everyone to pay attention to water conservation and post relevant water conservation signs in conspicuous places.

### 3.3.2 Water Intake, Consumption, and Discharge

Although Clevo's manufacturing process does not rely heavily on water resources, if wastewater from the manufacturing process is discharged into natural streams without proper treatment, it will have a direct impact on the local water ecosystem as well as the daily lives of residents in the surrounding communities who uses it for drink water. Therefore, water resource management is critical to Clevo's environmental management. Clevo will continue strengthening water resource recycling and improving overall water use efficiency.

Clevo Taipei headquarters is an office building mainly engaged in administrative operations and R&D. Its water resources are mainly used for people's livelihood. The annual water withdrawal is 7.74 million liters, and 100% comes from tap water. In March 2022, the headquarters was moved from the original Sanchong office building to Xinzhuang, so the building's property management calculates the statistical method of water withdrawal data, and the number of leased floors is allocated. In the future, the annual water intensity measurement changes will be continuously monitored to observe the water withdrawal trend of the new building.

Water Resource Usage by the Taipei Headquarters in the Last 3 Years



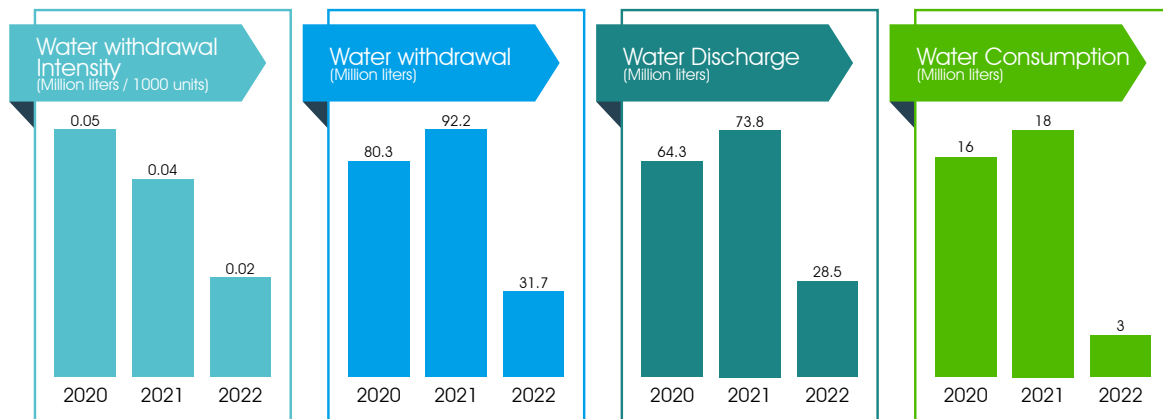
Note 1: Clevo's headquarters does not have water intake from seawater, high water pressure areas, or water intake from total dissolved solids > 1,000 mg/L.  
 Note 2: The type of wastewater discharged from Clevo headquarters is only domestic. The office building has a water treatment pool installed according to regulations that treat wastewater from living activities and discharge it only when the quality has met the statutory standards.  
 Note 3: Water withdrawal = water discharge + water consumption. Since the building has no statistical water consumption data from 2022, it is estimated based on the average water consumption ratio from 2020-2021.  
 Note 4: Water withdrawal intensity = annual water withdrawal / office floor area (ping).  
 Note 5: From 2020 to 2021, the total leased area of the Clevo Building was 4,422.29 ping. After the headquarters relocation in March 2022, the total leased area of the Xinzhuang headquarters was 3,810.36 ping.



100% of the Kunshan plant's water intake comes from municipal tap water. Because the Kunshan plant is primarily responsible for laptop computers production, it uses air-conditioning cooling water and general household water. However, the process does not require much water, and domestic wastewater is transported to the site. After entering the municipal sewage pipeline, it is centralized at a nearby sewage treatment station for treatment before being discharged to the stream.

In 2022, Kunshan's total annual water withdrawal was 31.7 million liters, a decrease of 65.6% from 2021. This is primarily because the number of laptops produced in 2022 reduced by 465,110 units compared to 2021, resulting in a significant reduction in employee working time and domestic water consumption in the plant area.

#### Water Resource Usage of Kunshan Plant in the Last 3 Years



Note 1: Clevo's Kunshan plant is located in a high-water stress area, and there is no water source from seawater with total dissolved solids >1,000 mg/L.

Note 2: The type of wastewater discharged from Clevo headquarters is only domestic. The office building has a water treatment pool installed according to regulations that treat wastewater from living activities and discharge it only when the quality has met the statutory standards.

Note 3: Water withdrawal = water discharge + water consumption. Since the building has no statistical water consumption data from 2022, it is estimated based on the average water consumption ratio from 2020-2021.

Note 4: Water withdrawal intensity = total annual water withdrawal/annual laptop output (1000 units).



### 3.3.3 Wastewater Discharge Policies and Reduction Practices

Clevo is committed to complying with environmental laws and regulations, and we require wastewater discharged from all operating sites to comply with local regulations. The Taipei headquarters comprises offices with Domestic sewage is produced instead of processed wastewater. A septic tank is installed according to the law, and domestic sewage is directly collected and discharged into the public sewage sewer.

Although the Kunshan plant does not have process wastewater, a third-party water quality testing company is regularly outsourced to conduct wastewater testing yearly to reduce the potential environmental impact of wastewater in the factory area. Water quality testing items include pH, COD, ammonia nitrogen, total phosphorus, and oil. All wastewater testing results were significantly lower than the values required by local regulations in 2022, and no discharge regulations were violated. The rainwater and sewage diversion improvement project was implemented in the Kunshan dormitory area throughout 2021. The domestic waste and sewage generated in the dormitory area are converged to the waste and sewage treatment plant for discharge operations. The rainwater and sewage diversion is in good condition, and there is no blockage or overflow.

#### Kunshan Factory Wastewater Discharge Compliance Status

Water Quality Standard/factory Area	Compliance Status	Local Regulatory Requirements
pH	7.3	6.5~9.5
COD (mg/L)	69	500
Ammonia nitrogen (mg/L)	9.52	45
Total phosphorus (mg/L)	1.35	8
Grease (mg/L)	0.39	100

Note: The Kunshan plant discharges wastewater according to the "Law of the People's Republic of China on the Prevention and Control of Water Pollution" and "Regulations on Urban Drainage and Sewage Treatment."

The Kunshan plant replaced the toilet sink faucet from the push type to the induction type in 2022 to reduce people's water consumption in the factory area. The push-type faucet discharges water longer, resulting in unnecessary waste of water resources. The sensor-type faucet can increase or decrease the water discharge time according to the use time to achieve water-saving effects.



Front push-type faucet before improvement



Sensor-type faucet after improvement

## 3.4 Waste Management

As a professional manufacturer of laptop computers, Clevo needs to use complex components and chemical raw materials in the production process. If the downstream waste removal and disposal companies do not properly handle the waste according to the type of waste, random disposal may cause heavy metal or chemical, environmental pollution, which may have potential impacts on the community environment and human health. Therefore, Clevo places a high value on the back-end treatment of waste generated during each manufacturing process.

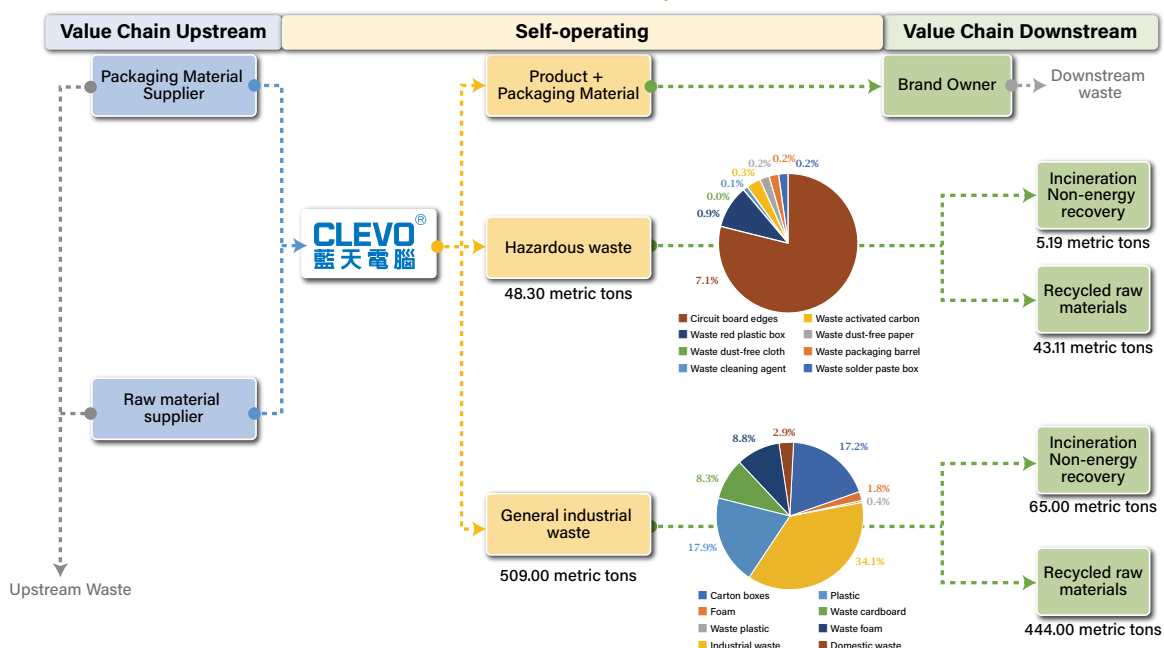
### 3.4.1 Value Chain Waste Assessment

Clevo has adhered to international environmental protection standards from the product design stage, is committed to reducing the use of toxic substances, and has developed internal "Waste Control Operation Procedures" according to laws and regulations, as well as various international environmental protection standards and requirements. The goal is to require all employees to strictly adhere to waste operations, dispose of waste according to procedures, and improve waste disposal.

If the raw materials used in the manufacturing process contain chemicals, they must be handled in strict accordance with applicable procedures to avoid negative consequences and impacts on the surrounding environment and community residents caused by leakage incidents.

The administrative and R&D-based Taipei headquarters produces general household waste, and no hazardous industrial waste is generated. Clevo has continued to conduct publicity, supervision, and inspections through the "Waste Management Measures" and vigorously promotes waste reduction and classification. The goal is to promote resource recycling and reuse to reduce waste emissions and improve resource use efficiency.

Clevo Value Chain Waste Disposal Flow Chart







## 3.4.2 Generation and Disposal of Waste

The Kunshan plant generates a lot of waste since it is Clevo's main production base. The Kunshan plant has strictly adhered to local regulations and internal processing procedures to maximize the benefits of raw material resources and make the best use of raw materials in manufacturing. The relevant responsible personnel must properly store waste by category before handing it over to a qualified clearing company approved by the government for off-site disposal. The total waste generated by the Clevo headquarters and Kunshan plant in 2022 was 557.3 metric tons, which decreased by 32.9% from 2021, mainly due to a decrease in production volume, which resulted in a significant reduction of waste from raw and packaging materials. Overall, general waste accounts for 91.1% of the bulk of the waste, mainly from three categories: waste cardboard, waste plastic, and cartons from packaging and raw material suppliers. Hazardous waste accounted for 8.9% of total waste, primarily from circuit boards, board trims, waste-activated carbon, and other manufacturing leftovers. Our hazardous waste warehouses are established according to waste storage facility standards, including ground hardening, installation monitoring, drainage trenches, waterproof slopes, door locks, and other facilities. The goal is to ensure that hazardous waste collection, storage, transfer, utilization, and disposal comply with national regulations.

The Kunshan plant's waste is collected, stored, and transported by the administrative department. We also implemented statistics and classification and uniformly entrust waste transfer and disposal to a third-party qualified waste disposal company approved by the competent authority every month. Before undertaking waste treatment operations, all waste treatment contractors must pass Clevo's audit and have a valid license approved by the government to ensure that all Clevo waste is properly disposed of according to their types and do not negatively impact the external environment.



# 2022

## Clevo ESG Report

### 2022

#### Waste Generation by the Taipei Headquarters and the Kunshan Plant in 2022

Category	Total Waste Divided by Item			Total Amount Divided by Hazardous / Non-hazardous		
	Waste Items	Production Volume (tons)	%	Waste Treatment Method	Production Volume (tons)	%
General industrial waste	Carton boxes	96.00	17.2	Recycled raw materials	509.00	91.3
	Plastic	10.00	1.8			
	Foam	2.00	0.4			
	Waste paper	190.00	34.1			
	Waste foam	46.00	8.3	Incineration (non-energy recovery)		
	Waste plastic	100.00	17.9			
	Industrial waste	49.00	8.8			
	Clevo building household garbage	16.00	2.9			
Hazardous waste	Circuit board edges	38.31	6.9	Recycled raw materials	48.30	8.7
	Waste activated carbon	4.80	0.9			
	Waste red plastic box	0.24	0.1			
	Waste dust-free paper	0.39	0.1			
	Waste dust-free cloth	1.49	0.3	Incineration(non-energy recovery)		
	Waste packaging barrel	1.20	0.2			
	Waste cleaning agent	0.94	0.2			
	Waste solder paste box	0.93	0.2			
Total waste generated		557.30	100.0	The total amount of off-site processing	557.30	100

Note 1: The waste data of the Kunshan plant comes from the daily weight of the waste collected in the factory.

Note 2: The waste in the Clevo building is uniformly handled by the building property management. The total amount of waste is estimated based on the monthly clearing volume signed by the building and the waste removal company multiplied by the proportion of leased floors.



# 04 Product Innovation



Clevo prioritizes the pursuit of excellent customer experience and actively advocates and implements sustainable management in products from product source design to end-use. From the design, R&D, and manufacturing of laptops to sales and post-sales services, we have established a comprehensive operation and service model to provide customers with four types of laptop computers: "Gaming," "Commercial," "Mainstream," and "Energy-saving, Long-lasting, and Environmentally friendly" to meet the demands of diverse markets.

We have demonstrated Clevo's unwavering efforts and remarkable achievements in "innovation," "elasticity," and "environmental friendliness" from the standpoint of product use and customer experience. These efforts and accomplishments distinguish Clevo and reflect the company's commitment to sustainable development and exceptional performance.

## Performance Highlights

Clevo invested a total of NT\$630 million in innovative R&D in 2022, accounting for approximately 3.35% of the computer department's revenue, an increase of 0.58% from 2021.

As of the end of 2022, Clevo has obtained a total of 44 patents in 5 countries worldwide.

In 2022, the due diligence on conflict minerals of suppliers did not identify areas where conflict minerals are at risk.

In 2022, Clevo did not violate any substance restriction/import regulations. There were no incidents of noncompliance involving the health and safety impacts of products and services.

As of 2022, we have certified 138 types of laptops, of which 5 laptops have passed the China Energy Conservation Certification for a single product.

Clevo did not encounter any customer privacy or data loss violations in 2022.

Customer satisfaction improved in all six areas in 2022, demonstrating that customers value Clevo's overall quality and service.

## Association with SDGs

**3** GOOD HEALTH  
AND WELL-BEING



**7** AFFORDABLE AND  
CLEAN ENERGY



**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**16** PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS







## 4.1 R&D and Innovation

### Material topics: Innovative R&D

#### Impact

◆ Innovative R&D is key for companies to increase market competitiveness and brand value. Still, it allows companies to seize market technology leadership, promotes industry and industry-university collaboration to accelerate technology application and implementation, and strengthens industry relationship networks through multi-party collaboration. In contrast, if the company fails to properly manage innovation issues, its technology and products may be unable to keep up with current market trends, affecting product sales and layout.

#### Policy

◆ Clevo incorporates the ISO management system into the design stage to achieve product safety and environmentally friendly production procedures and aims to comply with international norms and standard requirements so that the products can maintain market competitiveness in functionality and quality.

#### Goals

- ◆ Conduct joint industry-academia cooperation with at least 1 university every year
- ◆ Cumulative number of global patents obtained
  - ❖ Short-term (2025): Obtain a total of 50 global patents
  - ❖ Mid-term (2027): Obtain a total of 55 global patents
  - ❖ Long-term (2030): Obtain a total of 60 global patents

#### Commitment

◆ Clevo is committed to continuing to provide diverse and multi-faceted products to meet the needs of its customers through internal and external innovations. We will continue collaborating with industry-academia research institutes to provide creative ideas and practice opportunities, encourage academic and research units to invest in innovative ideas, promote academic-industry technology transfer, and strengthen industrial integration.

#### Responsible Unit

◆ R&D unit

#### Resources

◆ Establish R&D teams, and invest in fixed annual R&D budgets, product testing costs, safety regulations fees, and ISO certification fees.

#### Grievance System

- ◆ TEL: 886-2-22789696
- ◆ Office Website: [http:// www.clevo.com.tw](http://www.clevo.com.tw)
- ◆ E-mail: [marketing@clevo.com.tw](mailto:marketing@clevo.com.tw)

#### Specific Actions in 2022

- ◆ Invested in the development of low-carbon products and obtained 5 energy efficiency labels.
- ◆ Use halogen-free PCB material, 30% environmentally friendly recycled plastic, and full-carton recycled packaging materials, and implement sustainable and environmentally friendly material design.
- ◆ Provide opportunities for industry-academia collaboration with students from Ming Chi University of Technology's Mechanical Engineering, Electrical Engineering, and Electronics departments, and apply the results to Clevo products.

#### Quantitative Management System

- ◆ R&D innovation: The annual investment deduction report will assess the patent status of legal matters throughout the year.
- ◆ Industry-academia cooperation: Every year in March, the school starts to offer student internships for enterprises. Before the application, the human resources personnel will inquire with the heads of each unit about their willingness to apply. If willing, the HR personnel will further confirm the internship content, qualifications, and other related matters.

Clevo has always adhered to the 3 core concepts of "innovation," "flexibility," and "environmental friendliness." Continue to find a market niche, design differentiated and highly competitive products, and insist on the commitment to ban hazardous substances in the product design and development stage. We have established the Clevo Hazardous Substances Free (HSF) technical standards to prevent harmful substances from being mixed with environmentally friendly products to comply with international environmental regulations such as RoHS Directive, PACKAGING Directive, Battery Directive, REACH, PFOS Directive, or PAHs. The goal is to fulfill the "environmentally friendly" concept, and we will also make adjustments according to the client's requirements to avoid using specific hazardous substances.

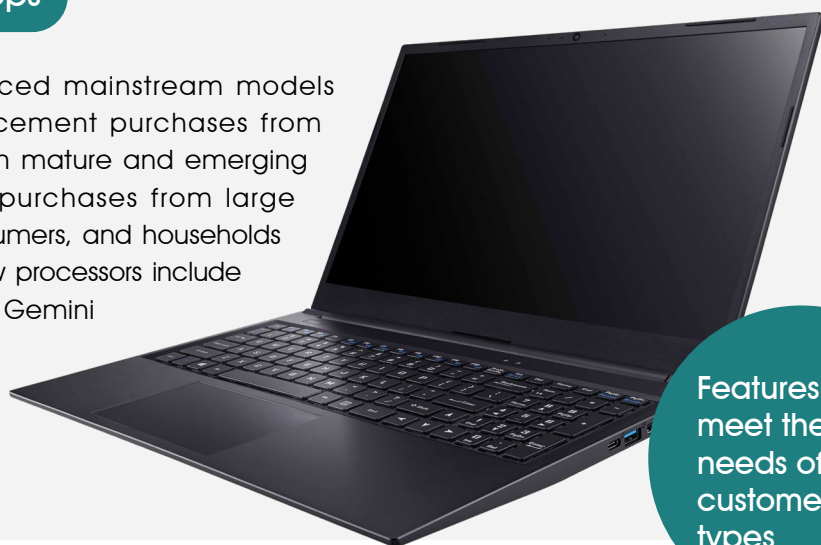
Global life and work patterns have changed significantly since the COVID-19 epidemic. In 2022, most countries maintained home offices due to the epidemic, which led to higher quality requirements for product users for remote connection conversations. To meet the diverse needs of modern consumers and the trend of pursuing high-quality user experience, Clevo's product design 2022 has added multiple security mechanisms of hardware encryption and new heat dissipation technology, and consumers can carry it more conveniently due to lightweight product design. We adopted the Wi-Fi 6E technology so customers can enjoy the fastest connection in various network situations. Regarding audio-visual experience, we developed a control technology system with a higher screen-to-body ratio and lower noise to significantly improve the overall experience. We also provide fast battery charging and low expansion technology, which will extend use time and reduce charging time, instantly improving the overall user experience for consumers.

