Sea Sonic Electronics
Sustainability Report 2023

Environmental
Social
Governance

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Contents

CH1

Basic Information

1.1 About this Report

1.1.1 Reporting Period

- Coverage period for this report: January 1, 2023 to December 31, 2023
- Reporting cycle: Annually
- Publication date of this report: June 2024
- Publication date of the next report: June 2025

The reporting period for this report covers January to December 2023. To ensure completeness and comparability, some sections include information from prior to 2023 and recent updates from 2024, with explanatory notes provided in those sections.

1.1.2 Compliance Standards

Sea Sonic Electronics Co., Ltd. follows the "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" as published by the Taipei Exchange, adhering to the Global Reporting Initiative's GRI Standards (2021 edition, with the relevant GRI sector standards yet to be released). The company also refers to the Sustainability Accounting Standards Board (SASB) industry-specific significant topics and the United Nations Sustainable Development Goals (SDGs). In 2024, Sea Sonic voluntarily published its first sustainability report, disclosing its actions in environmental, social, and governance (ESG) aspects, providing stakeholders access to issues of their concern.

The Company's website also simultaneously publishes various information, promoting two-way communication with internal and external stakeholders; we are committed to demonstrating our dedication to sustainable development and continuous improvement through the concrete action of publishing this report.

1.1.3 Scope and Boundaries

This report primarily discloses operations related to Sea Sonic Electronics Co., Ltd.[(Note)] (hereafter "Sea Sonic Electronics") based in Taiwan, and its manufacturing subsidiary, Dongguan Seasonic Electronic Co., Ltd. (hereafter "Dongguan Seasonic"). It includes some content from the sales-oriented associate Shenzhen Energy Power Electronics Co., Ltd. (hereafter "Shenzhen Energy Power"), Sea Sonic Electronics' U.S. subsidiary—officially Sea Sonic Electronics Inc. (referred to as "SSA"), Sea Sonic Electronics' European subsidiary—officially Sea Sonic Europe B.V. (referred to as "SSE"), and the information software services subsidiary Sea Sonic Energy Co., Ltd. (referred to as "Sea Sonic Energy").

The financial information and GHG emissions are consistent with the consolidated financial statements, ensuring that stakeholders can fully understand Sea Sonic Electronics' sustainability information. The scope of this data is disclosed in the notes of each section, based on the availability of information.

[Note] The data mentioned in this report for "Taiwan Headquarters" includes Sea Sonic Electronics Taiwan's main office and the Taoyuan warehouse.

1.1.4 Restatement of Information

As this is the first issuance of the report, there is no restatement of information.

1.1.5 Internal Control

This report is compiled by members of the company's ESG Initiative Team following the "Sustainability Report Preparation and Verification Procedures." The initial drafts, reviewed and approved by department heads, are consolidated by the Sustainability Department. Discussions and enhancements are made with external consultants, and non-financial data verification is conducted by the internal audit department. The final version is approved by the "Sustainability Committee."

1.1.6 External Assurance

To manage ESG-related issues, the Company established the "Sustainability Committee" in 2021, under which the "ESG Initiative Team" includes all department heads. To effectively integrate sustainability into operational mechanisms, significant themes are combined with annual operational goals in the sustainability report. The "ESG Initiative Team" is responsible for setting targets and verifying data, and the "Sustainability Committee" regularly reports the progress to the Board of Directors, at least once a year, to ensure the accuracy and completeness of the disclosed information.

After final approval by the "Sustainability Committee," the report is audited by SGS with a moderate assurance level Type 1 under AA1000 AS V3; for the assurance statement, refer to the appendix of the report.

1.1.7 Financial Data

The financial data in this report are from the consolidated financial statements audited and certified by Crowe (TW) CPAs.

1.1.8 Contact Information

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1.2 Sustainability Strategy and Performance

1.2.1 Message from the Management Team

We are pleased to share with you that Sea Sonic Electronics has issued its first "2023 Sustainability Report." The rapid development of globalization has caused disparities and confrontations, and amidst crises such as capitalism and climate change, understanding and meeting the demands and expectations of stakeholders is not an easy task. Through the disclosure in this report, we aim to make all stakeholders aware of Sea Sonic Electronics' commitment to ESG (Environmental, Social, and Governance) and engage in communication to ensure that our strategies and objectives are moving in the right direction.

"Continuously providing the most timely professional solutions for the information technology industry, and also developing suitable products for the retail market," is the corporate mission of Sea Sonic Electronics. As a professional manufacturer and leader in producing multipurpose switching power supplies, to strengthen corporate governance, we adhere to the regulatory requirement that companies listed on the stock exchange with less than NT$2 billion in capital must compile sustainability reports starting in 2025. Under the leadership of the Board of Directors, Sea Sonic Electronics initiated the project to compile the sustainability report in 2023, preparing and voluntarily issuing the report ahead of schedule; in response to the increasingly severe global climate change, countries are promoting carbon reduction regulations for enterprises. With Taiwan's unique position in the global electronics industry supply chain, it is imperative to collaborate with upstream and downstream value chains to reduce carbon emissions. Therefore, in 2021, we launched a greenhouse gas inventory across the group, incorporating sustainability transformation into our ESG governance as part of a comprehensive effort to reduce carbon emissions along the supply chain and foster a healthy sustainable development ecosystem.

Firstly, we established a sustainability governance structure. In 2021, we formed a Sustainability Committee at the board level and created the ESG Initiative Team under its jurisdiction. In 2023, we established a dedicated Sustainability Development Department, responsible for coordinating the company's sustainability development direction and objectives, promoting related tasks, and reporting the execution results to the board. We follow the global reporting frameworks required by the regulatory authorities, such as GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), and TCFD (Task Force on Climate-related Financial Disclosures), to manage financial impacts as well as the positive and negative effects on the economy, environment, and people (including human rights), capturing relevant potential risks and opportunities, and planning short, medium, and long-term objectives for significant topics. We also integrate these significant topics with the annual operational objectives of each business unit, actively rolling out ESG initiatives from top to bottom throughout the company, incorporating ESG management into individual KPIs, and linking these ESG performance achievements with compensation to encourage all levels of employees to integrate ESG into their daily work and strive towards the company's sustainability goals.

Environmentally, the Central Weather Administration stated that the global average temperature in 2023 reached a new high, making it the sixth warmest year in Taiwan's history. As global warming has become a trend, the frequency of extreme weather events may increase. Sea Sonic Electronics takes on the responsibility of carbon reduction, developing low-carbon products through innovative technology, ensuring energy efficiency, and complying with international energy standards. We continue to invest resources to provide more environmentally friendly, energy-saving, and high-efficiency power supplies. We not only improve energy efficiency in our operations but also help our customers reduce their carbon footprints, positioning ourselves as their ideal partners.

Employees are the most important assets of the company. We treat employees with integrity, following the Labor Standards Act, Gender

Equality in Employment Act, Occupational Safety and Health Act, and other relevant regulations to protect their legal rights. We strive to attract and retain talent in an increasingly competitive market, committed to creating a diverse, equal, and inclusive work environment, encouraging continuous learning and skill enhancement among our employees.

Socially, Sea Sonic Electronics has long focused on the development of the next generation and looks forward to their healthy and safe growth. Since 2021, we have initiated a fundraising campaign on International Children's Day, June 1st each year, to provide free lunches for elementary school students in impoverished areas. We also support computer classroom learning programs for rural children by donating core company products—power supplies—to help set up recycled computer classrooms, aiming to close the digital divide in society and contribute to our community and the next generation.

This is the first "Sustainability Report" publicly issued by Sea Sonic Electronics, and we sincerely thank all employees, the management team, and the board of directors for their comprehensive support in ESG efforts. Through the publication of this report, we enable stakeholders who are concerned about Sea Sonic Electronics to further understand and support us, encouraging us to persist with the principles outlined in this report as we stride confidently towards sustainable management.

Mr. LAN, CHIEN-TUNG,
President of Sea Sonic Electronics Co., Ltd.

Mr. CHANG, HSIU-CHENG,
Chairman of Sea Sonic Electronics Co., Ltd.