### 4.1.1 Main Products

Clevo has developed the following products and services:

#### Mainstream Laptops

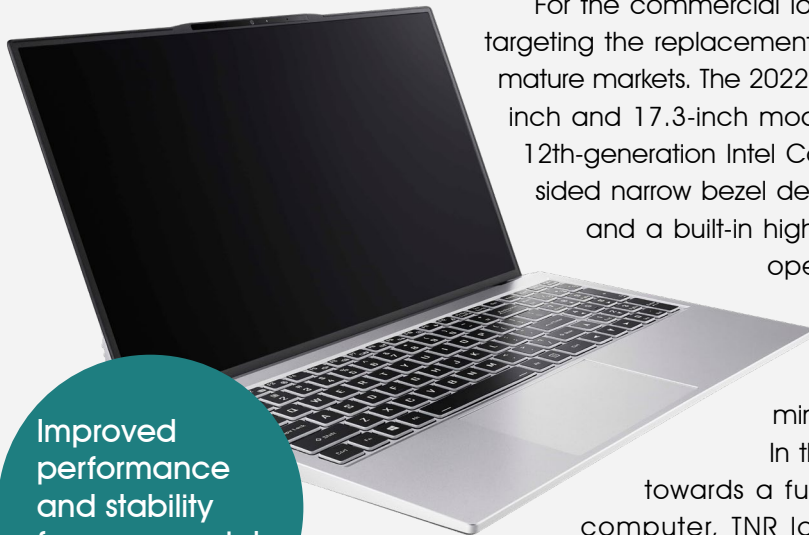
Clevo also introduced mainstream models in 2022 to meet replacement purchases from government institutions in mature and emerging markets and first-time purchases from large corporations, SMEs, consumers, and households in emerging markets. New processors include Intel Alder Lake-U (15W), Gemini Lake Refresh (6W), AMD Renoir/Lucienne/Barcelo, and AMD Dali platforms.



Features that  
meet the  
needs of all  
customer  
types



## Commercial Laptops



Improved performance and stability for commercial users

For the commercial laptop computer market, Clevo will be targeting the replacement purchase demands of businesses in mature markets. The 2022 Clevo NS50PU and NS70PU were 15.6-inch and 17.3-inch modern business laptops, equipped with 12th-generation Intel Core Alder Lake-P i5/i7 processors, four-sided narrow bezel design with a screen body ratio of 92%, and a built-in high-capacity battery enables long-term operation of about 18 hours. The large 150\*90mm click pad (NS70) is convenient for input operation and can be used for 4 hours after 30 minutes of fast charging.

In the future, Clevo will continue to move towards a full-featured enterprise-class business computer, TNR low-light camera and biometrics + SecureBIO hardware encryption, Windows 11 Security secure login system, TPM2.0 data protection, and multiple security mechanisms to reduce the risk of hacker intrusion.

## Gaming Laptops

Clevo has been deeply involved in this field for many years, accumulating extensive R&D capabilities. We have developed PD50 and PD70 models with 15.6/17.3-inch screens, brand new Intel 13th generation Raptor Lake-HX processor, and NVIDIA RTX-4090, and introduced the new liquid metal pad heat dissipation and leak-proof structure design that can significantly reduce the temperature. Our dynamic adjustment design for the core processor and graphics card power also allows players to experience a faster gaming experience when the laptop computers runs new generation games.



Higher quality and power-optimized gaming experience



### Studio Laptops

We have introduced the new PE60 Studio Laptop with high performance and power saving performances. They are equipped with a 16-inch 16:10 golden ratio screen to offer more visual space, the new Intel 13th generation Raptor Lake-H i9 processor and NVIDIA RTX-4070 combined with advanced graphics technology, new GPU acceleration technology, and exclusive Studio driver that can significantly improve application performance and stability. The thin and light 19.9mm slim body allows the user to engage in content creation anytime and anywhere. It is the fastest laptop computers for creation and gaming. We introduced a new vapor chamber heat dissipation design that significantly reduces temperature while increasing the power of the graphics card and processor, allowing it to effectively reduce temperature while remaining silent.

Improve the performance and functionality of authoring applications.



### Energy-saving, Long-lasting, and Environmentally Friendly Laptops

Energy efficiency focus and optimal energy management



In addition to complying with the environmental protection regulations of various countries, our model L140AU also introduces a sustainable and environmentally friendly material design that uses 30% environmentally friendly recycled plastic and recycled packaging materials. Our products also conform to the latest power-saving specifications to meet customer demand for long-term performance (Long Battery Life).

We have developed battery anti-expansion and fast-charging technologies to satisfy user demands.



In the future, Clevo will continue making laptop computers with energy efficiency and environmental friendliness in mind, aiming to reduce overall power consumption and carbon emission. We are dedicated to bringing new user experiences to customers and pursuing technology R&D and innovation as the foundation for maintaining the market advantage.

The different categories of products mentioned above also incorporate the following technologies and applications in the following 2 aspects:

## I. Improved Efficiency and Battery Life

1. We have introduced Liquid metal pads with new laser engraving anti-obstruction patented heat dissipation and leak-proof structure design for gaming laptops. This feature strongly reduces the temperature and increases the power of the graphics card and processor, enabling a faster gaming experience for the users. After the overall system allocation and heat dissipation technology are improved, the Total Processor Power (TPP) can reach 300 watts (CPU 125W+GPU 175W), the industry's most advanced power supply design.
2. System optimization and delay minimization: The system efficiency and delay can be significantly increased by connecting dGPU to the screen in the control center via dynamic display conversion technology. Our system will provide players with a better gaming experience when STG and MOBA games require real-time screen output.
3. Under battery mode, the laptop display card's independent dynamic instant boost technology can boost the display card's power, CPU power usage, battery discharge C number, image quality, and screen playback speed to achieve the best balance, battery life, and gaming quality performance. This technology comprehensively restructures and incorporates artificial intelligence to comprehensively adjust system characteristics in real-time to give the laptop computers an excellent gaming experience and a long battery life in battery mode.
4. The audio-visual creation laptops' performance has been boosted by limiting the upper and lower temperature thresholds and increasing the power characteristics using dynamic tuning technology. This technology can maintain high performance for a long time in the long-term application of professional creative laptops.

## II. Information Security and Circular Economy

1. The innovative TNR low-light camera and biometric identification + SecureBIO hardware encryption security login system were introduced for our enterprise-class business computers to resolve the insufficient ambient light source issue, provide faster login, and use multiple security mechanisms to reduce the risk of hacking.
2. We have introduced sustainable and environmentally friendly material design and used halogen-free PCB material, 30% environmentally friendly recycled plastic, and full-carton recycled packaging materials for our 14-inch corporate business laptops.

### 4.1.2 Participation in Innovative Exhibitions

The COVID-19 epidemic was still rampant during the first half of 2022. Clevo elected to participate in the innovative online industry expo activities as physical expos were still suspended. The first online exhibition was held on Clevo's official website in January 2022 to present new concepts for the PD/V/NP and V series products in the form of event pages and 3D simulations to introduce product features to potential customers online.

More people have used social media as the main information dissemination medium due to COVID-19. Clevo has also begun to promote product content to external social platforms and its official website. Clevo participated in the Computex Taipei International Computer Show and further promoted product videos on social media in June 2022. Clevo will continue to develop new plans and introduce 3D animation to enable customers to directly observe product details and enhance the promotion effect.

As the epidemic eased and policies relaxed in October 2022, various physical exhibition activities gradually returned to normal. Clevo participated in INTEL LOEM in Thailand for the first time to re-strengthen its relationship with international customers and warmed up to release new products at the end of the year.

#### Computex Online Exhibition

Time: June 2022  
Location: Computex online



#### Clevo Online Exhibition

Time: January 2022  
Location: Clevo Official Website







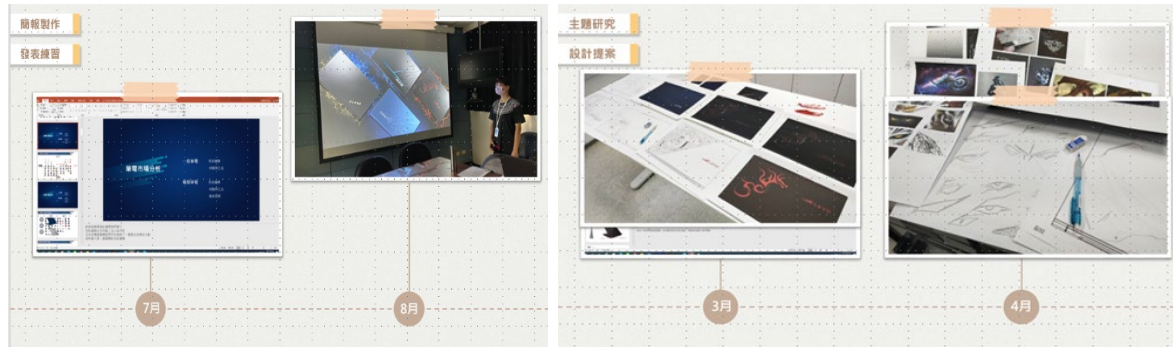
## 4.1.3 Industry-Academia Cooperation Joint R&D

Academic and research institutions have long been important sources of industrial technology, and the germination of technology and theory at academic and research institutions necessitates enterprise participation so that the technology can be applied and integrated with the actual industry and inspire an influx of professionals into the industry. Clevo values innovative ideas from students at academic and research institutions and has continued to collaborate with Ming Chi University of Technology's industrial design, mechanical, electrical, and electronic departments over the last three years. The goal is to allow students to practice their acquired design, creativity, technology, and other skills in Clevo products. We also hope that by cooperating with students, we can further understand the thoughts and expectations of the younger generation on future products and allow external cooperation to drive internal enterprise innovation. The table below summarizes the outcomes of recent industry-academia collaboration projects:

Year	Ming Chi University of Technology Cooperation Departments	Cooperation Project Name	Cooperation R&D Results	Future Application Areas
2020	Department of Industrial Design	Laptop appearance design	CMF/laptop front cover (A piece) design	New products can adopt this design concept
	Department of Mechanical Engineering	Product Design and Practical Application - PDA Testing and Debug	Primarily search for ways to resolve problems such as lighting, hooks, or hinges.	Confirm that the product structure can be used normally through appearance improvement, internal structure design, PDA debugging, etc.
	Department of Electrical Engineering	Battery life difference for Mobile Mark 2025 (MM25) at Panel 250nits & 150nits Auto dim & disable auto dim	Defining the battery life of a new model	Determine the battery life of next-generation models
2021	Department of Electronics	Used to measure instruments and test result fixtures, BIOS & EC & Driver update & simulation, and verification of bugs, and the main part is to learn the Trigger part	Understand that the Timebase represents the time per division on the horizontal axis, Voltage represents the voltage per division on the vertical axis, and Trigger is the condition for waveform display	Prevent the laptop computers power-off phenomenon
	Department of Industrial Design	Design two laptop appearances of your own - two major themes: street culture and retro-future	Clevo laptop computers model proposal: model NV40-street culture and X170 retro-future	By breaking away from stereotypes, students can provide colleagues with more innovative ideas for laptop design in the future.
2022	Department of Mechanical Engineering	Projects include life testing and destructive testing of internal and external structures of new models, production of verification reports after integrating bugs, the establishment of BOM tables, and new product mechanism design development and drawing.		
	Department of Electrical Engineering	Assist in product testing, product debugging, verification after debugging, and establishing BOM tables		
	Department of Electronics	Create a BOM, make a verification report after integrating bugs, measure line signals of new models, assist in troubleshooting product problems, and learn hardware design and software operations.		

Note: The Department of Mechanical Engineering, Department of Electrical Engineering, and Department of Electronics projects are in progress in 2022; we look forward to the updated cooperation results in 2023.

#### Annual Industry-Academia Cooperation Achievements

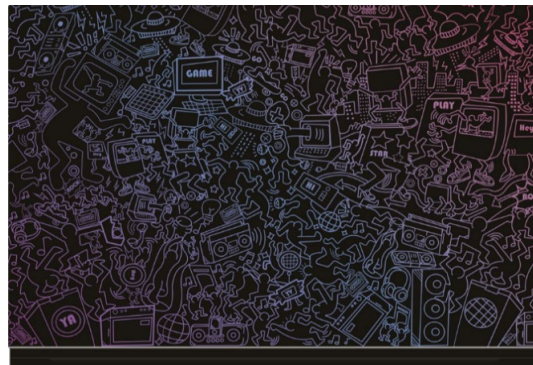


Intern Presentation Practice

Intern Topic Innovation Proposal



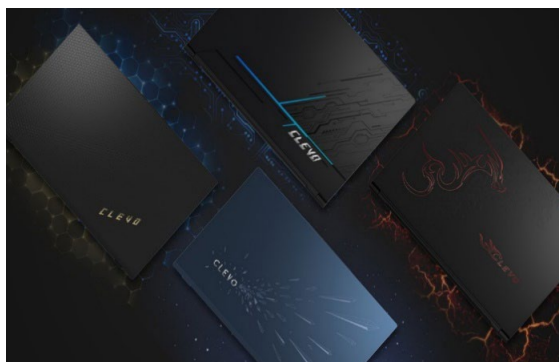
Intern Feedback



Student Laptop Computers Design Proposal - Street Culture



Student Laptop Computers Design Proposal -Retro Future

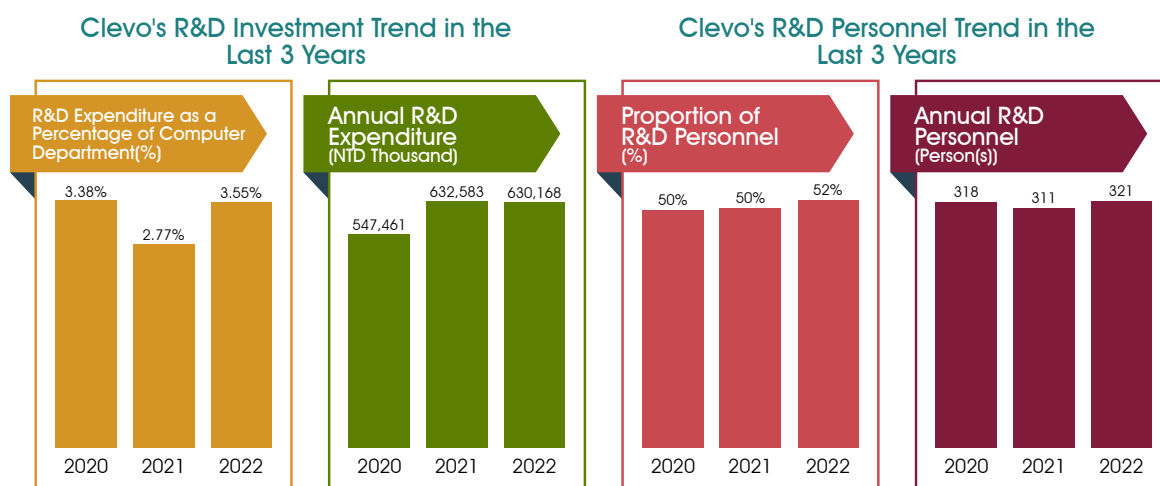


Internship Results - 4 "A" Cover Designs



## 4.1.4 R&D Investment and Patent Layout

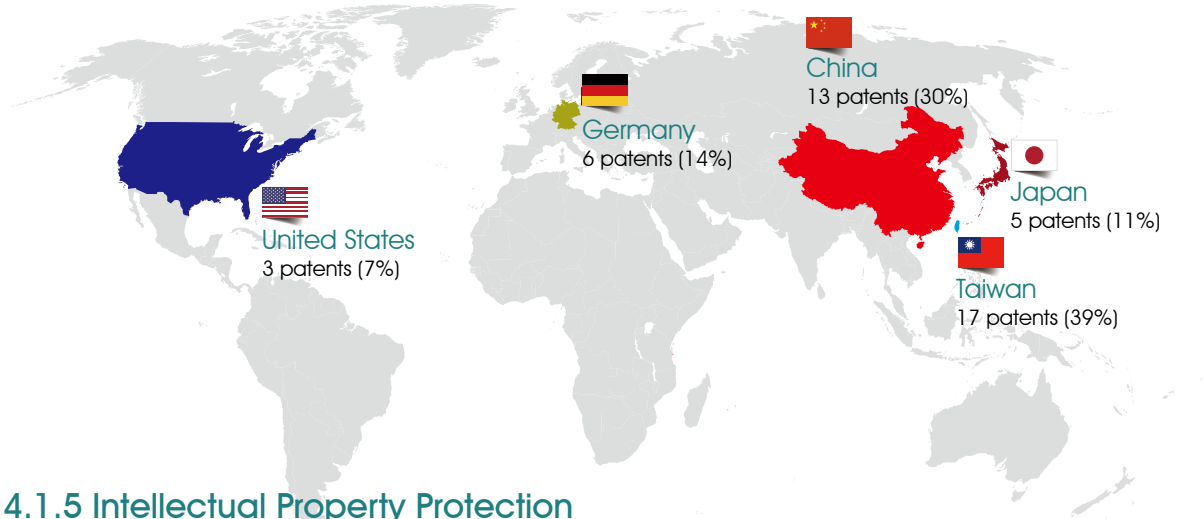
As a professional laptop manufacturer, Clevo must meet the comprehensive needs of customers. The users' demand for products has changed in recent years as we enter the sustainable development trend. Future R&D of consumer electronics products will increasingly focus on more energy-efficient, low-carbon materials and design considerations for terminal disassembly and reuse. Clevo has always upheld the notion of sustainable management throughout its market operations. We will keep strengthening our internal innovation momentum by hiring experts and investing in R&D funds to meet the new wave of sustainable innovation needs. Clevo spent a total of NT\$630 million on inventive R&D in 2022. It contributed to about 3.35% of the computer department's revenue, which increased by 0.58% from 2021. The proportion of the company's R&D personnel has increased by 2% compared to 2021. Clevo makes no compromises when it comes to investing in innovative research and development, and the company is dedicated to fusing cutting-edge technologies with the most recent trends in sustainable demand to present more varied and all-encompassing sustainable development solutions.



Besides actively seeking out industry professionals, Clevo places a high value on safeguarding the technical advancements made by its R&D staff. Patents serve to protect businesses, cutting-edge technologies, and R&D accomplishments. They are also essential for boosting market competitiveness and commercial value. Therefore, Clevo has actively deployed its patented globally. By the end of 2022, Clevo has obtained a total of 44 patents in 5 countries worldwide, including Taiwan utility model patents, Chinese utility model patent, German utility model patents, and US invention patents. In the future, Clevo will keep growing its patent portfolio to safeguard the key innovations created by its R&D team while solidifying its market position to ensure viability.



Clevo Global Patent Layout



#### 4.1.5 Intellectual Property Protection

Clevo has established an intellectual property management team to take charge of the patent and trademark application processes for intellectual property rights. The goal is to encourage R&D colleagues to innovate internally and turn innovative technologies into patent protection. Clevo usually publicizes laws and regulations related to intellectual property on the company website. We have established education and training programs related to intellectual property for our R&D colleagues to complete patent applications according to internal procedures and safeguard newly developed technologies from the risk of plagiarism or piracy.

##### Step1

The applicant fills out the application and submits it to the Legal and Intellectual Property Office after the unit supervisor approves.

##### Step2

An external patent and trademark firm is appointed by the Legal and Intellectual Property Office to conduct a patent/trademark search.

##### Step3

If we have any doubts about the registration's feasibility, we will discuss with the applicant how to modify, adjust the creative content and formulate countermeasures (including, but not limited to, requesting the proposer to modify the text or graphics of the applied trademark before re-applying).

##### Step4

After receiving the notice or punishment issued by the competent authority, the Legal Affairs and Intellectual Property Office forwards the review results to the proposer for further communication and discussion.

##### Step5

Inform the proposer after the preceding Legal Affairs and Intellectual Property Office receives the approval notice issued by the competent authority. The relevant operations, such as paying registration fees and obtaining certificates, are executed after the head of the Legal Affairs and Intellectual Property Office confirms.

##### Step6

After the approval letter is delivered, the external patent and trademark office shall complete the registration fee payment and obtain the certificate within the official deadline.



## 4.2 Supply Procurement - Supply Chain Management

### Material topics: Supply Chain Management

#### Impact

- ◆ Supply chain management is an issue that every enterprise must address in light of the global sustainable trend and legal compliance. Good supply chain management can help businesses reduce their carbon footprint and increase consumer trust and brand loyalty. In contrast, as the environmental and human rights laws and regulations in various countries tighten each year, failing to conduct due supplier diligence will increase the reputation risk of enterprises due to supply chain management failure and may indirectly lead to human rights violations or environmental damages.

#### Policy

- ◆ Continue to monitor the new suppliers' sustainable policy conditions and work with suppliers to build Clevo's sustainable value chain.
- ◆ Develop supplier management specifications and screening criteria to thoroughly examine suppliers' capabilities, such as delivery quality and delivery schedule, to reduce Clevo's operational risks and increase market competitiveness.
- ◆ Clevo suppliers do not use hazardous or internationally prohibited substances to ensure that Clevo's products pose no adverse impact on the environment and can meet the requirements of customers and regulations locally and abroad. Clevo also pays close attention to hazardous substances-related requirements and regulations to fulfill our social responsibility to the earth.

#### Goals

- ◆ Institutional procurement sets short/medium/long-term goals based on the proportion of suppliers who perform annual audits.
  - ◆ Short-term (2024): Achieved 75% of suppliers audited for the current year
  - ◆ Short-term (2025): Achieved 85% of suppliers audited for the current year
  - ◆ Short-term (2026): Achieved 95% of suppliers audited for the current year

#### Commitment

- ◆ Clevo pledges not to use harmful substances, conflict metals, violate labor policies, or suppliers that violate human rights. We also strictly audit annual transaction suppliers to prevent the preceding situations.

#### Responsible Unit

- ◆ Procurement unit

#### Resources

- ◆ Establish a cross-organizational dedicated unit to execute annual audits, evaluations, risk assessments, and follow-up improvements for supply chain manufacturers.
- ◆ Establish Audit Fee Budget

#### Grievance System

- ◆ The company's dedicated unit handles complaints and provides email, phone, and official website contact details..
  - ◆ TEL: (02)2278-9696
  - ◆ Email: public@clevo.com.tw
  - ◆ Official website: <https://www.clevo.com.tw>

#### Specific Actions in 2022

- ◆ Use conflict mineral material number identification to determine whether the metals purchased each year come from conflict mineral-producing regions.
- ◆ Conduct annual supplier evaluations to determine whether they adhere to the Clevo supplier contract specifications.
- ◆ Establish a response process in case of negative adverse events in the supply chain, and improve tracking and training for suppliers to reduce the occurrence of negative events in the supply chain.

#### Quantitative Management System

- ◆ Disclose the annual supplier audit results in the sustainability report, review the annual compliance rate, check the implementation status, and implement due diligence for the responsible supply chain.
- ◆ Use quantitative data to manage the annual supply chain performance and explain the execution performance percentage.

Clevo aims to collaborate with business partners to reduce operational risks, strengthen long-term competitiveness, and realize the vision of sustainable development. The goal is to ensure all suppliers meet Clevo's requirements and norms for service quality, delivery schedule, environmental protection, and human rights by formulating supplier management policies and actively communicating and coordinating with suppliers. As of the end of 2022, Clevo's suppliers include 71 institutional material manufacturers and 142 electronic procurement suppliers, for a total of 213 suppliers. Over 90% of them are from Asia. The overall supply chain has not changed significantly compared to 2021. In 2022, the world was still affected by COVID-19, and the material shortage for computer and peripheral industrial chains was severe. By exploring alternative sources of supply, making purchases ahead of time, increasing safety inventory volume changing product design, and adjusting production schedules, Clevo has overcome material shortages and maintained production and shipment consistently. In addition, due to the lack of labor for mechanical parts, some materials are imported into the automated assembly at the manufacturer's side to reduce the impact of labor shortages.

### 4.2.1 Clevo Value Chain

Clevo Primarily sells products to brand owners or the end of regional value chain channels. We integrate the strength of the upstream, midstream, and downstream NB value chains to maximize profits. The value chain of the NB industry includes passive component, chipset, graphics processor, memory module, central processing unit, and parts suppliers in the upstream; case, keyboard, power supply, display, and lens suppliers in the midstream; and system designers, manufacturers, and sellers in the downstream.

Clevo specializes in the manufacturing and sale of laptop computers. Our expertise spans research, development, design, and production of portable computers to B2B and post-sale services. Our main products include "Gaming," "Commercial," "Mainstream," and "Energy-saving, Long-lasting, and Environmentally friendly" laptop computers.

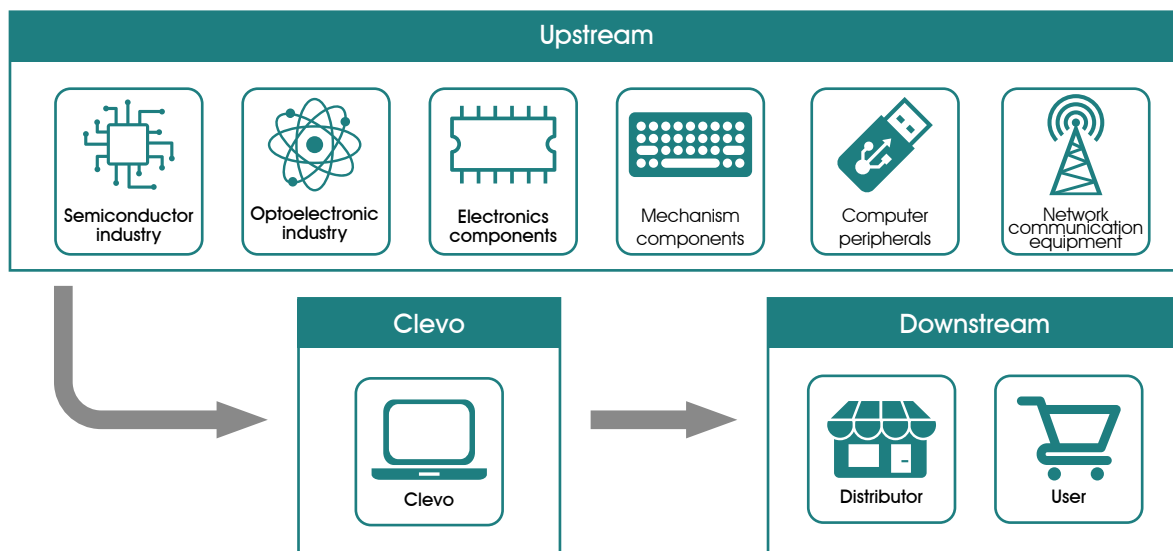
In recent years, Clevo has actively cultivated the niche market for laptop computers. The continuous growth of the Chinese e-sports market and the gradual smooth supply of processors have reinvigorated the bidding market. We have created unique competitive advantages through flexible production and customized products. As a result, our business performance has improved each year, and we have won numerous awards and recognitions worldwide.

Clevo has actively cultivated the mainland China market since 1998. Buynow is Clevo's technology retail channel in mainland China, with 18 shopping malls. In response to the rise of e-commerce in the Chinese market and changes in consumer habits, Buynow 4.0 has evolved into "Enjoy Technology Now" after multiple generations of innovations to develop a "futuristic technology, intelligence, life, fashion, creativity, experience, and fun" type of physical mall. To attract visitors and increase revenues for the malls and service providers, Clevo is actively exploring opportunities in new energy, new technologies (such as 5G), and new retail practices.





Clevo Value Chain Diagram



## 4.2.2 Green Purchase

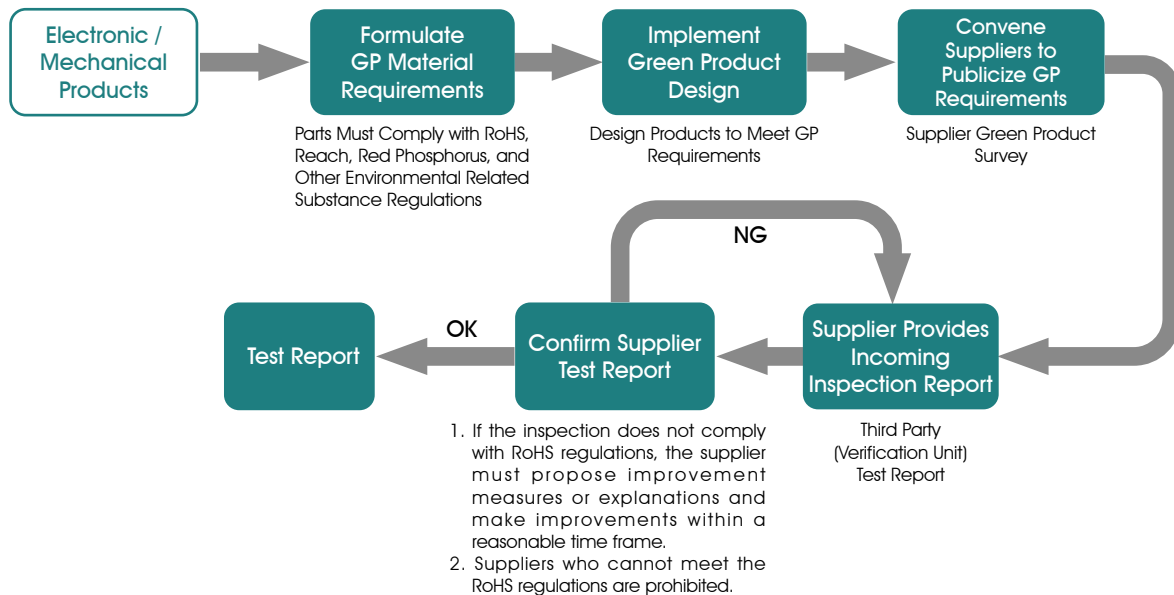
Clevo's product innovation strategy is constantly evolving in response to global consumer electronics market changes. Understanding the increasingly stringent environmental regulation trends in various countries and responding to consumers' concerns about environmental protection is essential.

Clevo has stringent requirements starting with the manufacturers' supply chain. We have actively established a green product supply chain and required suppliers and third-party manufacturers to adhere to our environmental protection standards. The goal is to reduce the environmental impact of our operations by strengthening supply chain management.

We require suppliers to avoid all harmful and internationally banned or restricted substances to ensure that the products meet international environmental protection standards. Clevo has developed the "GP Operation Management Procedure" to create a more stable green supply chain management system. We also strictly abide by the EU's relevant environmental protection directives, including the Waste Electrical and Electronic Equipment Directive (WEEE) and the Restriction of Hazardous Substances Directive (RoHS), to ensure compliance with relevant standards. We require suppliers and third-party vendors to sign the "Letter of Hazardous Substance Guarantee" and "Environmental Declaration" and submit chemical substance analysis reports provided by third-party verification units or qualified laboratories to ensure that the raw materials and components purchased by Clevo do not contain harmful substances. The goal is to promote the development and production of green electronic products while reducing the impact of harmful/restricted substances on the external environment and human health. In 2022, Clevo had no health and safety regulation violation incidents related to products and services.

Clevo requires suppliers to provide ISO 14001 environmental management system verification certificates. It also conducts green production factory assessments for suppliers and third-party factories to understand the current supplier management status. Clevo's evaluation procedures and requirements for green parts and green factories are as follows:

#### GP Green Product Supply Chain Management



#### Consideration for Green Parts

Decree or Regulation	Evaluation Phase	Clevo's Product Compliance Status
EU RoHS	Production Manufacturing	Upon entry and filing, 100% of Clevo's raw materials must be identified and controlled according to the green product (GP) management procedures. They will not be purchased if they do not meet the regulations.
REACH		
PFOS		
WEEE		

#### Consideration for Green Factory

Suppliers have to be Certified for ISO 14001 - Environmental Management System

Suppliers are inspected for implementation and adherence to the environmental management system

- 1 Confirmation of the management organization and execution system
- 2 Commitment from the senior management
- 3 Environmental strategies, goals, policies, and action plans
- 4 Compliance with environmental protection laws
- 5 Elimination of hazardous substances in production procedures
- 6 External reporting of environmental performance and activities
- 7 Environmental protection education for employees



## 4.2.3 Supplier Evaluation and Management

Clevo is committed to sustainable development and anticipates working with suppliers to create a win-win. So we carefully select high-quality suppliers as partners to ensure they meet sustainable standards. All new qualified suppliers must sign social and environmental statements Clevo requires, such as conflict minerals, chemical substance guarantee statements, etc. A total of 10 new suppliers have completed the signing process in 2022.

New Supplier Signs Declaration Document	Number of Declarations Signed by New Suppliers in 2022	Signature Requirements
REACH SVHC Substance Investigation Statement	10	Mandatory signature
Chemical Substance Guarantee Statement	10	Mandatory signature
Environmental Protection Statement	10	Mandatory signature
Conflict Mineral Statement	2	Signatures Required According to the Nature of the Supplier

We use 5 evaluation indicators based on the "Supplier Management Procedure" as the annual supplier grading evaluation criteria to ensure that the quality and supply of raw materials from suppliers can meet the expectations of Clevo's manufacturing: "Operational management and production capacity," "Engineering technology," "Procedure and quality control," "Procedure and quality control," and "Manufacturer's production automation ratio." Suppliers must also undergo on-site audits so that the company can understand the status of suppliers on-site and reduce the cost of supply chain risk management and control. To become a qualified supplier, suppliers must achieve a total assessment score of 75 or higher, and the sum of the two assessment scores for "Procedure and quality control" and "Procedure and quality control" must be 35 or higher.





Clevo divides suppliers into four grades for materials and semi-finished products quality supervision and management: A, B, C, and D. We also conduct a comprehensive supplier evaluation based on the quality of suppliers' materials, timeliness of defect handling, and defect improvement performance. When a defect is discovered in a supplier's incoming materials, Clevo will notify the supplier immediately and request the supplier to propose short-term countermeasures within 24 hours and issue an improvement report within 3 days.

Clevo provides different levels of counseling based on supplier evaluation results and mandatory counseling for C-grade and D-grade suppliers. They include quality review meetings, such as weekly meetings, monthly review meetings, and unscheduled on-site process audits to ensure continual quality improvement. If a supplier's quality remains unsatisfactory after counseling and may negatively affect Clevo's production and reputation, a poor quality report shall be submitted to the supplier according to the regulations, and the supplier will be terminated to ensure the quality of the company's products.

A: Quality 100 Points * 80%				B: Service 100 Points * 20%		Total Score (A+B)	Evaluation Class
IQC feed batch return rate (50%)	Abnormal production line (30%)	Clearance status (10%)	Problem severity (10%)	Improvement report responses (50%)	Service quality (50%)	≥ 90 points	A Grade
						≥ 80 points	B Grade
						≥ 70 points	C Grade
						≥ 60 points	D Grade

#### 4.2.4 Conflict Minerals

As human rights issues have received increasing attention internationally in recent years, the issue of conflict minerals has also become a key issue that corporate procurement must carefully examine. Conflict minerals are metals and minerals collected during human rights violations and armed conflicts. They include used in electronics minerals commonly 3TG (Tungsten, Tin, Tantalum, Gold) and other minerals. Conflict minerals originated in the mineral-rich Democratic Republic of the Congo. Human rights violations such as forced and child labor have arisen due to illegal armed groups' long-term control of the local mining area and economy. As a result, the situation has drawn the attention and criticism of the international community and the United Nations.

Clevo's main business is computer R&D and manufacturing, and its raw materials contain cobalt (Co). We strive to reduce external social human rights violations through our supply chain requirements by avoiding using conflict minerals in products while paying attention to the human rights risks posed by conflict minerals. Clevo responds to international trends by pledging not to use minerals from the Democratic Republic of the Congo's eastern mining area or surrounding areas with human rights disputes. To ensure compliance and prevent incidents in which Clevo's operations indirectly fund human rights abuses, Clevo has performed due diligence on conflict minerals since 2022 and introduced the conflict minerals policy into the company's internal practice. We also expect all suppliers to comply with the requirements of avoiding the use of conflict minerals and require suppliers to provide proof of source for their 3TG materials.

From 2023, Clevo is expected to start requiring key suppliers to trace the smelter address of their minerals through the Responsible Minerals Initiative Conflict Minerals Reporting (CMRT) template. Clevo will review the written reports of suppliers, identify the countries and regions where the smelters of imported minerals are located, and identify the risks of suppliers purchasing conflict minerals to practice conflict mineral due diligence. We will continue to strengthen the supply chain

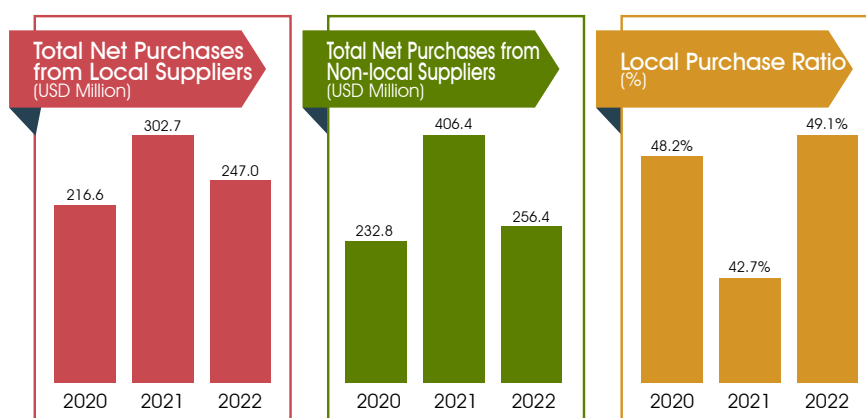


management and requirements, do our part to alleviate human rights violations, and prevent human rights issues from deteriorating in specific regions.

## 4.2.5 Local Purchase

As the importance of sustainable supply chain management has grown, companies have begun to pay attention to carbon emission issues of supply chain transportation and select suppliers near the base. The efforts not only can significantly reduce carbon emissions caused by raw material transportation but also reduce the risk of accidents and cargo damage caused by long-distance transportation. In 2022, the Taipei headquarters achieved 100% local procurement, the Kunshan factory achieved 37%, and the group as a whole reached 49.1%. We have reached the highest proportion in 3 years. Clevo has begun to assess supplier distribution, consider supplier location and operating bases, and continue to increase the proportion of local procurement to achieve low-carbon operations. The goal is to reduce the transportation carbon emissions of its operations via supplier layout.

Proportion of Clevo's Local Procurement in the Last 3 Years



The Taipei Headquarters's Local Procurement in the Last 3 Years

Year	2020	2021	2022
Total net purchases from local suppliers (USD)	85,001,278	116,787,534	93,734,988
Total net purchases from non-local suppliers (USD)	0	0	0
Total net purchases (USD)	85,001,278	116,787,534	93,734,988
Proportion of local procurement	100%	100%	100%

Kapok Computer (Kunshan)'s Local Procurement in the Last 3 Years

Year	2020	2021	2022
Total net purchases from local suppliers (USD)	131,621,231	185,894,886	153,278,329
Total net purchases from non-local suppliers (USD)	232,755,863	406,415,362	256,417,171
Total net purchases (USD)	364,377,095	592,310,248	409,695,500
Proportion of local procurement	36%	31%	37%

Note: Definition of local suppliers: Clevo (Taipei) is defined as a supplier in Taiwan, and Kapok Computer (Kunshan) is defined as a supplier in Jiangsu Province, China.

## 4.3 Responsible Production

### Material topics: Responsible Production

#### Impacts

- ◆ The impact of a company's products and activities on the external environment and society should be minimized during operations. If a company ignores responsible production, it may harm its reputation and miss out on business opportunities. It may raise supply chain risks or even directly violate local environmental and social regulations.
- ◆ Clevo's products have extended the life cycle of products as a product design principle, and they are committed to reducing the environmental impact of production. Low-carbon recycling strategies will be used effectively in all production processes and equipment to strive for energy conservation and carbon reduction. Environmentally friendly plastics and components have also been introduced to reduce the materials' environmental impact.