1.2.2 Sustainability Performance

Highlights of ESG Performance in 2023

Governance

- Sea Sonic Electronics ranked among the top 21-35% of public companies in the 10th Corporate Governance Evaluation.
- The consolidated revenue for 2023 was approximately NT$3.3 billion, a growth of 30.47% compared to 2022.
- Earnings per share for 2023 were NT$7.58, an increase of NT$1.95 from the previous year's NT$5.63.
- The proportion of female directors reached 28.57% in 2023, higher than the national data surveyed by the Taiwan Stock Exchange.
- In accordance with GRI 2021 standards, we voluntarily published our first sustainability report, also disclosing governance results in line with TCFD and SASB.
- No significant quality or safety incidents occurred with suppliers in 2023.
- In 2023, we established a TQRDCE evaluation system for suppliers, with 93.1% of new suppliers passing the environmental and social screening mechanisms.

Environmental

- The entire group adopted ISO 14064-1:2018 for greenhouse gas inventory, integrating climate risks into operational strategies to enhance the company's sustainability resilience.
- GHG emissions intensity (scope 1 + scope 2 emissions per million revenue) decreased by 10.11 compared to the previous year.
- Group energy intensity (total energy consumption per million revenue) decreased by 9.86% compared to the previous year.
- Waste recycling and management in 2023 fully complied with relevant local regulations, with no environmental violations occurring.
- In 2023, efforts to reduce environmental pollution included promoting digital product manuals to replace paper ones, reducing paper usage.

Social

- In 2023, an Information Security Team was established to enhance the group's cybersecurity awareness.
- The proportion of female managers was 38.46% of the total managerial positions in the group, ensuring fair opportunities for women in decision-making and leadership roles.
- In 2023, we introduced a Human Rights Policy, adhering to the labor laws and international human rights conventions of the locations where we operate, ensuring and implementing the legal rights of our employees.
- In 2023, approximately NT$220,000 was sponsored in the field of social inclusion.

Awards and Recognitions in 2023

1. Winner of the EHA 2023 Readers' Award

Sea Sonic Electronics is honored to be the 2023 European preferred power supply manufacturer – EHA 2023 Reader's Award, presented by the European Hardware Association (EHA), which is the largest market survey award in Europe. EHA consists of nine renowned European tech media, including Hardware.info from the Netherlands, io-Tech from Scandinavia, Geeknetic from Spain, Hardware Upgrade from Italy, HardwareLuxx from Germany, Cowcotland from France, Lab501 from Romania, PurePC from Poland, and KitGuru from the UK. EHA uses a fair and transparent voting system, collecting readers' preferences from various websites to determine the most popular hardware brand champions, holding significant prestige in the industry.

Sea Sonic Electronics remains committed to product development and technological innovation, continuously launching more attractive and sustainable products in the market, responding to the high regard European users have for Sea Sonic Electronics.

The award was accepted on behalf of Sea Sonic Electronics by Nils Stallmach, the European Channel Director.

2. EHA Award 2023 for Best PSU – PRIME TX Series

Sea Sonic Electronics' PRIME TX Series has been honored with the 2023 European Hardware Award for Best Power Supply Unit (PSU). This award recognizes the year's best PC component, assessed using the most advanced testing equipment and methods, undergoing numerous rigorous evaluations to provide more accurate and reliable data for PC products.

The flagship PRIME TX Series power supplies, certified with 80 PLUS® Titanium, showcase industry-leading expertise by integrating the latest technologies to support modern PC components. Achieving an ultra-high efficiency of 94% at 50% system load, these power supplies are more powerful than ever, suitable for the most demanding computer systems, and provide continuous, ultra-stable, and highly efficient power. This series also features new models supporting the ATX 3.0 specification with PCIe 16 Pin 12VHPWR connectors, meeting the power requirements of next-generation computers with more reliable and stable solutions.

3. MagFlow Series Fan Hexagon Box Packaging Wins 2023 iF Design Award

The iF Design Award is one of the world's most prestigious design competitions, and Sea Sonic Electronics' MagFlow series fan hexagon box packaging design has been honored with the 2023 iF Design Award. Recognizing the critical importance of proper cooling for power supplies and PC systems, Sea Sonic introduced the Magflow fan. The design showcases the product's core feature - magnetic attraction. The MagFlow fan also received the 2022 Red Dot Design Award and iF Design Award.

The hexagon box's design, inspired by the magnetic attraction concept of the fan itself, incorporates the magnetic concept into the packaging structure, considering impact protection, product display, and environmental considerations. This unique structure enhances interaction with consumers, offering a complete unboxing experience from packaging to product itself. The MagFlow fan, targeting the high-end consumer segment within the gaming market, simplifies the installation process through its magnetic structure and enhances the material of blades and hub, meeting the expectations of its target market with innovative functionality and enhanced performance.

4. Awarded the 2023 D&B ESG Registered

In 2023, Sea Sonic Electronics completed the D&B ESG self-assessment, aligning with six major international sustainability standards (SASB, GRI, TCFD, UN SDGs, UN PRI, CDP) and achieved the D&B ESG Registered, affirming Sea Sonic's transparent ESG data disclosure and focus on ESG initiatives, aiding in enhancing the competitive edge in business operations.

5. Awarded the 2023 JD.com Digital Department Outstanding Partner Award

With high-efficiency products and commitment to sustainable development and supply chain excellence, Sea Sonic Electronics stood out among over 100 competing brands to win the JD.com Digital Department Outstanding Partner Award. This accolade not only highlights Sea Sonic's leadership in technological innovation and environmental responsibility but also symbolizes the high regard and trust consumers and JD place in its brand value, reflecting the market's continuous pursuit of high-quality, reliable, and sustainable products.

6. Awarded the 2023 'Best Brand' in Traditional and Gaming Power Supplies

Born to provide high-quality performance power supplies and shining as a leading brand in Taiwan, Sea Sonic Electronics has won the 'Best Brand' in the categories of Traditional and Gaming Power Supplies at the "PCDIY! Best Brand Awards 2023 & ITMan! Enterprise Brand Survey".

1.3 Stakeholder Engagement

1.3.1 Material Topic Assessment Process

Sustainability Committee

To concretely implement corporate social responsibility, Sea Sonic Electronics established the "Sustainability Committee" under the Board of Directors in 2021 and formulated the "Sustainability Committee Charter." An independent director serves as the convener to implement corporate social responsibility and achieve the concept of sustainable management.

The Sustainability Committee oversees the ESG Initiative Team, chaired by the Director of General Management Department, supervising four working groups: the Risk Management Team, Climate Change Team, Greenhouse Gas Inventory Team, and Information Security Team. Composed of the company's senior managers, the ESG Initiative Team is responsible for setting ESG material topic strategies, annual plans, and activity outcomes. The Company has a dedicated unit, the "Sustainability Development Department," serving as the general secretariat of the committee, responsible for communicating and coordinating with various working groups and promoting sustainability-related affairs across the company.