#### Policy

- ◆ Inspect the overall carbon emission status annually, and set the factory's overall carbon emission reduction target.
- ◆ Determine the amount of packaging materials that can be recycled to reduce the group's overall purchase and usage of packaging materials.
- ◆ Revise the REACH control table annually according to new chemicals and hazardous substances.
- ◆ Suppliers and third-party factories must sign the "Letter of Hazardous Substance Guarantee" and "Environmental Protection Statement" and attach the chemical substance analysis report from the third-party verification unit or qualified laboratory.

#### Goals

- ◆ Annual goal: Complete the local, provincial green factory evaluation in mainland China.
  - ❖ Short-term goal (2023): Complete ISO 19001 quality / ISO 14001 environment / ISO 50001 energy / ISO 14064 third-party certification for each plant
  - ❖ Medium-term goal (2023): Complete the green factory evaluation in Kunshan City
  - ❖ Long-term goal (2024): Complete the green factory evaluation in Jiangsu Province

#### Commitment

- ◆ Clevo pledges to apply for green factory certification for all of its factories.

#### Responsible Unit

- ◆ Quality Assurance, R&D, Procurement, Management

#### Resources

- ◆ Specialists in charge of material conservation and design
- ◆ Set up dedicated personnel to recycle and sort out packaging materials
- ◆ Incorporate various ISO certifications to improve plant quality and energy resource management efficiency.

#### Grievance System

- ◆ TEL: (02)2278-9696
- ◆ Email: public@clevo.com.tw

#### Specific Actions in 2022

- ◆ Develop an easy-to-disassemble modular design, increase the efficiency of the dismantling process, and increase the efficiency of product recycling and reuse in the waste stage.
- ◆ Various countries' energy efficiency standards are considered during R&D, and we are committed to making all models comply with Energy Star energy efficiency standards to reduce carbon emissions during product use.
- ◆ Create appropriate packaging materials and sizes based on various models to maximize the benefits of a single transportation volume while reducing carbon emissions from downstream logistics.

#### Quantitative Management System

- ◆ Every year, the factory evaluation team will review the plant's achievements in the previous year and the goals for the next year.





## 4.3.1 Carbon Reduction in Logistics

Supply chain carbon reduction is critical for global companies to achieve carbon reduction goals. Clevo has increased the total number of individual ocean shipments to reduce carbon emissions during product transportation by adjusting the size of packaging materials and actively combining cabinets. The goal is to reduce the direct emissions caused by high-frequency product transportation. After redesigning the product packaging, the 1-in-1 placement method can increase individual shipment by 50% compared to the original packaging method, and the 4-in-1 placement method can increase individual shipment by 20%. Clevo can significantly reduce the number of product transportation trips, total carbon emissions, and energy consumption in the value chain; and improve the logistics and transportation efficiency by adjusting packaging materials to demonstrate Clevo's commitment to carbon reduction.

## 4.3.2 Improved Energy Efficiency in Consumer Use

The consumers' interest in environmentally friendly products is growing as climate change and global warming pose increasing challenges yearly. In this regard, Clevo has incorporated environmental protection and energy conservation into the product development and design process to create high-quality user experiences and research the energy consumption status of products in various usage scenarios to reduce the energy consumption of products in operation, standby, and shutdown modes. Clevo is committed to meeting customers' energy label certification requirements through continuous technological innovation and R&D. At present, all of Clevo's products have met Energy Star's energy efficiency standards. As of 2022, 138 different types of laptop computers have received the China Energy Label (CEL) certification, and 5 different types of laptop products have received the China Energy Conservation Certification. These achievements highlight the practice and commitment to energy conservation. Clevo's product design concept and original intention are "improving energy efficiency" and "best user experience," the company is dedicated to achieving the dual goals of improving energy efficiency and optimizing user experience. The goal is for Clevo's customers to enjoy a high-quality experience while putting less strain on the environment by using Clevo's products.

### China Energy Conservation Certification

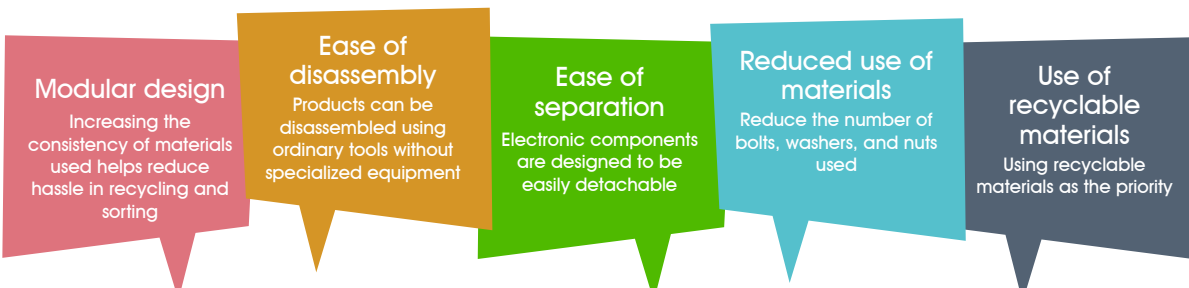


#### 4.3.3 Reduction of Product Terminal Waste

Clevo adheres to the concept of environmental friendliness. We have adopted the single-material modular design and developed an easy-to-disassemble recycling module to make the components easy to disassemble. The goal is to categorize products in the recycling stage, achieve the benefits of recycling and reuse, and keep exploring and considering the feasibility of circular economy product development.

We have adopted independent R&D to integrate packaging material design and product design to reduce product types and complexity. We have used independent R&D to integrate packaging material design and products and reduced product types and complexity in our designs. The goal is to provide the best product protection while strengthening the customers' willingness and efficiency for product terminal recycling. Clevo also began designing packaging materials and adjusting the adhesion method between the EPE cushioning material and the carton, making it easier to disassemble the carton and EPE cushioning material, effectively reducing the time required for customer recycling and dismantling, and reducing consumable consumption in the product manufacturing process.

##### Products are Designed with Five Main Considerations in Mind





## 4.4 Customer Service Management

### Material topics: Customer Relationship

#### Impacts

- ◆ Customer relationship management is an essential part of the sustainable operation of the enterprise. Good customer relationship management and immediate response processing can help customers add points to the company's brand image while making them feel Clevo's sincerity and problem-solving efficiency. In contrast, ignoring customers' needs may harm the company's reputation and long-term operations.
- ◆ Clevo is confident that its core goal of improving product and service quality will allow it to maintain market competitiveness and gain a foothold in the increasingly competitive consumer electronics market.

#### Policy

- ◆ Clevo has well-defined "customer service management," "non-conforming product control," and customer grievance handling procedures in place to ensure standardized services to customers.
- ◆ The Customer Service Division and Customer Quality Service (CQS), R&D, and sales teams jointly devise responses to consumers' needs.
- ◆ Clevo maintains a positive market image to enhance customers' loyalty and satisfaction and improve operating performance and competitiveness.

#### Goals

- ◆ Every year: Reply to all customer complaints and solutions within the deadline
  - ◆ Short term (2023): 80% overall customer satisfaction
  - ◆ Mid-term (2025): 85% overall customer satisfaction
  - ◆ Long-term (2027): 90% overall customer satisfaction

#### Commitment

- ◆ Clevo pledges to value each customer's feedback and timely respond to all customer complaints with solutions and improvement measures.

#### Responsible Unit

- ◆ Customer Service Division

#### Resources

- ◆ Annual Customer Satisfaction Survey & Customer Complaint Handling Team

#### Grievance System

- ◆ TEL: (02)2278-9696
- ◆ Email: marketing@clevo.com.tw

#### Specific Actions in 2022

- ◆ Use online conferences and exhibitions to develop foreign clients and maintain customer relationships.
- ◆ Conduct customer satisfaction surveys twice yearly, and respond to customer complaints within the deadline.

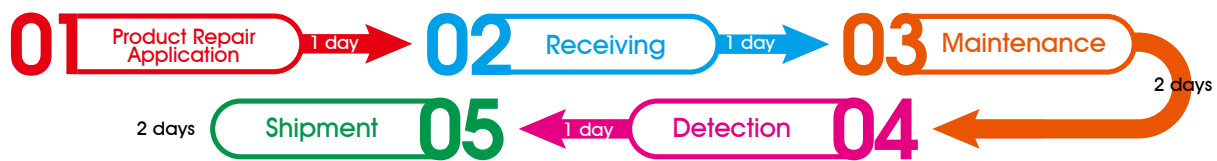
#### Quantitative Management System

- ◆ The Customer Service Department conducts the annual customer satisfaction survey to understand the customer's feedback on the company's products and services and track the quantitative performance of each satisfaction aspect according to the satisfaction questionnaire. The efforts also verify the annual customer complaint handling to ensure that customers are provided with substantive solutions and problems are clarified promptly.



Customer feedback and suggestions for Clevo have always been the driving force for our improvement and progress. The most important issue for the company has always been how to improve services and products to meet customer expectations. We have a customer service center to provide customer consultation and product maintenance services so customers can get immediate problem-resolution channels when they encounter product problems. To improve product quality and post-sales service, the company has established standard operating procedures such as "customer service management" and "non-conforming product control procedures" so that employees can immediately follow the appropriate procedures to assist customers with product complaints or reports. The goal is to address all quality issues and document all customer feedback to provide a reference for future improvement. We hope every consumer and customer purchasing from Clevo has the best consumption experience possible. Our goal is to increase customer cohesion and satisfaction and develop a trusting relationship with customers.

#### Clevo Product Repair Process 7 日



#### 4.4.1 Customer Satisfaction Survey

Clevo expects to develop a company culture centered on customer needs and continue to improve customer satisfaction through the collaboration and efforts of the company's various departments. Clevo's customer service unit conducts customer satisfaction surveys twice a year and understands customer feedback and suggestions on Clevo products and services. Questionnaire analysis and comparison can assist us in quantifying the items and gaps to be improved and provide specific feedback to the business and related departments as an important foundation for future refinement and improvement, thereby improving customer satisfaction.

Clevo conducts customer satisfaction surveys in 5 areas: "business," "quality," "technology," "customer service," and "design." We also invite customers to rank us in 5 grades (Outstanding, Good, Fair, Improvement Needed, and Poor) to help us fully understand the customer's experience and thoughts on the product. Clevo considers customer use and experience feedback in all aspects of product design, material procurement, production, and sales to meet customer needs.

The COVID-19 epidemic has driven the "Commercial," "Education," and "Entertainment" trends. Clevo has incorporated customer feedback and continued to develop laptops that are "thin and light," "high performance," "high battery life," and "good connection ability" in line with market trends in response to the strong market demand of the home office and gaming industry. As consumers continue to prefer thin and light designs, portability, and high-efficiency job processing capabilities, these features will be the focus of future Clevo designs.

In 2022, there were 28 customer feedbacks, and the overall satisfaction survey reached 83.5 points. In 2022, all aspects of customer satisfaction improved compared to 2021, implying that customers recognized the efforts of all colleagues in 2022. In 2023, Clevo will continue to improve the factory's quality assurance and design R&D capabilities to encourage customers to continue to rely on Clevo's service and quality as a long-term cooperative partner.



## Customer Satisfaction Surveys in the Last 3 Years

Year	Overall	Quality	Sales	Design	Technology	Customer service
2020	80.0	43.5	81.5	90.0	83.5	90.5
2021	78.0	47.0	80.0	83.0	80.0	88.0
2022	83.5	57.5	86	89.5	87.5	89.5

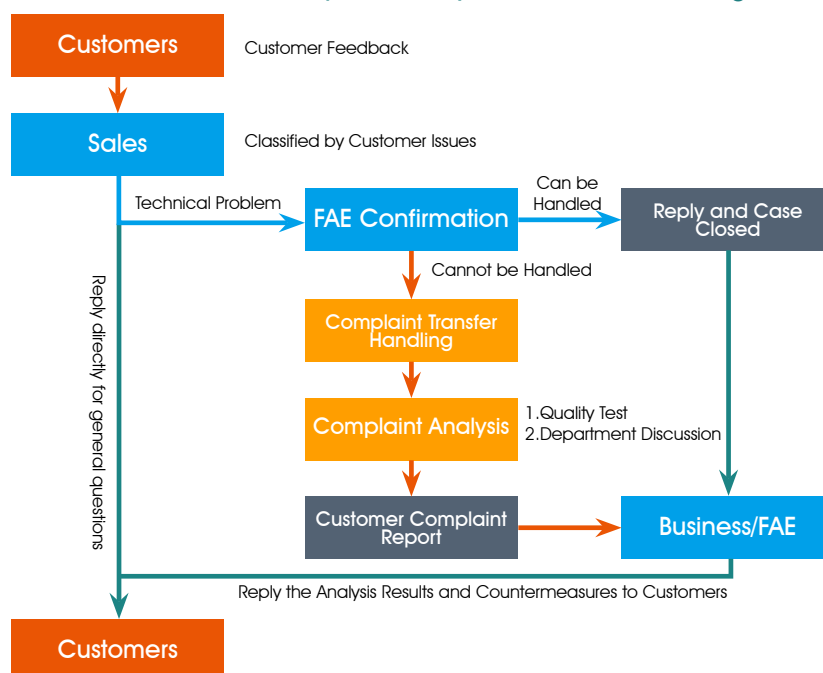
### 4.4.2 Customer Complaint Analysis and Feedback

Clevo values customer experience and feedback, so it has implemented a customer complaint system management framework. The CQS unit conducts annual surveys and evaluations of customer satisfaction with product quality and timely customer complaint handling. The goal is to analyze and improve unsatisfactory items to ensure product quality requirements meet expectations.

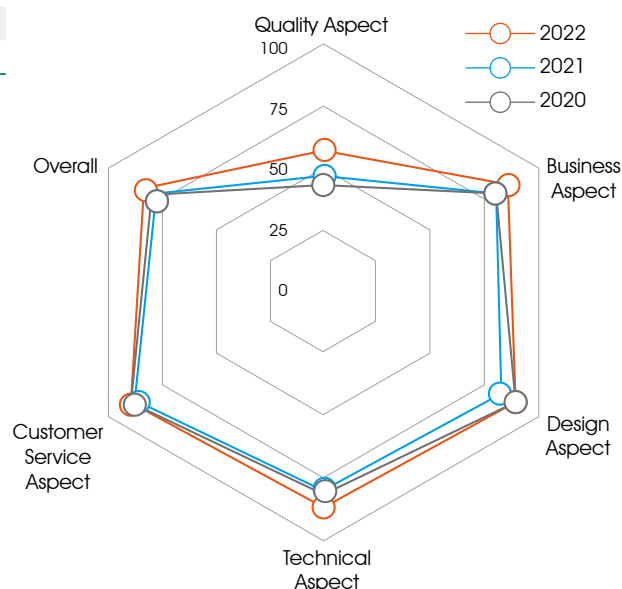
According to the "Analysis and Feedback of Customer Complaints" operating procedures, Customer feedback includes operation and design categories according to the "Customer Complaint Analysis and Feedback" operating procedures. The questionnaires returned in the middle and end of 2022 were 13 and 15, respectively. The feedback from 2022 indicated that the customers expect the company to improve the gaming laptops cooling technology, high-efficiency job processing, and design thin, light, and portable products.

Clevo has made the following improvements in response to customer feedback:

#### Clevo Customer Complaint Analysis and Feedback Program



## Clevo's Customer Satisfaction Trends in the Last 3 Years



The business window of a Field Application Engineer (FAE) can also proactively contact customers in real-time, provide professional product technical consultation to solve problems raised by customers, and give feedback to relevant units. The business units in each district have also strengthened customer contact and product information updates and improved the return merchandise authorization (RMA) maintenance quality and handling speed. The future goal is to be able to close the case and return the product within the stipulated working days

#### 4.4.3 Honors and Affirmations



Due to Clevo's active communication and response during the COVID-19 epidemic, the supply chain did not affect EPSON's production. EPSON issued a Certificate of Appreciation to Clevo in 2022.



Clevo won the Best Partner Award from Intel in 2022



Clevo received the GIGABYTE Gold Award of Excellence Honor in 2022



Clevo received the Partnership Award from Mouse Computer in 2022



Clevo received the MEDION ODM Rating Best ODM Award in 2022





# 05

## Harmonious Workplace



In addition to being important strategic partners for Clevo, “employees” are the foundation of the company’s sustainable development. We value every Clevo employee. Under this concept, we have developed a positive workplace culture to improve work efficiency and retain outstanding talents, formulated human resource management policies, planned talent cultivation programs, and provided employees with a safe, secure, and healthy working environment. Employee career development: We also provide multiple promotions and rotation opportunities. In addition to promoting talent from within, we also offer employees a variety of career opportunities to promote the long-term development of human resources. In addition, we also designed various education and training courses for colleagues of different ranks and units to help employees improve their professionalism and competitiveness. The goal is to enable employees to gain more professional knowledge and technology in Clevo’s various operations, grow alongside the company, and drive the company’s overall sustainable operation from the start. Our commitment to employees is to create an ideal company, grow together with employees, and create a happy workplace.

## Performance Highlights

Announced to join the “TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance.”

In 2022, Taipei Headquarters: Annual training of 5,336.5 hours and average training hours of 13.27 per employee. Kunshan Plant: Annual training of 25,190.0 hours and average training hours of 12.00 per employee.

In 2022, the Taipei headquarters and the Kunshan factory spent approximately NT\$12.65 million and RMB1.104 million on employee welfare projects, which increased by 9.6% compared to the previous year.

During 2022, Clevo has not received any grievance complaints from employees.

## Association with SDGs

**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**5** GENDER EQUALITY



**10** REDUCED INEQUALITIES



**16** PEACE, JUSTICE AND STRONG INSTITUTIONS





# CLEVO® 05 Harmonious Workplace

## Material topics: Employee Welfare

### Policy

◆ Clevo has created a comprehensive employee welfare system and planned employee learning and training programs through its reward and performance appraisal system to improve employees' industrial competitiveness and retention rate. Clevo also abides by the applicable labor laws and regulations and develops relevant management policies and procedures according to the internationally recognized basic personnel principles.

### Commitments and Goals

◆ Clevo has encouraged employees to exhibit a positive and active attitude daily and accept various work challenges through various management strategies and assistance methods. We believe that employees are the "core concept and the cornerstone of sustainable development," we systematically promote various training programs and provide a continuous learning working environment. We value and care for every employee, have a diverse and inclusive culture, strive to create a friendly and equal workplace, and offer competitive remuneration and benefits to attract and retain top talents. We also work with employees to overcome challenges and create new milestones for Clevo.

### Responsibilities and Resources

◆ Taipei Headquarters: 7 HR staff and 16 welfare committee members  
◆ Kunshan Plant: 6 HR staff and 18 welfare committee members

### Grievance System

◆ Taipei Headquarters has a grievance mailbox and hotline available in Chinese and English, which employees may use to raise complaints when encountering situations.  
◆ Kunshan Plant, too, has a President mailbox available for employees to raise complaints.

### Specific Actions in 2022

◆ Issue 4 INPARADISE group meal coupons to coworkers who have been with the company for over 3 months (inclusive).  
◆ Cooperate with the Visually Impaired Association to purchase handmade soap gift boxes for all working colleagues.  
◆ Held the Warm May Love Sweet Words and Portrait for Mommy event to the gratitude for mothers in words or pictures.  
◆ During the summer vacation, we held a family day parent-child baking activity. The goal is for family and friends to make cakes together and bond with each other.  
◆ Hongwell x 168 Happiness Fair Event.  
◆ Issue Munsingwear vests.

### Quantitative Management System

◆ Internal audit once every half-year.  
◆ In 2022, the Taipei headquarters held a total of 13 meetings to discuss employee benefits.









## 5.1 Talent Diversity

### 5.1.1. Human Resource Development Strategy

Clevo has actively promoted gender equality policies and sexual harassment prevention since its inception and developed the "Gender Work Equality Measures" as the fundamental workplace equality principles. The system for selecting and retaining talent is unaffected by race, skin color, gender, nationality, disability, sexual orientation, religious belief, or political affiliation, and all employees are treated equally. We strictly prohibit discrimination, harassment, or violence in the workplace and strive to provide employees with a friendly, equal, and inclusive working environment.

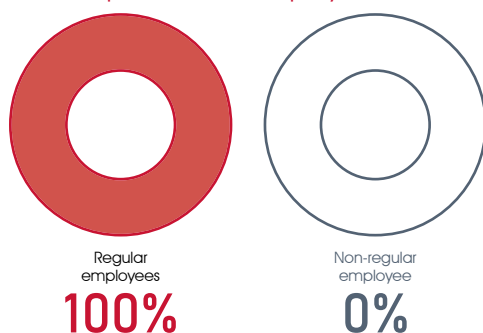
In addition, our internal or external recruitment or promotion methods comply with government regulations and policies. We never employ child labor, adhere to the core concept of "the right talents for the right positions," and adopt a fair and impartial selection mechanism. The goal is to respect the professional ability and characteristics of talents in various fields, build a more diverse work team, and hire the right persons for the right jobs. Clevo Group hired a total of 1,855 employees in 2022.

Gender and Employment Contract Distribution of Employees for 2022

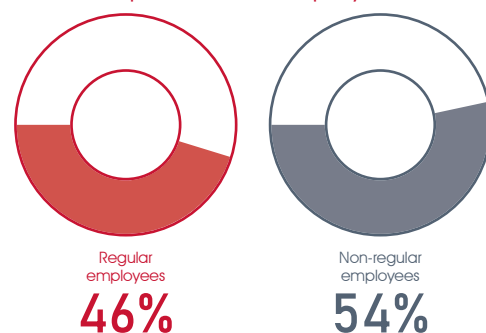
		Taipei Headquarters				Kunshan Plant			
		Permanent employees		Non-permanent employees		Permanent employees		Non-permanent employees	
Age below 30		46	8.7%	0	0%	139	22.8%	263	36.7%
		19	3.6%	0	0%	65	10.7%	301	42.0%
Age 30-50		202	38.2%	0	0%	193	31.6%	64	9.0%
		113	21.4%	0	0%	210	34.4%	86	12.0%
Age 50 and above		107	20.2%	0	0%	3	0.5%	0	0%
		42	7.9%	0	0%	0	0%	2	0.3%
Total		529	100%	0	0%	610	100%	716	100%

Note: All Taiwanese employees stationed at Kunshan Plant had signed their employment contracts with Taipei Headquarters, and therefore the headcount was listed under "Taipei Headquarters"

Taipei Headquarters The ratio of permanent and non-permanent employees



Kunshan Plant Permanent and non-permanent employees





## Supporting and Creating Values With Local Residents

Clevo values the development of local communities and the working rights and interests of local residents. In addition to increasing Clevo's competitiveness, we hire excellent local talent to interact more with local residents and create good value together. The Taipei headquarters and the Kunshan plant employ more than 90% of residents. By employing local talents, we can understand the needs of local employees for workplace safety and working environment, effectively promote local economic and employment development, and improve residents' quality of life. We encourage the foreman of the production line to deepen the internal communication and exchange with production line employees to stabilize and deepen the relationship and reduce the distance between employees. In 2022, the ratio of Taiwanese management staff employed by the Taipei headquarters accounted for 15.3% of all employees, and Taiwanese management positions accounted for 96.4% of all management positions. The Kunshan plant has two managers from mainland China, accounting for 2.4% of all managers. We also welcome persons with disabilities who join us, and Taipei Headquarters currently hires 4 employees with a disability, representing 0.76% of the total. In contrast, the Kunshan Plant presently has no employees with a disability. The number of employees at the Taipei headquarters has steadily increased in response to the company's business development since 2020, and the number of employees at the Kunshan plant has been steadily adjusted according to the scale of operation and the government's epidemic prevention policies.

2020~2022 Employee Gender and Nationality Statistical Table

		2020			2021			2022		
				Total			Total			Total
Taipei Headquarters	Taiwanese	316	168	484	319	178	497	339	172	511
	Foreigner	4	0	4	2	0	2	2	0	2
Kunshan Plant	Taiwanese expatriate	18	3	21	15	3	18	14	2	16
	Mainland resident	715	594	1,309	825	641	1,466	662	664	1,326

2020~2022 Employee Structure

		2020			2021			2022		
				Total			Total			Total
Taipei Headquarters	Supervisors	63	20	83	62	21	83	61	21	82
	Non-supervisors	275	151	426	274	160	434	294	153	447
Kunshan Plant	Supervisors	0	0	0	2	0	2	2	0	2
	Non-supervisors	715	594	1,309	823	641	1,464	660	664	1,324

### 5.1.2 Recruitment and Retention Policy

The company's human resources department has required all departments to submit the "Annual Manpower Establishment Form" and "Manpower Requirement Application Form" for reference in the subsequent recruitment arrangements to meet the workforce needs and allocation required for the company's future operations and development. Talent recruitment is open to the public through proper procedures. We developed the "Recruitment and Appointment Measures for New Recruits" to require all departments to follow the rules and strictly adhere to

them. Job applicants shall not be influenced by gender, age, or race, and the principle of equality shall be adopted as the basis for talent selection. Applicants are hired based on their professional, essential learning abilities, personality traits, and academic experience.

We recruit new employees by providing a remuneration standard that exceeds the minimum starting salary stipulated by law as an incentive to attract exceptional talents. In addition to higher salary levels, we issue year-end bonuses, employee remuneration increases, and various incentive rewards based on individual performances. We adopted comprehensive performance appraisal systems and remuneration incentive measures to improve the overall retention rate of employees, encourage employees to work together with us and promote the company's sustainable development.

#### Assisting in Dividual Development and Understanding Employees' Thoughts for Workplace Improvement

We always interview resigned employees to understand the main reasons for resignation and serve as a reference to modify our overall working environment and workplace experience. The goal is to strengthen the overall employee retention rate by improving the working environment and providing more diversified welfare items, remuneration benefits, a promotion system, and flexible working conditions.

The resignation cause analysis for 2022 is as follows:

<b>Taipei Headquarters</b>	Personal Life Planning and Family Factors	We introduced diverse courses on life skills, such as language, product R&D, specialist skills, management skills, etc., to support employees' desire for progress and self-improvement.
<b>Kunshan Plant</b>	Meals and Dormitories	We have invested more funds and taken positive actions in nutritional assessments for each person's daily needs, diverse and balanced food materials, and dormitory repairs.

In addition, we have continued to invest resources in employee benefits, and the Kunshan plant issued an additional dedication incentive totaling RMB768,800 in 2022. The Taipei headquarters and the Kunshan factory spent approximately NT\$12.65 million and RMB1.104 million on employee welfare projects, which increased by 9.6% compared to the previous year. The goal is to encourage employees to stay in their jobs and work together with us. In addition to expressing themselves in Clevo, employees can also exert their strengths and create a pioneering development vision with Clevo. In addition to motivating colleagues to continue working with us by providing a good working environment and employee benefits, the Taipei headquarters' overall turnover rate in 2022 is 12.29%, 12.96% lower than the turnover rate of 14.12% in 2021. The overall turnover rate of the Kunshan plant is 256.63%, which is 6.9% lower than the turnover rate of 275.78% in 2021. We hope that colleagues can continue to create a better prospect with us.







#### New Recruitment Rate and Attrition Rate at Taipei Headquarters - 2022

		New Recruits	New Recruitment Rate	Resigned Employees	Attrition Rate
Age below 30	Male	29	5.48%	12	2.27%
	Female	7	1.32%	12	2.27%
Age 30-50	Male	31	5.86%	22	4.16%
	Female	12	2.27%	11	2.08%
Age 50 and above	Male	0	0.00%	7	1.32%
	Female	0	0.00%	1	0.19%
Total		79	14.93%	65	12.29%





## New Recruitment Rate and Attrition Rate at Kunshan Plant - 2022

		New Recruits	New Recruitment Rate	Resigned Employees	Attrition Rate
Age below 30		1,554	117.19%	1,663	125.41%
		903	68.10%	828	62.44%
Age 30-50		447	33.71%	502	37.86%
		356	26.85%	408	30.77%
Age 50 and above		0	0.00%	0	0.00%
		2	0.15%	2	0.15%
Total		3,262	246.00%	3,403	256.63%

Note 1: The rate of new recruits exceeding 200% is due to production needs and line adjustments, and new employees are recruited.

Note 2: The turnover rate exceeds 200% due to the following reasons:

1. Adjustment of the production line in 2022.
2. Student workers shall resign when the hourly agreement expires.
3. Because COVID-19 control eased at the end of 2022, more people returned to their hometowns, and the turnover rate rose accordingly.

### Active Industry-academia Collaboration

Clevo has actively engaged in industry-academia collaboration with schools. In 2020, Clevo cooperated with Ming Chi University of Technology for the first time to offer a one-year internship for electronic engineering, mechanical engineering, and industrial design student students. In 2022, the collaboration entered its third year, focusing on product testing and design to fulfill the R&D spirit. We expect bright results to be published in the coming year. The goal is to use this internship program to develop elite members of future enterprises and lay the groundwork for industrial talents.

### Organize Campus Recruitment and Participate in Career Fairs

Clevo has continued to monitor market trends despite the fierce competition in the computer and peripheral equipment industry's talent market. The company has attracted significant student attention and actively participated in campus recruitment activities through various channels, including posters, leaflets, and other extensive publicity channels. Recruit colleagues to actively participate in the activities and explain the company's corporate culture and work content to students. There were two campus talent recruitment activities in 2022, with a total of 88 valid resumes collected. We hope to be able to recruit more people with talent through campus talent recruitment activities in the future. Clevo also selects appropriate talent recruitment activities to participate in according to the location and the relationship with the school's department. The service station holds activities about once or twice a year.

Clevo has attracted or acquired excellent talent and contacts students from diverse cultures and backgrounds through campus recruitment and participation in job fairs, increasing the company's diversity and improving innovation. The goal is to convey company culture and future development through campus recruitment and establish future cooperation by interacting with the content of job introductions for talents, guiding their job search direction, and actively participating in campus recruitment activities, which also contributes to the company's image and popularity.

# 2022

## Clevo ESG Report

### 2022

National Chengchi University Campus Recruitment



Campus Recruitment Consultation



New Taipei City Campus Career Fair



Campus Recruitment Booth





## 5.2 Friendly Workplace

Clevo values its employees' inner thoughts and provides complete and transparent channels and platforms to express themselves freely without fear of reprisal. Employees can generally voice their concerns via the internal complaint phone or mailbox. We also expect department heads and factory management to care about employees in a timely manner and to provide assistance based on the employee's situation to achieve two-way communication. Every year, we hold regular labor-management meetings to listen to employees' ideas and improvement suggestions on various operating bases, operating processes, and levels. The goal is to balance labor and management ideas through joint discussions, problem clarification, and action improvement. It also enables us to track operational issues and implement improvements, allowing for smoother communication between employees and the company and creating a happy workplace that employees can be proud of.

Clevo adopts a "people-oriented" business philosophy, expects employees to operate the workplace pragmatically, and stimulates individual potential through various work challenges to constantly surpass itself and pursue more outstanding performance. Employees are critical partners, and our common goal is to enjoy the happiness and value of work through teamwork and support. We believe that a positive and active workplace culture is based on happy and healthy employees, and thus work efficiency can be enhanced, and qualified personnel can be retained. Clevo follows applicable labor laws and regulations and develops relevant management policies and procedures according to internationally recognized basic personnel principles to protect employees' basic human rights.

### 5.2.1 Employee Rights and Protection

Clevo strives to maintain the "people-oriented" value. We believe that equal human rights and a safe and healthy working environment are the company's commitment to its employees and the operation foundation. We place a high value on all employees' rights and interests. Regular employees, contract employees, or work-study students are all part of our company and partners who grow with us. We will keep track of employees' absences from work regularly and provide compensatory leave to colleagues who work overtime promptly. This allows employees to balance work and life while maintaining physical or mental health and abiding by local laws and regulations. We also encourage employees to discuss issues with their managers, whether about workforce deployment or employee rights, to create an "open management model that is willing to communicate" and achieve a win-win situation for employees and the company.

#### Clevo's Human Rights Policy

Clevo is committed to protecting employees' basic human rights, and adheres to the human rights standards conveyed in "The United Nations Global Compact," "Universal Declaration of Human Rights," and "ILO Convention." The Company discourages all actions that violate human rights, so that insiders and outsiders are equally entitled to fair and dignified treatment. Key management issues include the following:

- ◆ Providing a safe and healthy work environment (please see Ch5.4 Safe Workplace for detailed management practices)
- ◆ Eliminating discrimination and ensuring equal work opportunities (please see Ch5.1 Talent Diversity for detailed management practices)



- ◆ Prohibition against forced labor (please see Ch 5.2 Friendly Workplace for detailed management practices)
- ◆ Prohibition against child labor (please see Ch 5.1 Diversified Talents)
- ◆ Helping employees maintain physical/mental health and work-life balance (please see Ch 5.4 Safe Workplace for detailed management practices)
- ◆ Regular examination and assessment of relevant systems and behaviors

We value human rights and actively organize education and training for public awareness. We provided relevant training courses on codes of conduct, safe and healthy working environments, and sexual harassment prevention. Establishing a friendly, inclusive, and respectful working environment and peer awareness is the goal. Human rights protection training courses received 78 enrollments and 78 hours of training in 2022.

### 5.2.2 Communication Channels

Clevo provides smooth employee communication channels and encourages employees to express ideas openly and freely. We have set up mailboxes and hotlines (available in Chinese and English) at Taipei Headquarters and established a President's mailbox at the Kunshan plant to allow colleagues to communicate and dialogue anytime. In addition to reporting mailboxes and dedicated telephone lines, we hold regular labor-management meetings to listen to employees' ideas and suggestions on various operating bases, operating processes, and levels. The goal is to balance labor and management ideas through joint discussions, problem clarification, and action improvement. Clevo received no complaints from any employee in 2022. Employees who wish to raise complaints may do so using the following channels:

Grievance mailbox: P.O. BOX  
3-96, Sanchong, New Taipei City  
24199 Taiwan (R.O.C.)

E-mail: [audit@clevo.com.tw](mailto:audit@clevo.com.tw)

TEL: +886-2-2995-0299

In case of personnel, working environment, or condition changes due to major operation modifications (relocation of operating bases, personnel reorganization, business outsourcing, acquisitions or mergers, etc.), we shall notify colleagues within the shortest notice period listed in the table below to give them enough time to adjust their working status and mode and make future work responses and decisions. We have established a good communication effect while protecting employee equity by providing early notice.

#### Minimum Notice Periods for Major Operational Changes

Employees having worked continuously for 3 months but less than 1 year	Announce 10 days in advance
Employees having worked continuously for 1 year but less than 3 years	Announce 20 days in advance
Employees having worked continuously for 3 years or more	Announce 30 days in advance

Note: Kunshan Plant observes rules of the local labor authority and announces changes 30 days in advance



## 5.2.3 Employee Welfare Policy

Clevo believes that employee welfare is something that employees attach great importance to in addition to work performance. In addition to achieving work-life balance, it can increase communication and interaction between colleagues in different departments. The employee benefits we provide include free health checks, diverse clubs for employees to join, basic employee travel allowances, employee personal allowances, and bonuses for three festivals. In addition to cultivating interests outside of work, they help employees balance their quality of life. The interaction between colleagues in various departments also makes the workplace culture of the whole company more ideal and harmonious. Although employee travel was canceled in 2022 due to COVID-19, meal coupons were distributed to each colleague instead, allowing colleagues to enjoy life while still working hard for Clevo.



### Employee Welfare Overview



#### Employee Personal Subsidies

- Childbirth subsidy: \$3,200 for self, \$1,600 for spouse
- Funeral subsidy: \$10,000 for self, \$5,000 for spouse, and \$3,000 for employee's parent/child
- Birthday cash: \$1,000 or gift of equivalent value
- Wedding cash: \$4,800 for self
- Parking subsidy: \$1,000 for self
- Group insurance (covering spouse and children): depending on job grade, employees are offered term life, accident, inpatient treatment, injury treatment, and cancer treatment coverage
- Compassionate cash for injury/illness: employees who undergo 5 days of inpatient treatment or more may request compassionate cash
- Lunch meal subsidy: Colleagues can receive a NT\$35 subsidize if they order lunch boxes with the General Affairs Office



#### Festive Cash

- Chinese New Year, Labor Day, Duanwu Festival, and Mid-autumn Festival: a sum of \$4,000 in cash (gifts) is paid per employee.



#### Others

- Welfare funds of NT\$100/person are distributed monthly, and each unit holds small gatherings.
- Department gathering and birthday party: the Company subsidizes each department for birthday parties, gatherings, trips, and various activities. Each employee is paid \$1,200 /year.
- Online library: Provides employees with the ability to reserve and pick up books online.
- Products of affiliated enterprises at privileged prices: Group employees and family members may purchase merchandise at less-than-market prices.
- One-hour flexible time for commuting: Due to the epidemic, the original 0.5-hour buffer time from 8:30 am to 9:00 am has been extended to 1 hour (8:30~9:30 for getting to work and 17:30~18:30 to get off work) to provide flexibility for employees who have to pick up children or other needs.
- Health exam: Provide free health exam for employees every two years, and provide health consultation services for colleagues with abnormal health conditions to help them understand their health status.
- Nursing room: Female employees are given a secured space for breastfeeding, and misting fans are used to improve the environment.

#### Café

Clevo is concerned with employee performance, the work environment, and the improvement of the atmosphere. We provide free coffee for colleagues to enjoy, so they can properly relieve stress or rest at work and communicate or connect through the café.



Coffee Bar and Reception Area

Regarding colleague cohesion, the company replaced previous large-scale group or gathering activities with small-scale dinners or other small activities, such as employee travel in 2022 due to COVID-19 and compliance with the government's epidemic prevention policy. We also distribute a cake to express the company's blessings to employees during their birthday months. The goal is to maintain and enhance coworker cohesion through these activities and demonstrate how much we value our employees.



Provide Birthday Cakes





# CLEVO® 05 Harmonious Workplace



Year-end Banquet

## Senior and Retired Employees

Employees are an essential component of Clevo. Senior employees are the company's backbone, and retired employees are valuable partners. Clevo had 82 senior employees in 2022, and each was awarded a senior medal. There were a total of 3 retirees, and each was awarded a retirement medal. In addition to thanking employees for their hard work over the years, Clevo has also presented awards to senior and retired employees to thank them for collaborating with Clevo to create a better future.



Retired Staff Rewards



Senior Staff Rewards

#### 2022 Employee Welfare Activities

Many outdoor activities had been rescheduled due to COVID-19, but the Welfare Committee continued to plan some small activities to strengthen the bonds between colleagues and their families. The relevant activities are as follows:

- (1) To encourage colleagues to have dinner with their families, 4 meal vouchers were issued to colleagues working for over 3 months (inclusive). We always aim to sincerely move the most cherished people at every important moment.

- (2) Happiness fair event: HongWell i-Tower held a market activity on the first floor next to the pond and invited Clevo colleagues to participate. The Welfare Committee also provided each colleague with a NT\$200 garden tour coupon to use at their leisure.



Hongwell Group x 168 Happiness Fair Event.

- (3) Cooperate with the Visually Impaired Association to purchase handmade soap gift boxes for all working colleagues to help disabled friends fulfill their social welfare obligations.







# CLEVO® 05 Harmonious Workplace

- (4) We invited colleagues or their families to participate in an essay competition (within 200 words), subsidized their meal expenses, and encouraged the participants to express their gratitude to their mothers in words or pictures during the Warm May Love Sweet Words and Portrait for Mommy activity.



- (5) During the summer vacation, we held a family day parent-child baking activity. The goal is for family and friends to make cakes together and bond with each other.





- (6) Clevo holds a yearly Christmas event for colleagues to share book lists and Christmas cards and enjoy the festive atmosphere. The goal is for employees to receive blessings from each other and build solidarity.