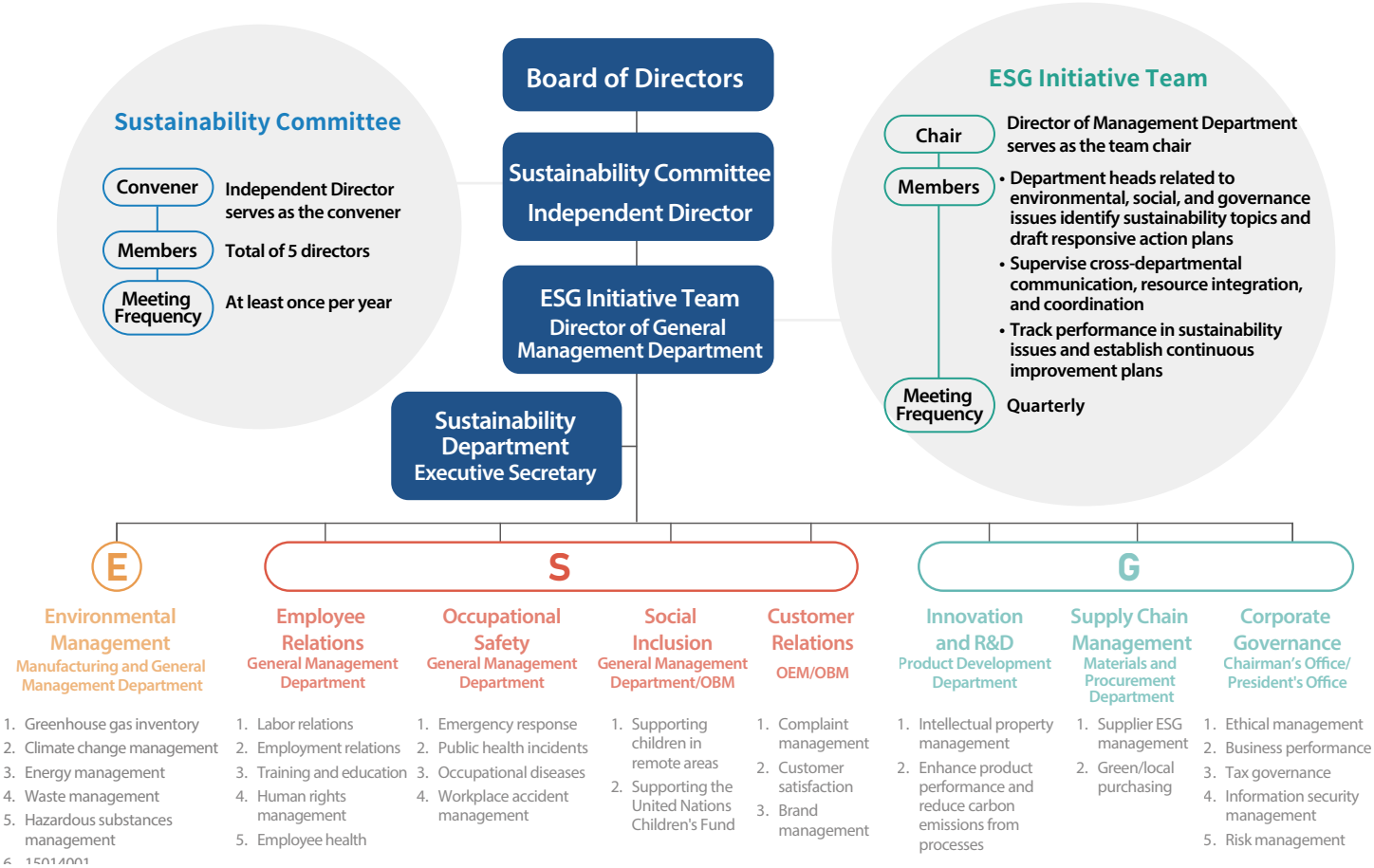
The ESG Initiative Team holds at least one regular meeting and several ad-hoc meetings quarterly to oversee interdepartmental communication, resource integration, and coordination, as well as tracking the performance of sustainability issues in various aspects, establishing continuous improvement plans. In 2023, four ESG Initiative Team meetings were held, deciding on stakeholder issues, setting sustainability goals for 2023 and medium to long-term objectives, and reporting ESG-related issues to the Sustainability Committee. A total of 9 proposals were reported to the Board of Directors, including 7 discussions and 2 reports.

Sea Sonic Electronics Sustainability Governance Structure

Members: All first level executives

Effective Date: January 26, 2024

Sustainability Committee Organizational Chart



Implementing Sustainable Governance in accordance with ESG regulations

To practice ESG and respond to stakeholder concerns about ESG, Sea Sonic Electronics initiated two major sustainability projects in 2023:

- Greenhouse gas inventory disclosure in the May 2024 annual report
- Sustainability report release at the June 2024 shareholders meeting

Through the operation of the Sustainability Committee, we review the risks and opportunities of company operations, incorporate ESG into the annual operational plan, set ESG goals for various job levels, and integrate them with operational activities. Through the promotion of these two major sustainability projects, we conduct related educational training, enhance the ESG knowledge of senior managers and implementers, and from top to bottom, implement corporate optimization and enforce various ESG policies to collectively address key corporate ESG issues.

In 2023, a total of 42 individuals participated in internal sustainability-related courses, accumulating 1,045 hours of training.

Additionally, senior executives are assigned to external training to obtain certifications in ESG reporting and carbon management, leading the company in practicing ESG goals and deepening the culture of sustainable governance.

Sustainability Issue Management Process

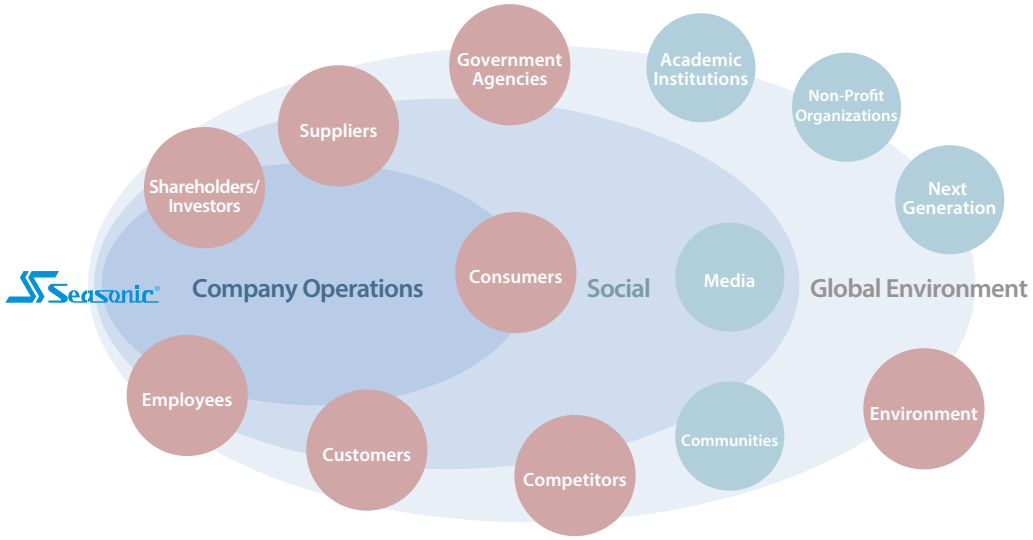
Materiality Analysis

Sea Sonic Electronics follows the disclosure principles of "GRI 3: Material Topic Disclosure 2021" from the GRI Standards, establishing a five-step process to confirm the level of stakeholder interest in sustainability issues and to assess the significant impact of these issues on Sea Sonic Electronics' overall economic, environmental, social, and people (including human rights) aspects. This comprehensive review of sustainability strategy planning and effectiveness forms the basis for information disclosure in this report. Sea Sonic Electronics incorporates this process into daily activities, regularly identifying and assessing impacts as required by GRI standards, and engaging with relevant stakeholders and experts to ensure that material topics genuinely represent our most significant impacts each year.

Step 1: Identify Stakeholders

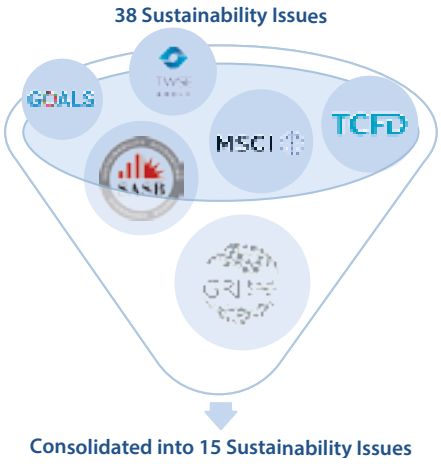
Sea Sonic Electronics uses the five principles of identification established by the global nonprofit organization AccountAbility's AA1000 SES (AA1000 Stakeholder Engagement Standards), including dependency, responsibility, tension, influence, and diverse perspectives. Initially, members of the ESG Initiative Team fill out a stakeholder identification questionnaire to identify those individuals or groups that are contacted or potentially impacted in daily departmental activities, resulting in a comprehensive list of thirteen stakeholder categories: employees, customers, suppliers/contractors, government agencies, consumers, investors/shareholders, environment, competitors, future generations, media, academic institutions, community/neighbors, and nonprofit organizations.

After committee discussions, it was resolved that employees, customers, suppliers/contractors, government agencies, consumers, investors/shareholders, environment, and competitors are the eight main stakeholder categories for Sea Sonic Electronics.



Step 2: Understand the Sustainability Context

Sea Sonic Electronics refers to the electronic components index of the ESG rating agency MSCI, international sustainability standards and regulations (GRI, TCFD, SASB Electronics and Electricals Metrics), United Nations Sustainable Development Goals (SDGs), Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies, industry-focused issues, and company-specific topics collected through daily operational activities and communications with stakeholders, identifying a total of 38 sustainability issues.



The committee members, together with external consultant advice, discuss and determine the importance of each issue to Sea Sonic Electronics. After excluding general disclosure items under G2, the final decision was made to set a threshold of 3 points in importance, incorporating all SASB industry-specific topics and company-specific issues, ultimately consolidating the issues into 15 main topics.

Step 3: Identify Material Topics

Survey External Stakeholder Concerns

- Sea Sonic Electronics captures stakeholder concerns through daily operational activities and also understands the main stakeholders' level of interest in various sustainability issues through surveys. In 2023, a total of 87 valid questionnaires were collected, with a response rate of 93%. We listen to stakeholders' voices, respond to their concerns about the company, and meet their expectations.
- Survey period: 2023/08/07 - 2023/08/22

Assess the Impact of Sustainability Issues

Each unit conducts an impact assessment, evaluating the actual/potential impact and timeframe of each issue, and quantitatively assessing the economic, environmental, and social impacts based on the "frequency of occurrence" and "impact level" defined by Sea Sonic Electronics' risk management. Scores for positive/negative impacts on the economy, environment, and people (including human rights) are compiled to determine the significance of the impacts.

- "Impact Duration": short-term (1-3 years), medium-term (3-5 years), long-term (5-10 years)
- Levels of "Occurrence Frequency" are defined from low to high as: highly likely, more likely, possible, unlikely.
- Levels of "Impact Degree" and "Scope and Extent of Impact" are defined from low to high as: mild, moderate, significant, major.

Identify the Degree of Positive/Negative Impacts of Sustainability Issues

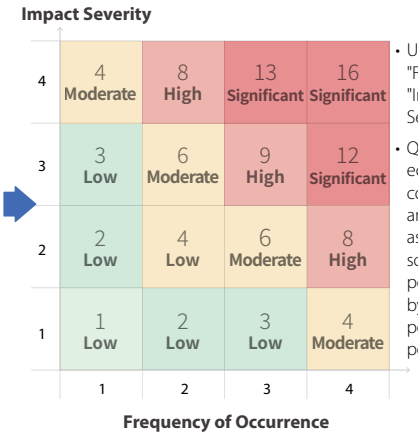
After compiling the assessments from various departments and considering the commonalities of positive/negative impact assessments and subsequent management plans, 19 issues are initially consolidated to 15, then focused on materiality. The committee has set a threshold score of 5 for negative impacts and 6 for positive impacts.

19 Issues

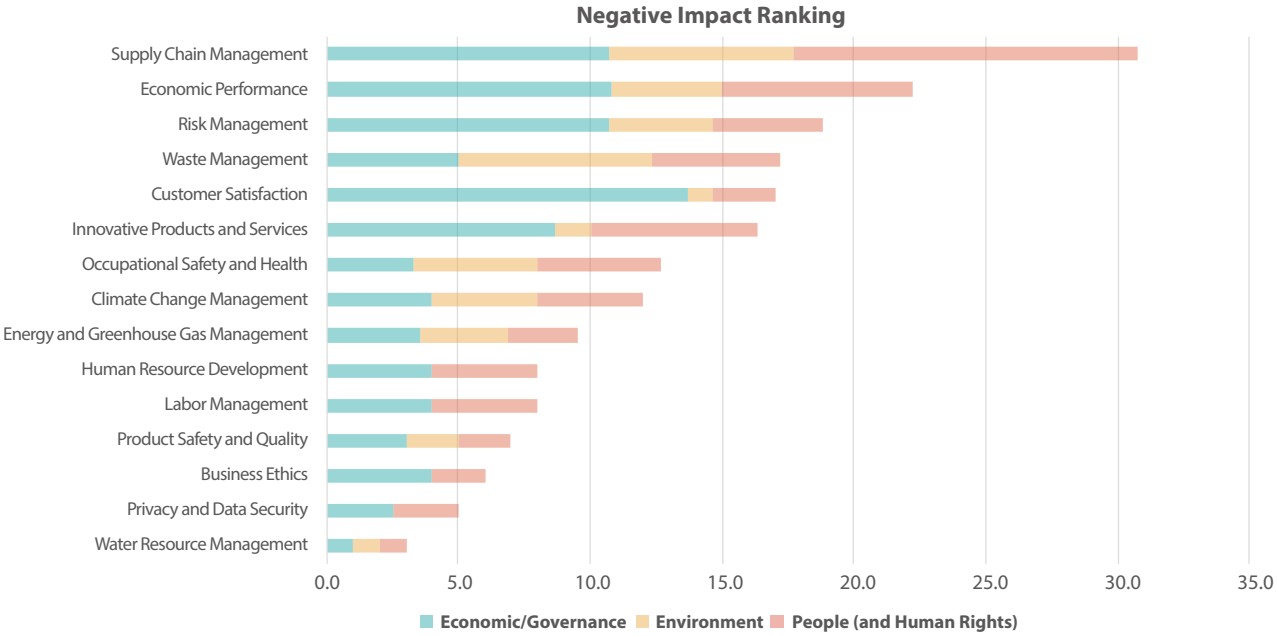
Issues	Economic Aspects	Environmental Aspects	People (including Human Rights)
Corporate Governance			
Business Ethics			
Customer Relationship Management			
[The rest are omitted]			

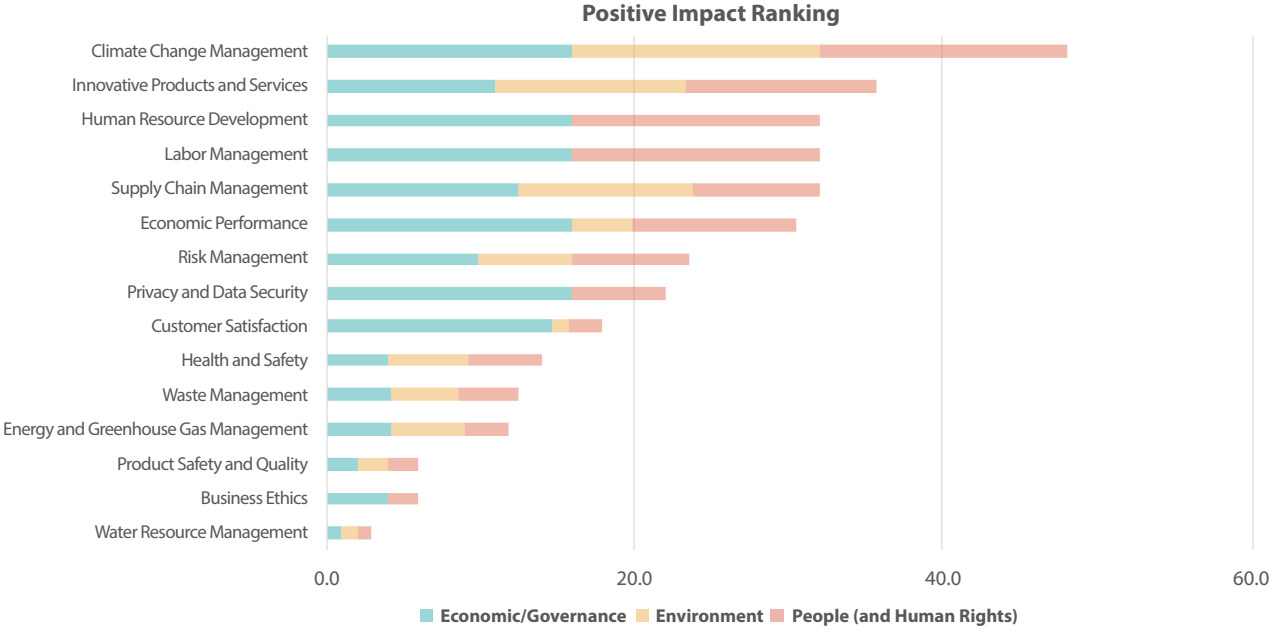
Positive/Negative Impact Assessment

- Assess the degree of positive/negative impacts of sustainability issues on the economy, environment, and people (including human rights).



- Using the definitions of "Frequency of Occurrence" and "Impact Severity" as defined by Sea Sonic Electronics.
- Quantitatively assess the economic aspects by considering financial impact amounts, the environmental aspects by considering the scope of regional impacts, and people (including human rights) by considering the impact on personnel injuries/benefits to people.





Step 4: Establish Material Topics

Based on the analysis above, the management team considers:

SASB industry metrics, company-specific issues, stakeholder-concerned issues, organizational operational directions such as sustainability vision, issues related to operational sites, controllability, and marginal benefits of various issues, and ultimately decides to disclose a total of 11 issues as follows:

- 6 material topics: in order, "Innovation in Products and Services," "Risk Management," "Economic Performance," "Supply Chain Management," "Human Resources Development," and "Energy and Greenhouse Gas Management," disclosed according to GRI standards.
- 5 secondary topics: considering the impact of other issues on Sea Sonic Electronics' operations economically, environmentally, and socially, the topics "Business Ethics," "Climate Change Management," "Waste Management," "Occupational Safety and Health," and "Product Safety and Quality" are categorized as secondary disclosure topics.