Christmas Activity



The 2021 ESG Report Cover Design Winner



Clevo formulates a sustainability report every year to internally to condense the company's sustainable development and business significance and effectively communicate with stakeholders externally. Colleagues designed the cover of the 2022 report as in previous years to showcase Clevo's philosophy and stories and allow colleagues to participate in sustainable activities. Each year's report has a different theme. The theme for the 2021 report was "ESG Sustainability." The author combined the natural elements of blue sky, green space, and soil to design an exclusive Clevo cover emphasizing 3 major areas: environment, society, and governance. A total of 7 cover page designs were received, and the heads of various centers voted to choose the most suitable design. A certificate of merit and a bonus of NT\$5,000 was awarded to the winning colleague.



## Parental Leave

Clevo adheres to the Act of Gender Equality in Employment and other relevant regulations. In addition to implementing gender equality in the workplace, we have developed a comprehensive leave management system that allows employees to apply for leave based on their needs. We encourage qualified employees to apply for parental leave if they need time to care for family needs. They can take care of their personal, career, and family first and then apply for reinstatement when the parental leave expires. In 2022, the application rate of the Taiwan headquarters increased from 22.2% in 2021 to 37.5%, the Kunshan plant's application rate was 100%, and the application rate of women was 100%.

### Unpaid Parental Leave Application, Reinstatement, and Retention Rate at Taipei Headquarters in 2022

Item			Total
A. No. of employees qualified to apply for unpaid parental leave in 2022	3	5	8
B. No. of employees applied for unpaid parental leave in 2022	0	3	3
C. No. of employees expected to be reinstated from unpaid parental leave in 2022	0	3	3
D. No. of employees reinstated from unpaid parental leave in 2022	0	3	0
E. No. of employees reinstated from unpaid parental leave in 2021 and continued working for 1 year.	0	1	1
F. No. of employees reinstated from unpaid parental leave in 2021	0	1	1
Application rate (B/A)	0%	60%	37.5%
Reinstatement rate (D/C)	0%	100%	100%
Retention rate (E/F)	0%	100%	100%

A. No. of employees qualified to apply for unpaid parental leave in 2022: number of employees have applied for maternity leave or paternity leave between 2022/01/01 and 2022/12/31

B. No. of employees applied for unpaid parental leave in 2022: number of employees have applied for unpaid parental leave between 2022/01/01 and 2022/12/31

C. No. of employees expected to be reinstated from unpaid parental leave in 2022: number of employees whose unpaid parental leaves were due to expire between 2022/01/01 and 2022/12/31

D. No. of employees reinstated from unpaid parental leave in 2022: number of employees whose unpaid parental leaves were due to expire between 2022/01/01 and 2022/12/31 and had been reinstated during this time

E. No. of employees reinstated from unpaid parental leave in 2021 and continued working for 1 year: number of employees who had been reinstated from unpaid parental leave between 2021/01/01 and 2021/12/31 and continued working for one year since reinstatement

F. No. of employees reinstated from unpaid parental leave in 2021: number of employees who had been reinstated from unpaid parental leave between 2021/01/01 and 2021/12/31 and continued working for more than one year since reinstatement

### Unpaid Parental Leave Application, Reinstatement, and Retention Rate at Kunshan Plant in 2022

Item			Total
A. No. of employees qualified to apply for unpaid parental leave in 2022	20	25	45
B. No. of employees applied for unpaid parental leave in 2022	20	25	45
C. No. of employees expected to be reinstated from unpaid parental leave in 2022	0	0	0
D. No. of employees reinstated from unpaid parental leave in 2022	0	0	0
E. No. of employees reinstated from unpaid parental leave in 2021 and continued working for 1 year.	0	0	0
F. No. of employees reinstated from unpaid parental leave in 2021	0	0	0
Application rate (B/A)	100%	100%	100%
Reinstatement rate (D/C)	0%	0%	0%
Retention rate (E/F)	0%	0%	0%

A. No. of employees qualified to apply for unpaid parental leave in 2022: number of employees have applied for maternity leave or paternity leave between 2022/01/01 and 2022/12/31

B. No. of employees applied for unpaid parental leave in 2022: number of employees have applied for unpaid parental leave between 2022/01/01 and 2022/12/31

C. No. of employees expected to be reinstated from unpaid parental leave in 2022: number of employees whose unpaid parental leaves were due to expire between 2022/01/01 and 2022/12/31

D. No. of employees reinstated from unpaid parental leave in 2022: number of employees whose unpaid parental leaves were due to expire between 2022/01/01 and 2022/12/31 and had been reinstated during this time

E. No. of employees reinstated from unpaid parental leave in 2021 and continued working for 1 year: number of employees who had been reinstated from unpaid parental leave between 2021/01/01 and 2021/12/31 and continued working for one year since reinstatement

F. No. of employees reinstated from unpaid parental leave in 2021: number of employees who had been reinstated from unpaid parental leave between 2021/01/01 and 2021/12/31 and continued working for more than one year since reinstatement

## 5.3 Career Development

### Material Topics: Employee Education & Training

#### Policy

- ◆ Clevo is a people-oriented company, and our employees are our valued partners. We believe that employees are the "core principle and the cornerstone of sustainable development" and have actively promoted various training programs to enable employees to improve their expertise and learning according to their needs. The goal is to provide a comprehensive talent training program.
- ◆ We have referenced the "Talent Training and Development Roadmap" to formulate rich and diverse courses for each rank and job function to enhance the personal competitiveness of colleagues.

#### Commitments and Goals

- ◆ Group gatherings are avoided in 2022 due to COVID-19, so training is focused on the "enhancement of professional capacity" via external training, teams, and online courses. The course content includes professional R&D capabilities and epidemic-related protection courses. In the future, the medium and long-term training goal is to improve the function of employees as the primary training direction.

#### Responsible Unit

- ◆ Human Resource Division

#### Grievance System

- ◆ Taipei Headquarters has a grievance mailbox and hotline available in Chinese and English, which employees may use to raise complaints when encountering situations.
- ◆ Kunshan Plant, too, has a President mailbox available for employees to raise complaints.

#### Specific Actions in 2022

- ◆ Taipei Headquarters: Annual training of 5,336.5 hours and average training hours of 13.27 per employee.
- ◆ Kunshan Plant: Annual training of 25,190.0 hours and average training hours of 19.00 per employee.

#### Quantitative Management System

- ◆ Confirm the implementation status through an internal audit. There was one internal audit in 2022, and no deficiencies were found in the audit results.





## 5.3.1 Salary and Remuneration

Clevo adheres to the principle of salary and remuneration equality, treats no one differently based on gender, and the treatment of newcomers is also higher than the legal minimum wage level required by the local area. When designing the salary system, Clevo aims for a diverse reward system and a market-competitive salary level. In addition to the fixed salary and year-end bonus, we evaluate the employee's annual performance as well as the unit's goal achievement rate to issue appropriate bonuses. The types of bonuses include employee remuneration bonuses, R&D bonuses, performance bonuses, and other incentive bonuses. In addition to providing bonuses to employees, we also share the company's overall operations results with our colleagues to thank and affirm their efforts and contributions to the company. Through a diverse and flexible system, we can attract more outstanding talents to join, maintain the overall retention rate, and work together to help the company grow and progress.





## 5.3.2 Promotion System

Clevo provides employees with transparent internal job vacancy information and various aspects of career development. The goal is to give employees more diverse growth options, promote internal talent flow, and enhance Clevo's workplace culture. In addition, we have a performance appraisal and promotion system to encourage employees' career growth and develop their strengths. To maintain and improve the diverse functions of employees, we have evaluated and observed their learning needs to design diversified professional education and training courses or issued related subsidies to encourage employees to continue to learn, thereby strengthening employee and Clevo's competitiveness.

### Performance Evaluation

Clevo conducts regular performance appraisals every year for supervisors to evaluate employees' annual performance. The performance appraisal results are used as a reference for future promotion and salary adjustment of employees. We encourage department heads to discuss annual goals, and implementation plans, track implementation progress, and future implementation plans with colleagues based on their capabilities through two-way communication. Clevo also observes the market conditions and the company's operating policies to flexibly adjust the individual KPI goals for the team.

### Number of Employees Subjected to Regular Performance and Career Development Reviews in 2022

	Taipei Headquarters	Kunshan Plant
	319	707
	168	589
Total	487	1,296
Percentage	92.06%	96.64%

Note: The proportion is not 100% because new employees are not included in the regular performance appraisal.

### 5.3.3 Life-long Learning System

We believe that employees are the core concept and cornerstone of sustainable development. We provide employees with expertise or knowledge in various fields based on their needs through various systematic training programs, allowing them to become all-around talent. In 2022, Clevo officially announced joining the "TALENT, in Taiwan", Taiwan talent sustainability action alliance" to contribute to talent cultivation. Clevo also demonstrates corporate social responsibility by communicating the purpose and meaning of work, making employees feel the value of work, involving them in work decision-making, and fully empowering them to encourage responsible behavior.

We have formulated "Training Execution Procedures and Operating Procedures." From recruits to on-the-job training, employees can receive different-oriented training courses to learn expertise and skills according to the needs of various departments, positions, and self-career development. In addition to internal education and training, we provide relevant subsidy methods and channels for external education and training courses to encourage employees to learn independently through a dual-track mechanism and seek external learning resources. In addition to improving self-skills, the efforts accelerate the company's overall virtuous cycle and growth.



#### Training Execution Procedures



#### Talent Training and Development System

Clevo has referenced the "Talent Training and Development Roadmap" to formulate rich and diverse courses for each rank and job function to enhance the personal competitiveness of colleagues. Group gatherings are avoided in 2022 due to COVID-19, so training is focused on the "enhancement of professional capacity" via external training, teams, and online courses. The course content includes professional R&D capabilities and epidemic-related protection courses. We believe that employees are the "core principle and the cornerstone of sustainable development" and have encouraged employees to improve their expertise and learning in all aspects according to their needs. The goal is to provide a comprehensive talent training program. In 2022, Taipei Headquarters: Annual training of 5,336.5 hours and average training hours of 13.27 per employee. Kunshan Plant: Annual training of 25,190.0 hours and average training hours of 19.00 per employee.

Clevo has integrated the company's overall strategic goals and the training needs of various departments every year to formulate diversified and rich education and training. In addition to designing training courses for different ranks and job functions in conjunction with the education and training development system diagram, the efforts also help colleagues continue



self-learning to enhance their competitiveness. After completing the course, we also issue the "Internal (External) Training Course Opinion Survey Form" to allow colleagues to give feedback on the quality or content of the teaching. The lecturer can better understand the needs and ideas of colleagues, which helps to strengthen or improve the content of the course. If the total hours of external training exceed 8 hours, an "Outside Training Experience Report" must be completed separately so the supervisor can better understand and evaluate the colleagues' learning status and achievements.

## Training Development System

	Orientation			On-job Training		Self-development		
Senior Managers	Company Introduction	Statutory worker safety courses	General knowledge courses			General knowledge courses	Language training	Reading club
Mid-level Managers				Work-related skills and professional courses	Core skill courses			
Entry-level Managers								
General Staff								

We have upgraded and optimized the system platform in 2022 in response to the online training mode. In addition to providing learning for employees at the Taipei headquarters, we also share course resources with Buynow and Kunshan to improve learning quality and efficiency. We also prioritize the development of innovative courses as the foundation for future learning requirements and continuous learning.

The company places a high value on employee education and training. We invest more resources in training courses and providing diverse learning modes. In 2022, total training costs exceeded NT\$325,000 and RMB24,980. In 2022, the average employee training hours and expenses increased compared to 2021. We hope employees can increase their professional learning skills after work and improve their strength and efficiency.

## Training System for New Recruits and Existing Employees





New Recruit Preemployment Training	After the new recruits are hired, the training unit will arrange a half-day general orientation course for newcomers. Once they have been assigned to their departments, the head of the department would also organize training courses relevant to their duties. Training courses to be completed by new recruits are posted onto the Intranet to serve as a reminder and for new recruits to check at any time.
On-job Skills (knowledge) Training	Professional skills training is divided into the following categories of courses according to functions: <ul style="list-style-type: none"> <li>Professional knowledge</li> <li>Worker safety and health</li> <li>Computer skills training</li> <li>Management training</li> <li>Language training</li> <li>Seminar/event</li> </ul>
Manager Capacity Training	<ul style="list-style-type: none"> <li>Clevo provides "EMBA Subsidy Policy" to subsidize supervisors to further their education and enhance their personal competitiveness.</li> <li>We have subscribed to 19 electronic magazines such as EMBA, Business Week, and Managers Monthly for supervisors to review and help to improve their management capabilities.</li> <li>Supervisors are encouraged to actively participate in external courses to acquire the skills they need to lead the Clevo on a sustainable path.</li> </ul>



#### Education & Training Sessions, Hours, and Enrollments in 2022

	Taipei Headquarters			Kunshan Plant		
	Managerial Personnel	Non-managerial Personnel	Total	Managerial Personnel	Non-managerial Personnel	Total
Sessions	92	106	117	32	253	253
Headcount	44	358	402	2	2,097	2,099
Enrollments	499	3,758	4,257	32	6,917	6,949
Hours of Education	778	4,558.5	5,336.5	65	25,125	25,190
Hours/ participant	17.68	12.73	13.27	32.50	11.98	12.00

#### Employee Training by Gender in 2022

	Taipei Headquarter			Kunshan Plant		
			Total			Total
Sessions	95	113	117	253	253	253
Headcount	263	139	402	1,225	874	2,099
Enrollments	2,944	1,313	4,257	4,072	2,877	6,949
Hours of Education	3,632	1,704.5	5,336.5	15,031	10,159	25,190
Hours/ participant	13.81	12.26	13.27	12.27	11.62	12.00





## Material topics: Occupational Health and Safety

### Policy

- ◆ The company has formulated the corresponding target indicators to implement the Occupational Safety and Health Management Plan, construct a safety and health culture, and create a healthy workplace environment. All employees participate in the execution to achieve the goal. All employees must participate in the execution to achieve the goal.
- ◆ Comply with the Occupational Safety and Health Act to improve workplace safety.
- ◆ Having a safe and healthy work environment is what assures employees and allows them to deliver work of the highest efficiency and quality.

### Commitments and Goals

- ◆ Clevo places great emphasis on environmental safety and health. We impose a zero-hazard rule and require ongoing examinations and improvements regarding environmental safety and health so that employees may have a comfortable and safe environment to work in.
- ◆ Annual goals: a. Zero occupational diseases; b. Zero food poisoning; c. Zero major casualties.
- ◆ Short-term objectives (2022): a. Perform a 100% physical examination on all employees in positions with potential occupational hazards; b. Conduct 2 escape drills; c. Conduct 5 safety and occupational health training; and d. Complete ISO45001 system files.
- ◆ Mid-term objectives (2023): a. Obtain ISO45001 system certification; b. Implement outsourcer occupational safety and health management; c. Maintain occupational safety and health management accounts; and d. Increase employee occupational safety and health awareness.
- ◆ Long-term goals (2024): a. Zero occupational diseases; b. Zero food poisoning; c. Zero major casualty accidents. d. Less than 8 minor injury accidents. e. Less than 200 hours lost due to work injury incidents

### Responsibilities and Resources

- ◆ Safety and Health Committee: Taipei Headquarters has 20 members onboard its committee, who convene meetings once every quarter; Kunshan Plant has 10 members onboard its Occupational Health Management Committee, in addition to 3 full-time and 12 part-time occupational safety and health officers. All personnel have passed the assessment and hold the certificates required for work.
- ◆ The General Affairs Division conducts 5S safety inspections on a regular basis.
- ◆ A fire safety response team has been assembled to organize drills and promote awareness of fire safety.

### Grievance System

- ◆ Taipei Headquarters: Employees may raise safety and health-related concerns through the Safety and Health Committee or express them directly to the Work Safety Manager.
- ◆ Kunshan Plant: Employees may raise safety-related concerns to the safety officer, the Environment Safety Office, or through President's mailbox

### Specific Actions in 2022

- ◆ Taipei Headquarters
  - ❖ Organized safety and health training for new recruits
  - ❖ Organized 2 emergency response and fire safety drills
  - ❖ Hold Quarterly Occupational Health and Safety Meetings
- ◆ Kunshan Plant
  - ❖ Formulate management plans related to safety and sanitation operations, and conduct regular inspections every year.
  - ❖ Fire, food poisoning, typhoon prevention, hazardous chemical accidents, electric shock, mechanical injury accidents, emergency rescue, and other drills are executed according to the annual plan.
  - ❖ Establish occupational safety and health personnel to promote safety and health education and training.
  - ❖ Every year Conduct annual internal and external audits to ensure that ISO 14001 certification and ISO45001 pass the company's internal self-assessment audit.

### Quantitative management system

- ◆ Comply with Government Laws And Regulations
- ◆ Regular environmental safety and health audit, and evaluation by Safety and Health Committee.

## 5.4 Safe Workplace

When Clevo creates a safe workplace, it considers not only the safety and hygiene of the workplace but also the physical and mental health of its employees. As such, we have invested sufficient workforce and training resources in the occupational safety and health field, strictly controlled and inspected the production process and environment to provide employees with a safe and healthy working environment, avoid any work-related accidents, care for our employees' mental health, and fulfill our commitment to a safe workplace.

Clevo is fundamentally committed to providing employees with a safe working environment. The Kunshan factory has established a prevention-oriented occupational safety and health management system to implement occupational safety and health management according to the "ISO 45001 Occupational Safety and Health Management System" management specification. Every year, the Kunshan factory's Occupational Safety and Health Management System conducts regular internal audits by trained and qualified personnel, covering 100% of the Kunshan factory personnel.

The Kunshan factory has developed management procedures for occupational diseases, strengthened occupational health management, protected employees' health, and improved employees' working conditions and working environment to prevent and eliminate occupational disease hazards. In addition to truthfully informing employees of potential occupational hazards and consequences when signing labor contracts with new employees, we also conduct occupational disease inspections and treatment for employees to reduce occupational disease hazards.

### 5S workplace Management

Clevo strives to create a workplace free of work-related injuries. The Japanese 5S management principles are the foundation for a healthy and safe workplace. Then our General Affairs Office conducts 5S performance assessments in all plant areas to inspect and ensure that each business or production site complies with health and safety regulations, reviews defects within one week, and provides an audit report. In addition to complying with current regulations, we are constantly looking for areas where we can improve our industrial safety capabilities. Meanwhile, we encourage employees to perform laboratory inspections independently and adopt the 5s procedure in their daily work to detect anomalies and rectify the matters as soon as possible.

We also improve the working environment and eliminate abnormalities, rectify the environment to reduce the risk of environmental fires, research and analyze the problems in the company's production and conduct progress reviews on important issues, and provide environmental safety education and training to advocate the precautions.

In 2022, there were no defective items. There were a total of five suggested items, one of which was improved, and the other four were entrusted to the general affairs to be included in the improvement plan.

Seiri

Retain or  
dispose

Seiton

Labeling and  
positioning

Seiso

Clearing of  
waste

Seiketsu

Maintain  
cleanliness

Shitsuke

Continue  
enforcing 5S





# CLEVO<sup>®</sup> 05 Harmonious Workplace

## Examples of Excellence 5S Practice



**Location description:** Lab 32  
**Description of advantages:** The solvent is placed in the anti-spill bucket and arranged neatly



**Location description:** Lab 31F  
**Advantages description:** Items are neatly placed

## Comparison Before and After 5S Improvements



**Before improvement:** the laboratory plug was not covered with a dust cover



**After improvement:** The laboratory plugs have been covered with dust-proof covers to reduce the fire risk caused by lint accumulation.



**Before improvement:**  
No warnings were posted on the grinder, and no goggles were worn during the operation



**After improvement:**  
Post warnings and wear goggles when using.

#### 5.4.1 Occupational Safety and Health

Employees are the most important and cherished strategic partners of Clevo, and occupational safety and health is our basic commitment to employees. We are committed to fostering a healthy and safe workplace environment to protect colleagues' rights and interests. The goal is to enable colleagues to work with peace of mind without fear of physical or psychological impact or harm from the environment, enable them to work more efficiently, and strengthen a sense of cohesion.