No.	Major Topics	Consideration Factors						Major Topic Disclosure	Secondary Topic Disclosure	Disclosure Sections
		SASB Industry	Company-specific Issues	Stakeholder Concern	Negative Impact	Positive Impac	Organizational Operational Direction			
1	Innovation in Products and Services	***	***	***	**	***	*****	•		3.1 Product Services
2	Risk Management		***	***	***	**	****	•		2.5 Risk Management
3	Economic Performance			**	***	**	****	•		2.3 Economic Performance
4	Supply Chain Management	***		*	**	*	****	•		4.2 Supply Chain Management
5	Human Resources Development			**	*	***	*****	•		6.3 Diversity Development
6	Energy and Greenhouse Gas Management	***		*	**	*	***	•		5.2 Energy Governance/ 5.3 Emission Monitoring
7	Product Safety and Quality	***	***	***	*	*	***		○	3.2 Product Health and Safety
8	Business Ethics	***		***	*	*	**		○	2.4 Responsible Business Practices
9	Waste Management	***		**	***	*	*		○	5.5 Waste Management
10	Occupational Safety and Health			***	***	***	*		○	6.4 Workplace Safety
11	Climate Change Management			*	**	***	*		○	2.6 Climate Action

Note:
SASB Industry: ***
Company-specific Issues: ***
Stakeholder Concern: ***: > 3.82, **: 3.8 – 3.63, *: < 3.61
Negative Impact: ***: >17, **: 17 – 9.5, *<8
Positive Impact: ***: >30, **: 24 – 14, * : <12.5
Organizational Operational Direction: Decided by the ESG Initiative Team

Significance of Impact on Material Topics

○ Causing Impact; ✱ Contributing Impact; ● Direct Impact

Aspects	Material Topics	Level of External Stakeholder Concern	Impact Identification				Procurement	Operational Stage					Product Use		Negative Impact Scores			Positive Impact Scores		
			Actual	Potential	Positive/ Negative Impact	Impact Duration	Suppliers	Shareholders/ Investors	Government Agencies	Employees	Environment	Competitors	Customers	Consumers	Economy	Environment	People and Human Rights	Economy	Environment	People and Human Rights
Governance/ Economic	Economic Performance	3.78	V		Both	Longer	○/●	○/✱	✱	✱/●	✱	○/●/✱	○/●/✱	○/✱	10.8	4.2	7.2	16.0	3.8	10.6
	Innovation in Products and Services	3.82	V		Both	Shorter	●	✱/●	✱	✱/●	○/✱	○/●/✱	○/●/✱	○/●/✱	8.7	1.3	6.3	11.0	12.3	12.3
	Risk Management	3.89	V		Both	Shorter	○/●/✱	✱/●	✱	✱/●	✱	○/●/✱	○/●/✱	○/●/✱	10.7	3.9	4.2	9.9	6.1	7.6
	Supply Chain Management	3.65	V		Both	Longer	●	N/A	N/A	✱	○/✱	✱	✱	✱	10.8	7.0	13.0	12.5	11.3	8.3
Environmental	Energy and Greenhouse Gas Management	3.48	V		Both	Shorter	○/●	○/✱	○/✱	✱/●	✱/●	○/●/✱	○/●/✱	○/●/✱	3.6	3.3	2.6	4.3	4.6	2.9
Social	Human Resources Development	3.66	V		Both	Longer	○/●/✱	●	●	✱	N/A	✱	✱	✱	4.0	0.0	4.0	16.0	0.0	16.0

Material Topic Risks and Opportunities

Aspects	Material Topics	Responsible Units	Impact on Operations	
			Risks	Opportunities
Governance/ Economic	Economic Performance	Business Units	• Market competitiveness and market shares are crucial for brand survival; diversification can lead to excessively high costs due to lack of experience, reducing market competitiveness. • Venturing into new areas may increase business volume and performance pressure, leading to overtime and extended working hours for employees.	• Collaborating with more brands strategically to increase market share and generate revenue. • Optimizing production planning and inventory management systems to reduce inventory costs. • Advancing electronic processes to improve operational efficiency and reduce long-term overtime. • Attracting talent through economic performance and optimizing compensation and benefits, sharing operational success with employees.
	Innovation in Products and Services	Product Development Department/ Manufacturing Department/ Sales and Marketing Department	• Delays in product launches or failures directly affect the company's revenue and future development, resulting in loss of competitiveness. • Carbon emissions from energy consumption and equipment use in the production process.	• Implementing strategic policies and periodic reviews in management to ensure timely product launches and sustainable company growth. • Reducing energy consumption and working hours through innovative process design, thereby lowering carbon emissions from production. • Promoting digital user manuals to replace paper manuals, reducing paper usage.

Material Topic Risks and Opportunities

Aspects	Material Topics	Responsible Units	Impact on Operations	
			Risks	Opportunities
Governance/ Economic	Risk Management	Sales and Marketing Department/ Manufacturing Department Global Logistics Department/ General Management Department	• Failures in new product development or delays affect the company's revenue and future development, undermining competitiveness with suppliers and customers, and eroding brand confidence. • Severe market fluctuations increase the difficulty of inventory control, leading to issues like stagnant inventory and low turnover rates, which may cause environmental impacts and supply chain disruptions. • The company's products are primarily quoted in US dollars or RMB; exchange rate fluctuations significantly impact profitability.	• Strengthening sales forecasts and production coordination to integrate production and sales, shortening preparation times and increasing turnover rates. • Ensuring timely product launches and revitalizing supply chains in response to material shortages for sustainable development. • Implementing risk management and complying with internal control regulations, establishing mechanisms for negotiating exchange rate fluctuations with customers and vendors.
	Supply Chain Management	Global Logistics Department	• Material supply shortages or interruptions or quality issues may cause factory shutdowns and operational crises, failing to meet customer demands and breaching delivery commitments. • Exclusive agency suppliers may cause stockouts or limit cost negotiation flexibility. • Suppliers' labor management may not ensure workers' rights, violating human rights and local regulations.	• Establishing backup mechanisms for alternative material suppliers to ensure stable material supply, avoid stockouts, and reduce costs. • Establishing supplier evaluation and audit systems to ensure comprehensive supplier management and corporate social responsibility implementation with suppliers.
Environmental	Energy and Greenhouse Gas Management	General Management Department	• Carbon taxes and fees impacting operational costs due to energy use and greenhouse gas emissions in response to various national carbon tax schemes. • Difficulties in obtaining upstream supply chain carbon emission data reduce the company's competitiveness. • Replacing energy-consuming equipment increases costs. • Implementing green materials increases costs.	• Carbon taxes and fees impacting operational costs due to energy use and greenhouse gas emissions in response to various national carbon tax schemes. • Difficulties in obtaining upstream supply chain carbon emission data reduce the company's competitiveness. • Replacing energy-consuming equipment increases costs. • Implementing green materials increases costs.

Material Topic Risks and Opportunities

Aspects	Material Topics	Responsible Units	Impact on Operations	
			Risks	Opportunities
Social	Human Resources Development	Human Resources and Administration Department	• Recruiting industry-specific professionals is challenging, affecting the company's sustainable operations and profitability. • If competitive compensation and benefits are not offered, talent loss may occur, negatively affecting talent development.	• Linking performance with compensation, establishing fair, objective, reasonable, and competitive compensation and benefits systems, fostering a performance-oriented workplace culture. • Providing a fair, reasonable, and competitive workplace environment and remuneration policy, offering learning courses to increase employee retention. • Integrating industry-academic cooperation to deepen R&D capabilities and talent development, enhancing employee salaries and benefits.

Step 5: Setting Objective Management

Each responsible unit should refer to the risks and opportunities of significant themes to establish policies/commitments and short-, medium-, and long-term goals. These should be integrated with annual operational goals and routine management operations, and fully disclosed in this report. Through the compilation of this sustainability report, not only is the management direction of Sea Sonic Electronics in sustainable operation fully presented, but internal operational processes are also improved, enhancing Sea Sonic Electronics' sustainability.

Environmental

Energy and Greenhouse Gas Management

Promote energy-saving management as a strategic and motivational aspect of sustainable business operations.
Implement intelligent management to achieve energy-saving performance.

Social

Human Resource Development

Create a healthy, friendly, equal, and harmonious workplace environment.
Enhance training systems and professional knowledge and skills of colleagues.

Governance

Economic Performance

Enhance market expansion to boost brand competitiveness and strengthen financial structure and cost control for profitable growth towards sustainability.

Risk Management

Establish risk management procedures and form a risk management team, identifying, measuring, monitoring, and controlling major risks (inventory, supply chain, and exchange rate risks) to reduce asset loss and operational risks.

Innovative Products and Services

Dedicated to developing eco-friendly, energy-efficient products to enhance the performance across the full range of power supplies, providing customers with new value and becoming a provider of high-quality products and solutions.

Supply Chain Management

Sea Sonic Electronics focuses on supplier technology, quality, responsiveness, delivery, environmental conservation, and cost, while collaborating with supply chain partners to implement ESG sustainable development and establish

Responding to SDGs

The United Nations proposed the Sustainable Development Goals (SDGs) in 2015, aiming to achieve these goals by 2030 through the joint participation of governments, businesses, and citizens globally. Sea Sonic Electronics is committed to the SDGs, integrating these goals into the company's sustainability strategies and operational activities. We consider the entire business operation process, from research and development, raw material procurement, product manufacturing, transportation, sales, usage, to disposal, incorporating SDGs considerations. By publishing the sustainability report, we demonstrate to stakeholders our dedication to achieving the SDGs and our results.

Aspects	SDGs Goals	Sea Sonic Electronics' Sustainability Initiatives	Corresponding Topics
E		• Improving energy efficiency • Reducing waste • Curbing operations that contribute to global warming.	• Energy and Greenhouse Gas Management • Waste Management • Climate Change Management
S		• Increasing per capita training hours • Creating a healthy workplace environment • Providing high-quality, safe, and energy-efficient products	• Human Resources Development • Occupational Safety and Health • Product Safety and Quality
G		• Enhancing productivity and revenue through innovative products • Employing clean, energy-saving, and environmentally friendly industrial processes • Regularly assessing risks to reduce asset loss • Co-existing prosperously with suppliers • Integrating honesty and ethical values into the company's management strategies	• Economic Performance • Innovation in Products and Services • Risk Management • Supply Chain Management • Business Ethics

Material Topics Short, Medium, and Long-term Goals Management Table

Material Topics: Economic Performance SDGs Compliance: SDG8	2023 Annual Goals	Monitoring and Evaluation Mechanism	2023 Performance	Performance Achievement
GRI Standards Topics 201-1 Direct economic value generated and distributed **Resource Allocation** 1. Participate in exhibitions, organize product launches, and engage in online and offline marketing activities and media management to enhance brand awareness. 2. Plan promotional activities to strengthen market expansion and increase market share. 3. Timely market entry for new products. **Communication Channels** Various departments/ senior management/ Sustainability Committee	1. Increase product portfolio to generate revenue and optimize gross margin structure to achieve the company's operational goals: Budgeted sales revenue achievement rate: 100%	Sustainability Committee/ Internal Audit/ Audit Committee/ Accountant audit verification	1. Budgeted sales revenue achievement rate: 126.66%	V
	2. Revenue growth compared to 2022: 10%		2. Revenue growth compared to 2022: 30.47%	V
	2024 Goals	**2026 Goals**	**2030 Goals**	
	Continue to strengthen the product mix, increase competitive advantage. Plan and formulate financial integration strategies to continuously pursue profit and growth: 1. Budgeted sales revenue achievement rate: 100%	Continuous innovation in products, enhancing competitiveness through internal and external resource integration.	Strengthen corporate governance, maintain good relations with investors. Keep pace with market trends, customer-oriented, pursue sustainable company operations.	

Material Topics: Risk Management SDGs Compliance: SDG16	2023 Annual Goals	Monitoring and Evaluation Mechanism	2023 Performance	Performance Achievement
GRI Standards Topics Sea Sonic Electronics Specific Topics **Resource Allocation** The risk management team regularly reviews and identifies risk events, prioritizes risks, drafts risk management plans, reports to the Sustainability Committee, and presents annual updates to the Board of Directors. **Communication Channels** Risk Management Team/ Relevant Departments	Annual reporting to the Sustainability Committee and the Board of Directors	Meeting records of the Sustainability Committee and Board of Directors	Risk assessments and progress reports conducted on 2023.03.21 and 2023.11.09	V
	2024 Goals	**2026 Goals**	**2030 Goals**	
	Include risk management items in key goal management:	Host risk management courses with a completion rate exceeding 90% of employees included in the consolidated financial statements (excluding direct staff).	Evaluate risk management countermeasures, reassess residual risks, and continue risk monitoring and control:	

Material Topics: Innovative Products and Services SDGs Compliance: SDG9	2023 Annual Goals	Monitoring and Evaluation Mechanism	2023 Performance	Performance Achievement
GRI Standards Topics Sea Sonic Electronics Specific Topics **Resource Allocation** 1. Plan and establish a "Patent Application Platform" to capitalize on the commercial value of patents. 2. Innovation R&D expenditure as a percentage of total revenue: 1.5~3%. 3. Invest in green materials and packaging. **Communication Channels** Company internal and external websites/ departmental communication and meetings	1. Innovation R&D expenditure as a percentage of total revenue: >1.5%	Monthly meetings/ R&D meetings	1. Innovation R&D expenditure as a percentage of total revenue: 1.66%	V
	2. Training for R&D personnel: At least 20 hours per person		2. Training for R&D personnel: 23.37 hours per person	V
	3. Innovative technology patent applications: At least 5		3. Innovative technology patent applications: 10	V
	4. Innovative process design, reduce working hours: More than 10%		4. Innovative process design, reduced working hours: 10.7%	V
	2024 Goals	**2026 Goals**	**2030 Goals**	
	1-1 New energy-saving products launched: More than 10 1-2 Innovation R&D expenditure as a percentage of total revenue: >2% 2. Training for R&D personnel: At least 25 hours per person 3. Innovative technology patent applications: At least 5 4. Innovative process design, reduce working hours by more than 12% 5. Plan to use FSC-certified sustainable forest paper materials, reduce greenhouse gas emissions	1-1 New energy-saving products launched: More than 10 1-2 Innovation R&D expenditure as a percentage of total revenue: >2% 2. Training for R&D personnel: At least 25 hours per person 3. Innovative technology patent applications: At least 5 4. Innovative process design, reduce working hours by more than 15% 5. Continue to optimize packaging material integration to reduce transportation volume or carbon emissions	1-1 New energy-saving products launched: More than 10 1-2 Innovation R&D expenditure as a percentage of total revenue: >3% 2. Training for R&D personnel: At least 25 hours per person 3. Innovative technology patent applications: At least 5 4. Innovative process design, reduce working hours by more than 20% 5. Continue to optimize packaging material integration to reduce transportation volume or carbon emissions	

Material Topics: Supply Chain Management SDGs Compliance: SDG12 & 17	2023 Annual Goals	Monitoring and Evaluation Mechanism	2023 Performance	Performance Achievement
GRI Standards Topics 308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria **Resource Allocation** 1. Establish supplier evaluation and audit systems, guide suppliers to implement corporate social responsibility, strategically cooperate with key manufacturers and subcontractors, reduce the proportion of self-capacity, and achieve maximized revenue under optimal operational scales. 2. Enhance research and development on the environmental performance of products, ensuring compliance with relevant regulatory requirements. **Communication Channels** Agents/ Brand Owners/ Suppliers/ Subcontractors	1. Establish a supplier TQRDCE assessment system	TQRDCE[Note 3] Scorecard Regular procurement meetings	1. Completion of the supplier TQRDCE assessment system	V
	2. Annual supplier audits: 15 companies		2. Annual supplier audits: 23 companies	V
	3. Host an annual supplier conference		3. Hosted an annual supplier conference	V
	2024 Goals	**2026 Goals**	**2030 Goals**	
	1. Implement annual supplier TQRDCE self-assessment: 100% recovery rate achieved 2. Annual supplier audits: 25 companies 3. Host annual supplier conferences: once every two years	1. Implement annual supplier TQRDCE self-assessment: 100% recovery rate achieved 2. Annual supplier audits: 30 companies 3. Host annual supplier conferences: once every two years	1. Implement annual supplier TQRDCE self-assessment: 100% recovery rate achieved 2. Annual supplier audits: 35 companies 3. Host annual supplier conferences: once a year	