In addition to promoting occupational safety to all employees, the company has developed a "Safety and Health Management Plan," "Emergency Response Policy," "Fire Safety Coordination Plan," and "KSP Occupational Health Guidelines," and required all units to establish an "Emergency Response Team" and conduct occupational safety and health training at least once a year to prevent hazardous incidents. In addition to occupational safety and health training, we have also actively informed the key points and steps of handling hazardous incidents through various channels to provide a safe workplace environment and a healthy life. The first floor of the office building leased by the Taipei headquarters is equipped with an automatic external defibrillator (AED). The goal is to provide employees with a safer working environment through education and training on AED operations. Clevo maintained the Fragile States Index (F.S.I.) above its peers in 2022 (peer average: FR=0.54 SR=19, while Clevo scored 0 for both indicators). Our performance on occupational safety and health is evident.



Clevo and Kunshan Plant's CPR+AED Education and Training

#### Clevo's Absenteeism Rate in 2022 and the Last 3 Years

	Taipei Headquarters			Kunshan Plant		
	No. of Days Absent	Total Work Days	Absenteeism Rate %	No. of Days Absent	Total Work Days	Absenteeism Rate %
2020	428	133,563	0.32	1,108	441,642	0.25
2021	475	133,388	0.36	1,131	474,749	0.24
2022	548	147,637	0.37	1,038	490,008	0.21



## Occupational Hazards at Taipei Headquarters in the Last 3 Years

	Injuries						Deaths	
	Commuting Accident	Workshop Injuries	Falls on Plant Premise	Power Saw Injuries	Warehouse Injuries	Plant Injuries	Commuting Accident	Workshop Injuries
2020	1	0	0	0	0	0	0	0
2021	2	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0

## Occupational Hazards at Kunshan Plant in the Last 3 Years

	Injuries						Deaths	
	Commuting Accident	Workshop Injuries	Falls on Plant Premise	Power Saw Injuries	Warehouse Injuries	Plant Injuries	Commuting Accident	Workshop Injuries
2020	0	1	1	0	0	1	0	0
2021	2	0	1	0	0	0	0	0
2022	1	0	0	0	0	0	0	0

When an employee suffers an occupational injury, the company must complete the "Employee Injury Accident Investigation Form." It shall describe the process and location of the accident, follow-up improvement actions, preventive measures, and handling opinions of relevant units. In addition to dealing with the accident as soon as possible, the accident was also included in promotional items to prevent future recurrence. In 2022, occupational accidents at the Taipei headquarters and the Kunshan factory were reduced compared to the past, and a safer workplace environment has been created using this method.

## Disabling Injuries (Excluding Commuting Accidents)

	Taipei Headquarters			Kunshan Plant		
	2020	2021	2022	2020	2021	2022
Disabling injury frequency rate (FR)	0	0	0	0	0.53	0
Disabling injury severity rate (SR)	0	0	0	0	19.2	0

## Occupational Compensation Policy

In case of an occupational accident, we will fulfill our social responsibilities to employees and compensate them according to internal provisions to help them overcome the difficulties. Below is a summary Computer of Clevo's Occupational Hazard Compensation Policy:

- ◆ Employees shall have medical expenses reimbursed for injuries or occupational illnesses developed in relation to work. The applicable types of occupational illnesses and treatments are as defined in the Labor Insurance Act.
- ◆ Employees who are unable to work while undergoing medical treatments shall be compensated with full salary. If an employee cannot recover after two years of treatment and has been diagnosed by a medical institution to have lost the ability to work but does not qualify for disability benefits, the Company may pay a one-time sum totaling 40 months of average salary and be exempted from further liabilities.
- ◆ Employees who have completed their treatments but are diagnosed by a medical institution to have carried partial disabilities are entitled to receive a one-time disability compensation calculated based on average salary and the severity of the disability. Disability compensations are to be calculated according to the standards laid out in the Labor Insurance Act



- ◆ Employees who suffer death from occupational injury or illness shall be given funeral subsidies totaling 5 months of average salary; meanwhile, the family members of the deceased are entitled to receive a one-time death compensation totaling 40 months of average salary

#### Safety and Health Committee

Clevo requires a safety and health committee meeting to be held every quarter to discuss safety and health implementation matters. Safety and health committees exist in the Taipei headquarters and the Kunshan Plant. The main topics in 2022 are fire drills, health care exams, and restaurant and building renovations.

Location	Taipei Headquarters	Kunshan Plant
Member size	20 members	10 members
Workers' representatives (%)	Workers' representatives (75%)	Workers' representatives (0%)
Highest reporting level	President	Vice President of Kunshan Plant

#### Contractor Management

In addition to employees, contractors are also important partners of Clevo. We have formulated the "Contractor Management Operation Specification" for contractors to ensure that contractors' health and safety are protected when working in our environment and prevent occupational accidents. We also require the contractor to sign a commitment letter and inform the potential hazard factors before, during, and after the operation to protect the contractors and their staff's health and safety.

#### Occupational Safety Drill Planning

To implement workplace safety operation management and increase colleagues' occupational safety awareness, Clevo has independently arranged various occupational safety-related drills and lectures. Employees can familiarize themselves with protective equipment use, disaster-related treatment steps, and escape routes through regular drills and the usual publicity efforts. We have also formulated an emergency response plan (including a fire protection plan). Each operating site must conduct at least one occupational safety drill plan annually, and all employees and building users must participate for 4 hours during each drill. Taipei Headquarters' theme for 2022 was disaster prevention and relief, including emergency drills for firefighting and escape.



Workplace Disaster Prevention Seminar

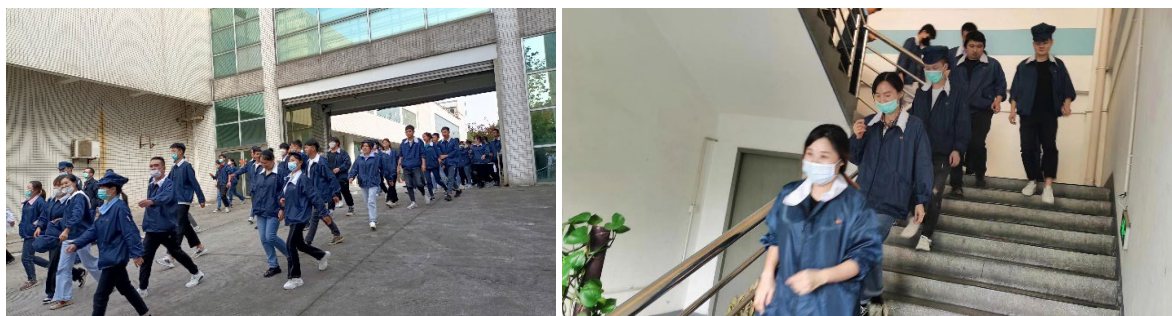


Demonstration on Use of Fire Extinguisher



## CLEVO® 05 Harmonious Workplace

In the Kunshan Plant, various drills and training plans are used to let colleagues understand safe operating procedures in case of a disaster. The drill plans include fire outbreak simulation, response to fire, evacuation to rally point, grouping, roll call, fire emergency response procedures, and use of fire extinguishers. Through these drills, we hope to provide employees with an adequate understanding of what actions to take to prevent the worsening of damage from occupational hazards.



Evacuation Guidance Drill



Activated Carbon Fire Extinguisher Drill



Demonstration on Use of Fire Extinguisher

### Occupational Safety Course

Employees' occupational safety awareness is the foundation of workplace safety. That is why Clevo provides regular workplace safety courses for in-service colleagues yearly and adds safety and hygiene training courses to strengthen counseling for new employees. Let workplace safety become the workplace DNA of Clevo colleagues. In 2022, the Taipei Headquarters and Kunshan Plant organized a total of 15 courses, which received 1,917 enrollments and delivered 2,312 training hours



#### 5.4.2 Healthy Workplace Embrace Clevo

Clevo attaches great importance to the health of every employee. In 2022, we organized health promotion activities such as health checkups and flu vaccinations to improve the health of all colleagues, and we encouraged colleagues to take good care of their health as they work hard.



Conduct Health Exams

#### Care for Employees' Health

Daily health care is another important puzzle piece in our safe workplace objective. Therefore, qualified labor health service nurses are hired at the Taipei headquarters. They can provide colleagues with some medical consultation services and on-site medical services. Clevo conducts a health check for its employees once every two years. A general physical health check and an abdominal ultrasound check were held in November 2022, and a total of 477 people participated. After the inspection, the nurses are asked to keep track of the employee's health status. In addition, related health promotion activities are designed for the first 3 preceding abnormal inspection items so that colleagues can pay more attention to their health and the warning signals issued by the body to improve physical fitness. Meanwhile, a flu vaccination campaign was held in 2022, and a total of 107 people participated.



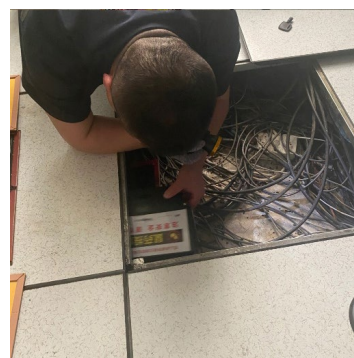
Vaccination by a Professional Medical Team





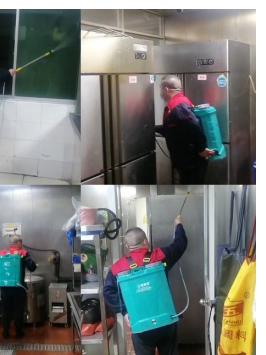
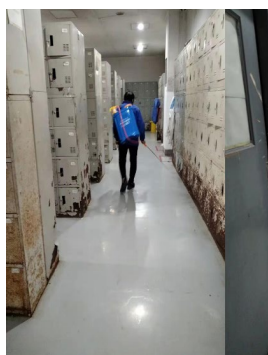
## Environmental Disinfection

Clevo regularly performs environmental disinfection and rodent control operations on the floors and public areas of the building to effectively prevent the growth of pests and protect the health of colleagues, allowing employees to work in a more hygienic and comfortable environment.



Environmental Disinfection

Photos of Rodent Control in Kunshan Plant



Photos of Disinfection in Kunshan Plant

Photos of Rodent Control in Kunshan Plant

## 5.4.3 Group Disease Control Measures

Clevo has stayed current on the working environment and epidemic prevention information while COVID-19 still raged in 2022. Protect all employees' health and work quality through a series of epidemic prevention strategies. We have also established epidemic prevention teams and used communication software to efficiently remind and share various prevention measures among colleagues.

### ❖ Main Actions of Taipei Headquarters

#### I . Implement Company Hygiene Management

For new building: April 2022 to December 2022

- ❖ Pay attention to the government's epidemic prevention policy development
- ❖ Rolling adjustment of the epidemic prevention announcement: the company's epidemic prevention principles, 6 times
- ❖ Environmental cleaning: professional office floor cleaning and disinfection 6 times
- ❖ Case management: Care and education, 767 people
- ❖ Distributed 3030 doses of rapid screening reagents
- ❖ Disease control kit for business travels, 82 people

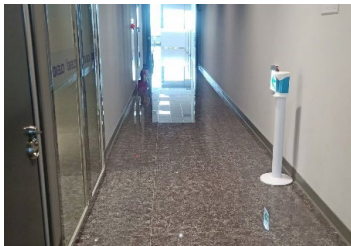
- ◆ Alcohol disinfectant is placed in the meeting rooms for colleagues to maintain hand hygiene at any time.
- ◆ Alcohol disinfectant is placed in each toilet for disinfection before and after using the toilet to protect employees.
- ◆ Automatic alcohol sanitizers are placed at the floor's entrance and exit to ensure that colleagues' hands are always clean.



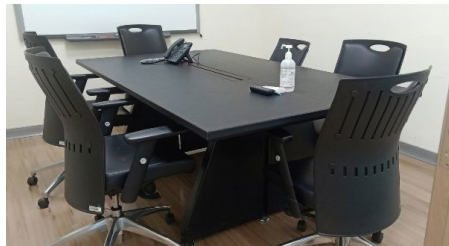
Professional Office Floor Cleaning and Disinfection



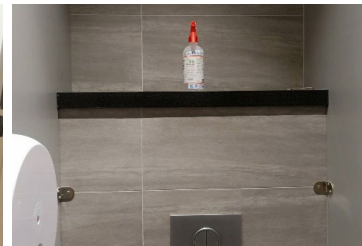
Public Area Disinfection



Automatic Alcohol Dispensers were Placed in Public Areas



Alcohol in Meeting Room



Alcohol in Restrooms

## II . Promote Employee Personal Hygiene

### Personal Health Management

- ◆ Distribute face masks and disease control supplies
- ◆ Observe the cough etiquette
- ◆ Strengthen hand hygiene and use alcohol-based hand sanitizer to wash hands
- ◆ Avoid touching your mouth, ears, and nose with your hands
- ◆ People with fever or acute respiratory symptoms should rest at home and refrain from work, and rest until symptoms improve before returning to work

### Health Education Information

- ◆ Grasp and update the latest daily information
- ◆ Show care and remind colleagues every day
- ◆ Reserves of disease control supplies (medical face masks, forehead thermometers, alcohol, and protective suit) are kept
- ◆ Arrangement of training courses, playback of health promotion videos on lobby TV wall, placement of posters in passenger elevators, and e-mail reminders



## III . Business Trip Policy

- ◆ Minimize unnecessary domestic and overseas business trips
- ◆ A total of 82 business trip epidemic prevention kits were issued.
- ◆ PCR test, information of quarantine hotel



Epidemic Prevention Kit

### Contents

- ✓ Medical face masks
- ✓ N95 face masks
- ✓ Protection Suit
- ✓ Goggles
- ✓ Examination Gloves
- ✓ Alcohol Pads
- ✓ 75% Alcohol Portable Bottle
- ✓ Puli-600 Sterilizing Tabs
- ✓ High Dose Vitamin C.
- ✓ Vitamin B Complex + Herbal Remedy

## Kunshan Plant Anti-epidemic Highlights

The Kunshan Plant has also formulated detailed policies in response to the epidemic to fight COVID-19 together. In addition to strengthening disinfection and maintaining environmental hygiene, we have actively promoted health education concepts and epidemic prevention measures to colleagues via WeChat, posters, and even loudspeakers. Moreover, we also implement strict entry and exit employees access control. The relevant epidemic prevention measures are as follows:

- ◆ Measure body temperature three times a day and make a "Body Temperature Measurement Record Sheet" to facilitate physical condition confirmation for colleagues.



Face Recognition Thermometer

- ◆ Face Recognition Body Temperature Measurement Machine
- ◆ Establish an "External Personnel Inspection and Registration Form" for incoming and outgoing visitors to facilitate building access review.
- ◆ Official cars are disinfected after each departure, and passengers must have their body temperature taken before boarding.
- ◆ During the driving process, the windows are opened throughout the whole process to facilitate air circulation.
- ◆ Drivers must wear protective clothing and goggles to protect themselves and their passengers.

The Kunshan Plant's staff have worked together to prevent COVID-19, implement internal management measures, design a series of comprehensive plans, and spared no effort to protect the health and safety of colleagues.



### Personal Health Management

(Currency: NTD)

Region	Disease control Measure	Taipei Spending <sup>Note*</sup>
Taipei Headquarters	Disease control kit for business travels, 82 people	\$123,000
	Professional office cleaning 6 times	\$60,000
	Cleaning and disinfection consumable	\$90,000
	Rapid screening reagents	\$584,920
	Infrared thermometers	No newly added
	Automatic soap dispenser	No newly added
	Automatic hand sanitizer added: 6	\$19,670
Kunshan Plant	Nucleic acid testing fees	241,596
	Quarantine hotel + relevant insurance	996,717
	Face masks, hand wash, etc., for employees	785,554
	Residential subsidy bonuses	1,682,426
Total		4,583,883



Note\* The total is derived by adding expenses from Taipei Headquarters (in NTD) and Kunshan Plant (in RMB), rounded to the nearest integer. The exchange rate used for 2022 was RMB 1 to NTD 4.4184.



# 06 Social Co-Prosperity





"Give back to society what you have taken from society" has always been Clevo's spirit. We actively participate in various public welfare and environmental protection activities and match resources from all walks of life to strive for a sustainable society and adhere to the business philosophy of sustainable development. The investment projects fall into 3 major categories: "Love and Public Welfare," "Community Prosperity," and "Environmental Awareness." We have set a five-year goal of NT\$10 million, invested in public welfare activities, and practiced community care since 2019. In 2022, we allocated NT\$2 million in funds to assist disadvantaged families in Tainan. We aim to do our best to give back to society. Clevo donated a total of NT\$2.784 million in 2022, and the public welfare investment implementation rate reached 100%. Not only has it made charitable contributions, but it has also implemented various social services with the local government. It is committed to going deep into every corner of Taiwan that requires assistance to create social harmony and promote sustainable development.

## Performance Highlights

Amount of community investment NT\$2.784 million

New Taipei City Outstanding Disaster Prevention Enterprise

Subsidizing medium- and low-income households through Clevo Charity Trust NT\$2 million

Purchasing fair trade milk and supporting small, local farmers through action The annual expenditure is approximately NT\$430,000

Buy charity handmade soap NT\$ 334,000

## Association with SDGs

**1** NO POVERTY



**2** ZERO HUNGER



**3** GOOD HEALTH AND WELL-BEING



**8** DECENT WORK AND ECONOMIC GROWTH



**10** REDUCED INEQUALITIES



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION







## 6.1 Love and Charity

### Clevo Charity Trust

"Clevo Charity Trust" was set up by Clevo in 2019 to provide financial subsidies for the elderly earning medium- and low-income, people with disabilities earning medium- and low-income, and those needing urgent nursing care. It is a means by which the Company gives back to society and cares for the underprivileged. In 2022, Clevo provided financial assistance to a total of 40 elderly or middle- and low-income people with disabilities in Tainan City, with a total subsidy of NT\$2 million.

Since establishing "Clevo Co. Social Welfare and Public Welfare Trust," it has insisted on continuous and stable care for disadvantaged groups. It is hoped that Blue Sky Computer's social influence will be able to make more contributions and care for disadvantaged groups. Since its inception, the "Clevo Co. Social Welfare and Public Welfare Trust" has provided continuous and consistent care for vulnerable groups. Clevo aims to exert its social influence and contribute more to care for disadvantaged groups.



Certificate of Appreciation Issued by the Tainan City Government



Field Visits to Low- and Middle-Income Homes for the Elderly and the Disabled

### Taiwan Visually Impaired Association - Charity Handmade Soap

The Taiwan Association for Visual Impaired People established the "Love and Happiness Shelter Workshop" in 2016. The shelter factory's concept is to "provide disabled partners with a safe employment environment, guide them from being a caretaker to a maker, and help them to find a sense of belonging, which is critical to their self-esteem, self-reliance, and self-confidence."

### 愛幸福~傳遞純手工的溫暖祝福

**乳香神皂手工皂禮盒**  
125g (±10g) 2入

- 上天然乳香精油與純皂
- 獨家使用的阿羅漢草
- 佛心靈藥草
- 使用100%純植物精油
- 包裝精美且72%可回收

**美麗寶盒手工皂禮盒**  
95g (±10g) 3入

- 純手工皂製成
- 採用天然植物精油與純皂
- 獨家使用佛心靈藥草
- 佛心靈藥草
- 使用100%純植物精油
- 所有包裝紙張

**福祿壽三喜手工皂禮盒**  
95g (±10g) 3入

- 純手工皂製成
- 採用天然植物精油與純皂
- 獨家使用佛心靈藥草
- 佛心靈藥草
- 使用100%純植物精油
- 所有包裝紙張

Clevo also backs up its philosophy with actions. NT\$334,000 in handmade soap from shelter workshops was purchased and distributed to employees in 2022. In addition to assisting visually impaired friends, we also strive to promote the Visually Impaired Association and shelter workshop to employees and hope this goodwill will spread throughout society.

## 6.2 Community Prosperity

### Disaster Prevention Partners Helping to Enhance Community Disaster Prevention

Since 2014, New Taipei City has led the country in disaster prevention promotion for enterprises by combining public and private cross-border resources to enable enterprises to establish closer disaster prevention partnerships with local communities and public sectors. In 2022, Clevo actively participated in relevant disaster prevention activities in New Taipei City, used its corporate resources to enhance the disaster prevention capacity of the community, and was selected as an excellent disaster prevention enterprise in New Taipei City. Our goal is to be fully prepared to minimize the damage in case of a disaster and achieve a win-win result through public-private cooperation.



### AED Safe Facility Certification

To strengthen neighborhoods' friendliness and contribute to the company's social responsibility, the office building leased by Clevo in 2022 is equipped with an "Automated External Defibrillator (AED)." It has obtained a safe facility certification to provide colleagues with a safe and secure workplace environment and enhance the corporate image.

Note: Clevo's AED from January to March 2022 is self-owned equipment. The AED equipment was moved to HongWell i-Tower in March 2022 and installed on the first floor to protect the safety of building personnel.



### Use of Single-origin, Fair Trade Milk From Small Local Farmers

Since November 2019, Clevo has continued supporting local small farmers' development in Taiwan through practical annual actions. The Company has replaced the milk it uses in coffee machines with single-origin, non-modified, and fair trade milk from small local farmers. The Company spent approximately NT\$430,000 in 2022.





## 6.3 Environmental Awareness

Clevo aims to fulfill its environmental protection responsibility and mission under the "Small Change, Big Impact" principle. The goal is to advocate environmental awareness concepts to all employees and put them into action, incorporate environmental protection concepts such as resource recycling and waste reduction in work and life, provide resources to disadvantaged groups in need, and work together to cherish resources, protect the earth, and achieve environmental sustainability.

### Garbage Recycling, Environmental Friendliness

Clevo's Taipei Headquarters has complied with the "Waste Management Measures" stipulated by the government to implement waste reduction and classification. We posted slogans and signs in appropriate areas to remind colleagues to practice proper waste disposal. We also established resource recycling areas on each floor to facilitate the building's management and classification of garbage and waste.

### Green Building Landmark

Clevo will move to Xinzhuang HongWell i-Tower in March 2022, a diamond-grade green building. The building uses extensive exterior glass curtains and adopts a minimalist volume and stylish lines to become a new landmark of Xinzhuang. Reflective smart curtains are also installed inside the building to ensure the indoor environment's quality and create a healthy, safe, and comfortable indoor office environment.







# Appendix

## Appendix

1. GRI Index
2. Sustainability Disclosure Indicators - Listed Computer and Peripheral Equipment Industry
3. TCFD Guideline Disclosure Index Table
4. CPA Assurance Report
5. Assurance Item Summary Table



## Appendix 1. GRI Index

Statement of Use	Clevo prepares a sustainability report according to the GRI guidelines, and the scope of data and information is from January 1, 2022, to December 31, 2022.
The GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Industry Code	GRI Standards 2021

GRI Standards	Disclosures	Corresponding chapter	Page	Supplement Instruction
GRI 2: General Disclosures (2021)				
GRI 2: General Disclosures (2021)	2-1 Organizational Detail Information	1.1 About Clevo	14	
	2-2 Entities Included in Organizational Sustainability Reports	About this Report	02	
	2-3 Coverage Period, Frequency, and Contact Person	About this Report	02	
	2-4 Restatements of Information		--	No information restatement in this report.
	2-5 External assurance	About this Report	03	
	2-6 Activities, Value Chain, and Other Business Relationships	1.1 About Clevo	14	
		4.2.1 Clevo Value Chain	75	
	2-7 Employee	5.1 Talent Diversity	91	
	2-8 Non-employee Workers	5.1 Talent Diversity	91	
	2-9 Governance Structure and Composition	1.3.1 Robust Governance Framework	23	
	2-10 Nominating and Selecting the Highest Governance Body	1.3.2 Board of Directors and Functional Committees	24	
	2-11 Chair of the highest governance body	1.3.1 Robust Governance Framework	23	
	2-12 Highest Governance Body's Role in Overseeing Impact Management	Stakeholder Engagement and Identification of Material Topics	06	
	2-13 Person in Charge of Impact Management	1.3.2 Board of Directors and Functional Committees	24	
	2-14 Highest Governance Body's Role in Sustainability Reporting	1.3.3 Sustainable Development Task Force	27	
	2-15 Conflicts of Interest	1.3.2 Board of Directors and Functional Committees	24	
	2-16 Communication of Key Major Events	Stakeholder Engagement and Identification of Material Topics	06	
	2-17 Collective knowledge of highest governance body	1.3.3 Sustainable Development Task Force	27	
	2-18 Evaluating the highest governance body's performance	1.3.2 Board of Directors and Functional Committees	24	
	2-19 Remuneration Policies	1.3.2 Board of Directors and Functional Committees	24	
	2-20 Salary Decision Process	1.3.2 Board of Directors and Functional Committees	24	
	2-21 Annual total compensation ratio	1.3.2 Board of Directors and Functional Committees	24	
	2-22. Sustainable Development Strategy Declaration	Message from Management	04	
	2-23 Policy Commitment	4.2.4 Conflict Minerals	79	
	2-24 Incorporate Policy Commitment	4.2.4 Conflict Minerals	79	
	2-25 Procedures for Remediating Negative Impacts		--	Material Topic Management Approach
	2-26 Mechanisms for Seeking Advice and Raising Concerns		--	Material Topic Management Approach
	2-27 Legal Compliance	1.4.2 Legal Compliance	32	
	2-28 Membership of Associations	1.1.3 External Participation	18	

# 2022

## Clevo ESG Report

### 2022

GRI Standards	Disclosures	Corresponding chapter	Page	Supplement Instruction
	2-29. Stakeholder Engagement and Guidelines	Stakeholder Engagement and Identification of Material Topics	06	Material Topic Management Approach
	2-30 Collective bargaining agreements		--	The company has not signed any group contracts.
Material topics				
GRI 3: Material Themes (2021)	3-1 Process for Determining Material Topics	Stakeholder Engagement and Identification of Material Topics	06	
	3-2 List of Material Topics	Stakeholder Engagement and Identification of Material Topics	08	
Corporate governance				
3-3 Material Topic Management		1.3 Sustainable Governance	22	
Not Applicable for Custom Topics	No Corresponding GRI standards	1.3 Sustainable Governance	22	
Legal Compliance				
3-3 Material Topic Management	1.4.2 Legal Compliance		32	
GRI 2 (2021): General Disclosures	2-27 Legal Compliance	1.4.2 Legal Compliance	32	
Ethical Management and Anti-corruption				
3-3 Material Topic Management		1.4.1 Integrity within Clevo	30	
GRI 205 (2016): Anti-corruption	205-1 Operations assessed for risks related to corruption	1.4.1 Integrity within Clevo	31	
	205-2 Communication and training about anti-corruption policies and procedures	1.4.1 Integrity within Clevo	31	
	205-3 Confirmed incidents of corruption and actions taken	1.4.1 Integrity within Clevo	30	There were no corruption cases this year
GRI 206 (2016): Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.4.1 Integrity within Clevo	30	This year, there were no fine incidents for anti-competitive, anti-trust, or monopolistic behaviors.
Economic performance				
3-3 Material Topic Management		1.2 Economic Performance	19	
GRI 201 (2016): Economic Performance	201-1 Direct economic value generated and distributed	1.2 Economic Performance	20	
	201-3 Defined benefit plan obligations and Other retirement plans	1.2 Economic Performance	20	
	201-4 Financial assistance received from government	1.2 Economic Performance	20	
Information Security and Customer Privacy				
3-3 Material Topic Management		1.3.4 Information Security Committee	28	
GRI 418 (2016): Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.3.4 Information Security Committee	28	In 2022, there were substantiated complaints concerning breaches of customer privacy and losses of customer data.
		1.4.3 Information security	33	
Response to Climate Change				
3-3 Material Topic Management		CH2. Response to Climate Change	38	
GRI 203 (2016): Indirect Economic Impacts	203-2 Significant indirect economic impacts	2.2.2 Climate Risks and Opportunities, Identification Results, and Management Measures	40	
Greenhouse Gas and Energy Management				
3-3 Material Topic Management		3.2.1 Energy Usage and Greenhouse Gas Emission	46	





# CLEVO® Appendix

GRI Standards	Disclosures	Corresponding chapter	Page	Supplement Instruction	
GRI 305 (2016): Emissions	305-1 Direct (Scope 1) GHG Emissions	3.2.1 Energy Usage and Greenhouse Gas Emission	50, 52	The company shall be notified one month in advance if it encounters major operational changes.	
	305-2 Energy Indirect (Scope 2) GHG emissions	3.2.1 Energy Usage and Greenhouse Gas Emission	50, 52		
	305-4 GHG emissions intensity	3.2.1 Energy Usage and Greenhouse Gas Emission	50, 52		
	305-5 Reduction of GHG emissions	3.2.3 Energy Saving and Carbon Reduction Measures	54		
GRI 302 (2016): Energy	302-1 Energy consumption within the organization	3.2.1 Energy Usage and Greenhouse Gas Emission	50, 51		
	302-3 Energy intensity	3.2.1 Energy Usage and Greenhouse Gas Emission	50, 51		
	302-4 Reduction of energy consumption	3.2.3 Energy Saving and Carbon Reduction Measures	54		
Employee Welfare					
3-3 Material Topic Management		CH5 Harmonious Workplace	90		
GRI 401 (2016): Employment Relations	401-1 New employee hires and employee turnover	5.1.1 Recruitment and Retention Policy	92		
	401-2 Benefits provided to full-time employees	5.2.3 Employee Welfare Policy	98		
	401-3 Parental leave	5.2.3 Employee Welfare Policy	98		
GRI 402 (2016): Labor Management Relations	402-1 Minimum notice periods regarding operational changes	5.2.2 Communication Channels	97		
Employee Education and Training					
3-3 Material Topic Management		5.3 Career Development	105		
GRI 404 (2016): Training and education	404-1 Average hours of training per year per employee	5.3.3 Life-long Learning System	109		
	404-2 Programs for upgrading employee skills and transition assistance programs	5.3.3 Life-long Learning System	107		
	404-3 Proportion of employees receiving regular performance and career development reviews	5.3.3 Life-long Learning System	106		
Occupational Health and Safety					
3-3 Material Topic Management		5.4 Workplace safety	110		
GRI 403 (2018): Occupational Health and Safety	403-1 Occupational health and safety management system	5.4.1 Occupational Safety and Health	113		
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation		--		
	403-3 Occupational health services	5.4.2 Healthy Workplace Embrace Clevo	117		
	403-4 Worker participation, Consultation, and communication on occupational health and safety	5.4.1 Occupational Safety and Health	113		
	403-5 Worker Training on Occupational Health and Safety	5.4.1 Occupational Safety and Health	113		
	403-6 Promotion of worker health	5.4.2 Healthy Workplace Embrace Clevo	117		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4.1 Occupational Safety and Health	115		
	403-8 Workers covered by an occupational health and safety management system	5.4.3 Group Disease Control Measures	118		
	403-9 Occupational injury	5.4.1 Occupational Safety and Health	114		
	403-10 Work-related ill health	5.4.1 Occupational Safety and Health	114		
Responsible Production					
3-3 Material Topic Management		4.3 Responsible Production	81		

# 2022

## Clevo ESG Report

### 2022

GRI Standards	Disclosures	Corresponding chapter	Page	Supplement Instruction
GRI 416 (2016): Customer Health and Safety	416-1 Assessment of the effect that the products and services have on health and safety	4.2.2 Green Purchase 4.3.2 Improved Energy Efficiency in Consumer Use	76 82	In 2022, there were no incidents of non-compliance concerning the health and safety impacts of products and services.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4.2.2 Green Purchase	82	
Customer Relationship Mangament				
3-3 Material Topic Management		4.4 Customer Service Management	84	
Not Applicable for Custom Topics	No Corresponding GRI standards		--	
Innovative R&D				
3-3 Material Topic Management		4.1 R&D and Innovation	64	
Not Applicable for Custom Topics	No Corresponding GRI standards		--	
Supply Chain Management				
3-3 Material Topic Management		4.2 Supply Procurement - Supply Chain Management	74	
GRI 2 (2021): General Disclosures	2-6 Activities, Value Chain, and Other Business Relationships	4.2 Supply Procurement - Supply Chain Management	75	
GRI 204 (2016): Procurement Practices	204-1 Proportion of spending on local suppliers	4.2 Supply Procurement - Supply Chain Management	80	
GRI 308 (2016): Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	4.2 Supply Procurement - Supply Chain Management	78	In 2022, no cooperation relationship will be terminated due to non-compliance with audit results.
	308-2 Negative environmental impacts in the supply chain and actions taken	4.2 Supply Procurement - Supply Chain Management	79	
GRI 414 (2016): Supplier Social Assessment	414-1 New suppliers are screened using social criteria	4.2 Supply Procurement - Supply Chain Management	78	In 2022, no cooperation relationship will be terminated due to non-compliance with audit results.
	414-2 Negative social impacts in the supply chain and actions taken	4.2 Supply Procurement - Supply Chain Management	79	
General Topics				
GRI 303 (2018): Water and Effluents	303-1 Interactions with water as a shared resource	3.3.1 Water Risk Assessment	55	
	303-2 Management of water discharge-related impacts	3.3.2 Wastewater discharge policies and reduction practices	58	
	303-3 Water withdrawal	3.3.2 Water intake, consumption, and discharge	56, 57	
	303-4 Water discharge	3.3.2 Water intake, consumption, and discharge	56, 57	
	303-5 Water consumption	3.3.2 Water intake, consumption, and discharge	56, 57	
GRI 306 (2020): Waste	306-1 Waste generation and significant waste-related impacts	3.4.1 Value chain waste assessment	59	
	306-2 Management of significant waste-related impacts	3.4.1 Value chain waste assessment	59	
	306-3 Waste generated	3.4.2 Generation and disposal of waste	61	
	306-4 Waste diverted from disposal	3.4.2 Generation and disposal of waste	61	
	306-5 Waste directed to disposal	3.4.2 Generation and disposal of waste	61	
GRI 405 (2016): Employee Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	5.1 Talent Diversity	91	
	405-2 Ratio of base salary and remuneration for men and women	5.3.1 Salary and Remuneration	106	
GRI 413 (2016): Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	6.2 Promote Community Prosperity	125	



## Appendix 2. Sustainability Disclosure Indicators - Listed Computer and Peripheral Equipment Industry

No.	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remark
I.	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantitative	Total energy consumption: 34,249 GJ Percentage of purchased electricity: 100 % Renewable energy usage rate: 14.1 %	Gigajoule (GJ), percentage (%)	
II.	Total Water Withdrawal and Consumption	Quantitative	Total water withdrawal: 39,438.0 m <sup>3</sup> Total water consumption volume: 5,879.9 m <sup>3</sup>	Cubic meters (m <sup>3</sup> )	
III.	The weight and recycling percentage of hazardous waste generated	Quantitative	Weight of hazardous waste: 48.30 t Hazardous waste recycling percentage: 89.2 %	Metric tons (t), percentage (%)	
IV.	Explain the type, number, and rate of occupational accidents	Quantitative	Occupational hazard category: None The number of occupational accidents: 0 Total damage index: 0	Ratio (%), Quantity	
V.	Disclosure of product life cycle management: Include the weight of end-of-life products and e-waste and the percentage of recycling	Quantitative	Weight of Electronic waste: 38.31 t Percentage of recycling: 100 %	Metric tons (t), percentage (%)	
VI.	A description of the risk management associated with the use of critical materials	Qualitative Narrative	See 4.2.4 Conflict Minerals for details	Not applicable	
VII.	Total monetary damages resulting from legal proceedings related to anti-competitive conduct regulations	Quantitative	Total monetary damages without legal action related to anti-competitive conduct regulations	Report Currency	
VIII.	Output of Main Products by Product Category	Quantitative	1,612,824 Laptops	Varies by product type	



## Appendix 3. TCFD Guideline Disclosure Index Table

Risks and opportunities brought by climate change and related countermeasures taken by the company

Item	Disclosure Contents	Corresponding chapter	Page
1	The Board of Directors' management oversight, governance, and climate-related risks and opportunities	2.1. Climate Governance	38
2	The identified climate-related risks and opportunities affect the company's business, strategy, and finances (short-, medium-, and long-term).	2.2. Climate Change Response Strategies	40
3	The financial impacts of extreme climate events and transitional actions	2.2. Climate Change Response Strategies	40
4	How to integrate the climate risk identification, assessment, and management process into the overall risk management system	2.3 Climate Risk Management	40
5	If scenario analysis is used to assess climate risk, explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts used	Situational analysis not yet used	43
6	If there is a transition plan for managing climate-related risks, describe the plan's content and the indicators and goals used to identify and manage physical and transition risks.	Not yet established a transformation plan	-
7	If internal carbon pricing is used as a planning tool, the basis for setting the price must be stated.	The carbon pricing tool has not been imported	-
8	If climate-related goals are set, information such as the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress achieved each Year must be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits or RECs to be offset must be clarified.	2.4 Indicators and Goals	133
9	Greenhouse gas inventory and certification status	3.2.1 Energy Usage and Greenhouse Gas Emission	133-

## 會計師有限確信報告

資會綜字第 23003247 號

藍天電腦股份有限公司 公鑒：

本事務所受藍天電腦股份有限公司（以下稱「貴公司」）之委任，對 貴公司選定民國 111 年度永續報告書所報導之關鍵績效指標（以下稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

### 標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司民國 111 年度永續報告書第 136 頁之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書第 2 頁之「報告發行時間與範疇」段落述明。

### 管理階層之責任

貴公司管理階層之責任係依照適當基準編製永續報告書所選定之關鍵績效指標，且維持與所選定之關鍵績效指標編製有關之必要內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

### 會計師之責任

本會計師係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」，對所選定之關鍵績效指標執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，包括辨認所選定之關鍵績效指標可能發生重大不實表達之領域，以及針對前述領域設計及執执行程序。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，就有限確信案件所執执行程序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

- 對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對所選定之關鍵績效指標選取樣本進行查詢、觀察、檢查等測試，以取得有限確信之證據。

此報告不對民國 111 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信，另外，民國 111 年度永續報告書中屬民國 110 年 12 月 31 日及更早期間之資訊未經本會計師確信。

### 會計師之獨立性及品質管理規範

本會計師及本事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸執行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

### 先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

### 有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現所選定之關鍵績效指標在所有重大方面有未依適用基準編製而須作修正之情事。

### 其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師 林柏全



中 華 民 國 1 1 2 年 8 月 1 6 日





## Appendix 5. Assurance Item Summary Table

No.	Subject's Information	Page	Applicable Benchmarks
1	The external gray electricity purchased by the Taipei headquarters in 2022 was 854,793 kWh.	50	According to the payment voucher provided by Taiwan Power Company, the gray electricity consumption of the Taipei headquarters in 2022.
2	Kunshan Plant purchased 5,724,754 kWh of gray electricity and 1,080,595 kWh of solar energy in 2022.	51	The gray electricity consumption and solar energy consumption of the Kunshan manufacturing plant in 2022, according to the value-added tax invoice payment certificate issued by the Jiangsu Electric Power Company's Kunshan City Power Supply Branch and Stronger Power.
3	Employee management and non-management positions are divided according to the "2022 Taipei Headquarters and Kunshan Manufacturing Plant Education and Training Sessions, Hours, and Participants."	109	Clevo divided the education and training sessions, hours, and participants in 2022 based on employee management and non-management positions according to the internal education and training method.
Education & training sessions, hours, and enrollments in 2022			
	Taipei Headquarters		
	Managerial personnel	Non-managerial personnel	Total
Sessions	92	106	117
Headcount	44	358	402
Enrollments	499	3,758	4,257
Hours of Education	778	4,558.5	5,336.5
Hours/participant	17.68	12.73	13.27
	Kunshan Plant		
	Managerial personnel	Non-managerial personnel	Total
Sessions	32	253	253
Headcount	2	2,097	2,099
Enrollments	32	6,917	6,949
Hours of Education	65	25,125	25,190
Hours/participant	32.50	11.98	12
4	In 2022, the proportion of Taiwanese management staff to all management staff was 96.4%.	92	The number of Clevo's 2022 Taiwanese managerial staff is divided by the number of Clevo management staff at the end of 2022 according to the internal "Grade and Title Management Method."

**CLEVO<sup>®</sup>**