Material Topics: Human Resource Development SDGs Compliance: SDG4	2023 Annual Goals	Monitoring and Evaluation Mechanism	2023 Performance	Performance Achievement
GRI Standards Topics 404-1 Average hours of training per year per employee **Resource Allocation** 1. Conduct internal training. 2. Subsidize costs for external training. 3. Upgrade training facilities. 4. Provide educational assistance for employees' children. 5. Implement e-learning educational training programs. **Communication Channels** Course Notifications Supervisor Meetings Department Meetings	Average training hours per employee[Note 4]: 10 hours	Training Satisfaction Survey Training Reports	Average training hours per employee: 19.41 hours	V
	2024 Goals	**2026 Goals**	**2030 Goals**	
	1. Average training hours per employee: 11 hours 2. Acceptance rate of job offers[Note 5]: 70% 3. Participation rate in e-learning educational training programs: 20%	1. Average training hours per employee: 12 hours 2. Acceptance rate of job offers: 75% 3. Participation rate in e-learning educational training programs: 30%	1. Average training hours per employee: 15 hours 2. Acceptance rate of job offers: 80% 3. Participation rate in e-learning educational training programs: 50%	

Material Topics: Energy and Greenhouse Gas Management SDGs Compliance: SDG7	2023 Annual Goals	Monitoring and Evaluation Mechanism	2023 Performance	Performance Achievement
GRI Standards Topics 302-1 Energy consumption within the organization 302-3 Energy intensity 305-1 Direct (Scope 1) greenhouse gas emissions 305-2 Energy indirect (Scope 2) greenhouse gas emissions 305-3 Other indirect (Scope 3) greenhouse gas emissions 305-4 Greenhouse gas emissions intensity **Resource Allocation** 1. Gradually replace facilities/equipment with energy-efficient and carbon-reducing environmentally friendly alternatives, including energy-efficient lighting. 2. Regular maintenance of air conditioning equipment to maintain high efficiency. 3. Advocate for setting indoor air conditioning temperatures at an optimal 26°C, considering different solar exposures and thermal loads, and install curtains and insulation films as appropriate. 4. Utilize recycled materials and green packaging. 5. Encourage the use of public transportation by employees with incentive measures. 6. Implement greenhouse gas inventory coaching. **Communication Channels** Greenhouse Gas Inventory Team	1. Annual greenhouse gas inventory: Promote greenhouse gas inventory within the scope of the consolidated financial statements.	Annual Greenhouse Gas Inventory Report	1. Completed greenhouse gas inventory in 2023 Internal inventory within the scope of the consolidated financial statements	V
	2. Group energy intensity: Below 2.5		2. Group energy intensity: 2.56	X
	3. Greenhouse gas emissions intensity: Below 0.43		3. Greenhouse gas emissions intensity: 0.43	V
	4. Reduction in greenhouse gas emissions (Scope 1 and Scope 2): 1% reduction from the 2021 baseline		4. Reduction in greenhouse gas emissions (Scope 1 and Scope 2): 26.70% reduction from the 2021 baseline	V

2024 Goals	2026 Goals	2030 Goals
1. Annual greenhouse gas inventory: Continue to promote the greenhouse gas inventory within the scope of the consolidated financial statements. 2. Group energy intensity: Below 2.5 3. Greenhouse gas emissions intensity: Below 0.43 4. Reduction in greenhouse gas emissions (Scope 1 and Scope 2): 1% reduction from the 2021 baseline 5. Dongguan Seasonic plans to optimize the burn-in room energy recovery scheme from 2024 to 2026 6. Dongguan Seasonic plans to implement the ISO50001 energy management system in 2024	1. Annual greenhouse gas inventory: Continue to promote the greenhouse gas inventory within the scope of the consolidated financial statements. 2. Group energy intensity: Below 2.5 3. Greenhouse gas emissions intensity: Below 0.43 4. Reduction in greenhouse gas emissions (Scope 1 and Scope 2): 1% reduction from the 2021 baseline 5. Dongguan Seasonic plans to continue optimizing the burn-in room energy recovery scheme	1. Annual greenhouse gas inventory: Continue to promote the greenhouse gas inventory within the scope of the consolidated financial statements and external verification. 2. Group energy intensity: Below 2.5 3. Greenhouse gas emissions intensity: Below 0.43 4. Reduction in greenhouse gas emissions (Scope 1 and Scope 2): 1% reduction from the 2021 baseline 5. Dongguan Seasonic plans to install solar power generation by 2030

Note 1: V indicates the performance is met; X indicates the performance is not met.
Note 2: For targets not met, refer to the section corresponding to the Material Topic for an explanation.
Note 3: TQRDCE Scorecard: T: Technology / Q: Quality / R: Responsiveness / D: Delivery / C: Cost / E: Energy Saving
Note 4: Average training hours per employee are calculated across the entire group.
Note 5: Acceptance rate of job offers = number of actual arrivals / number of job offers issued

Stakeholder Communication Overview

Stake-holders	Importance to Business Operations	Concerning Topics	Communication Methods and Channels	Communi-cation Frequency	2023 Response Results
Employees	Employees are the driving force behind the company's growth. Through full cooperation among departments, we enhance our competitiveness while prioritizing the working environment and welfare of our employees, valuing human rights, treating employees well to gain their trust, and increasing their loyalty.	• Labor Relations • Human Resource Development • Occupational Health and Safety	• Providing welfare benefits • Conducting educational training • Promoting occupational safety activities	• Irregular • Irregular • Irregular	• Refer to section 6.2.2 for welfare measures • Refer to section 6.3.1 for training and development • Refer to section 6.4.1 for occupational health and safety management
Customers	We assess whether our products or services meet customer needs, maintain good relationships with customers, and ensure a steady source of orders.	• Customer Satisfaction • Innovation in Products and Services • Product Safety and Quality	• Customer satisfaction surveys • Launching new products • Customer service center complaint handling	• Once a year • Irregular • Irregular	• Refer to section 3.2.1 for product quality management • Refer to section 3.1.1 for innovation in products and services • Refer to section 3.2.1 for product quality management
Suppliers/ Contractors	The company outsources part of its production activities; therefore, we have a supervisory responsibility over our partners. We strengthen cooperation with suppliers to foster mutually beneficial relationships and create win-win strategies.	• Supplier Management • Occupational Health and Safety • Product Safety and Quality	• Supplier monitoring and evaluation mechanisms • Workplace safety announcements • Incoming goods management	• Twice a year • Irregular • Irregular	• Refer to section 4.2.1 for supplier management policy • Refer to section 6.4.1 for occupational health and safety management • Refer to section 3.2.1 for product quality management
Consumers	Sea Sonic Electronics provides technical support services through its own brands, addresses consumer rights complaints, enhances post-sale service satisfaction, and protects consumer rights.	• Product Safety and Quality • Customer Satisfaction • Privacy and Data Security	• Technical support email/ telephone service/ Facebook page • Customer satisfaction surveys • Assessing cybersecurity and network risks	• Irregular • Once a year • Once a year	• Refer to section 3.2.1 for product quality management • Refer to section 3.2.1 for product quality management • Refer to section 2.7.1 for cybersecurity management policy
Government Agencies	Compliance with laws is a fundamental principle of business operation. We strengthen governance capabilities, thereby improving business management and competitiveness.	• Business Ethics • Risk Management • Climate Change Management	• Internal and external educational training • Annual risk assessment • Climate change risk and opportunity assessment	• Irregular • Once a year • Once a year	• Refer to section 2.4.1 for ethical business practices • Refer to section 2.5 for risk management • Refer to section 2.6 for climate action
Investors/ Shareholders	When making investment decisions or managing the business, we consider ESG factors to assist investors and shareholders in determining whether to invest in the company.	• Economic Performance • Business Ethics • Risk Management	• Announcing operational performance • Annual shareholders' meeting and annual reports • Annual shareholders' meeting and annual reports	• Quarterly • Once a year • Once a year	• Regular financial information announced on the official website • Shareholders' meeting held on June 14, 2023 • Risks and assessments disclosed in the annual report
Environment	We commit to climate and environmental governance with a goal of net-zero emissions, actively pursuing green transformation and coexistence with the global environment.	• Waste Management • Energy and Greenhouse Gas Management • Climate Change Management	• Proper waste segregation • Conducting greenhouse gas inventories • Responding to external initiatives	• Irregular • Once a year • Once a year	• Refer to section 5.4 for waste supervision • Refer to section 5.2.1 for greenhouse gas inventory • Refer to section 5.1.1 for energy management • Refer to section 5.1.3 for Sea Sonic Electronics Taiwan headquarters'"Earth Hour" lights-off event • Refer to section 7.3 for Sea Sonic Electronics Taiwan headquarters' plastic reduction campaign
Competitors	We monitor competitors' new strategies, understand market conditions and opportunities, identify market gaps and potential risks, and enhance our market competitiveness.	• Innovation in Products and Services • Product Safety and Quality • Economic Performance	• Website disclosure of product information • Announcing operational performance and financial reports	• Irregular • Quarterly	• Product information announced irregularly on the official website • Financial information regularly announced on the official website

CH2

Corporate Governance

2.1 Company Profile

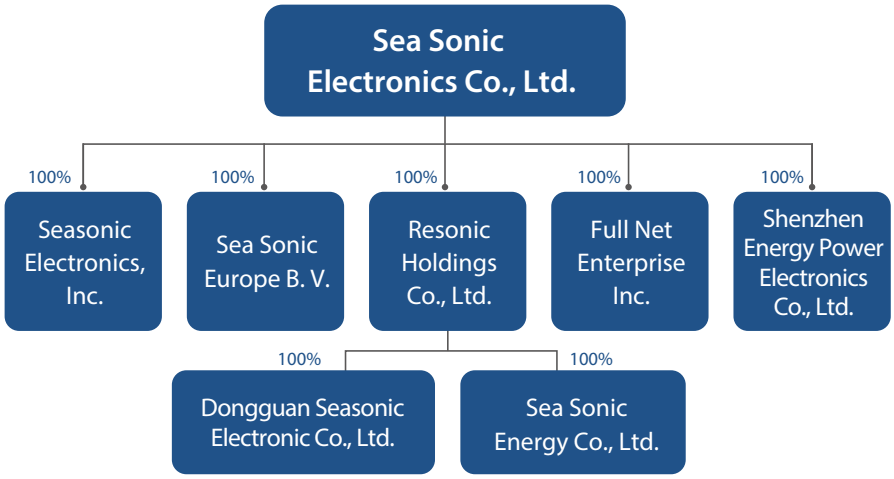
Sea Sonic Electronics, headquartered on the 8 F., No. 17, Ln. 360, Sec. 1, Neihu Rd., Neihu Dist., Taipei City , Taiwan, operates its main manufacturing base in Dongguan, Guangdong, China. With sales subsidiaries in the United States, the Netherlands, and Shenzhen, China, Sea Sonic has been committed to independent research and development and the professional manufacturing of high-quality power supply products since its establishment in 1975. Adhering to the management philosophy of "Diligence, Innovation, Professionalism, and 4G (Excellent Technology, Superior Quality, Best Service, and Best Price)," Sea Sonic has provided timely and professional solutions over the past decades to meet the evolving needs of the IT industry, with distribution channels spread across Europe, Asia, Americas, and Australia.

Management Philosophy

Diligence, Innovation, Professionalism, and 4G

Company Name	Sea Sonic Electronics Co., Ltd.
Establishment Date	September 19, 1975
Honorary Chairman	Mr. CHANG, CHENG-TSUNG
Chairman	Mr. CHANG, HSIU-CHENG
President	Mr. LAN, CHIEN TUNG
Headquarters Address	8F., No. 17, Ln. 360, Sec. 1, Neihu Rd., Neihu Dist., Taipei City, Taiwan
Capital	NT$823,582,380
Number of Employees	352 (as of December 31, 2023)

Organization Chart of Associates



In 1987, Sea Sonic Electronics led the industry by integrating automated plug-in machines into the production process of power supply units. In 2000, ahead of the compulsory implementation of the EU's CE requirements for power factor correction specifications, Sea Sonic offered economically efficient Active Power Factor Correction (Active-PFC) solutions catering to the mass personal computer market. Besides the energy-saving feature of active PFC, Sea Sonic has innovatively developed the Smart & Silent Fan Control (S^2FC) technology, which has won multiple awards for quiet operation in Europe, Japan, Korea, and North America. Throughout this period, Sea Sonic continued to deepen its expertise in personal computer power supplies and successfully developed power supply solutions for the communications and network markets.

In 2002, Sea Sonic Electronics was officially listed for trading on the Taipei Exchange and entered the retail power supply market in 2003. With the rise of energy conservation and environmental awareness, Sea Sonic has relentlessly improved power supply efficiency and became the first brand globally to receive the U.S. 80 PLUS energy efficiency certification for a power supply unit in 2005. Since then, with energy efficiency certifications ranging from 80 PLUS Bronze to Gold, Platinum, and Titanium, Sea Sonic's power supplies have continued to evolve to meet the market demand for high-efficiency power supplies.

Sea Sonic Electronics is dedicated to developing high-efficiency, high-reliability power supplies. Through stringent quality control, every product is ensured to be stable and reliable. Marketed globally under the proprietary brand "Seasonic," these power supplies have established a leading position in the global high-end power supply market with their high performance and quality. Sea Sonic products, designed with high efficiency and energy-saving principles, merge technology with environmental consciousness, offering diverse solutions tailored to different industries and applications to meet customer needs.

Today, as technological innovation and Industry 4.0 ascend, the demand for reliable and stable power supply is ever-increasing. Sea Sonic provides a range of high-efficiency power supplies that operate with minimal power loss and waste heat, effectively reducing energy waste and lowering noise levels from fan operation. These characteristics make them suitable for various workstation and server applications. Recently, Sea Sonic has developed the PRIME Titanium series, the VERTEX Platinum series, and the FOCUS Gold series power supplies that comply with the latest ATX3.0 specifications, offering high reliability and stability to meet market needs.

In its pursuit of sustainable operations, Sea Sonic has formulated a comprehensive plan integrating ESG (Environmental, Social, and Governance) considerations into its product supply chain. In 2023, Sea Sonic implemented an ESG information integration system to achieve its energy-saving and carbon reduction goals. This system aids in better tracking and assessing carbon emissions, facilitating necessary improvements. It helps in precisely planning and implementing environmental measures while advancing the application of green technologies to achieve a low-carbon economy. Additionally, we have adopted the ISO 14064-1:2018 standard for organizational greenhouse gas inventories and are collaborating with suppliers to establish a green supply chain, ensuring the environmental friendliness of raw materials and production processes, and achieving a green transformation across the value chain.

Sea Sonic Electronics incorporates sustainable operations into its business strategy, striving to be an industry leader in responsible business practices through relentless innovation and commitment to ESG initiatives. We are dedicated to providing superior power solutions to our customers and creating long-term value for all stakeholders. Sea Sonic looks forward to collaborating with all parties to achieve the goals of environmental protection, social responsibility, and corporate governance under the ESG framework, fostering a future that is eco-friendly, efficient, and intelligent.

Industry Association Membership

Sea Sonic Electronics actively engages with environmental, social, and economic issues at all its operational sites, continuously participating in relevant industry associations. This allows for the exchange of industry knowledge, information, and practical experience with peers and professionals, aiming to collectively respond to international developments and contribute to industry growth. In 2023, each operational site joined five industry associations as general members, listed as follows:

Operational Sites	Association	Membership Status
Sea Sonic Electronics Taiwan Headquarters	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	General Member
	Taipei Computer Association	General Member
Dongguan Seasonic	Dongguan Federation of Trade Unions	General Member
	Shijie Branch of Taiwan Business Association Dongguan	General Member
Sea Sonic Europe B.V.	Dutch Chamber of Commerce	General Member

2.2 Governance Structure

2.2.1 Governance Framework

The highest authority in the Company is the shareholders' meeting, where directors are elected by the shareholders to form the board of directors. The board of directors is the supreme governing body, responsible for the Company's overall management decisions. Functional committees such as the Remuneration Committee, Audit Committee, and Sustainability Committee are established to oversee the Company's operations, director compensation, financial statements, and key ESG performance targets. Additionally, an internal audit office is established to monitor the effectiveness of the Company's internal controls. All committees are required to regularly report their activities and resolutions to the board of directors to safeguard the interests of the Company and its stakeholders.

Sea Sonic Electronics Co., Ltd.—Organizational Chart of Corporate Governance

Board Operations and Composition

The Board of Directors serves as a balancing and supervisory role between the company's owners and its managers, exercising the rights and obligations granted by the shareholders, establishing operational policies based on stakeholder interests; and on the operational side, it decides on the management layers, oversees company performance, resolves sustainable development strategies, and tracks their effectiveness.

Sea Sonic Electronics' Board complies with the "Rules for Election of Directors" and the "Corporate Governance Best Practice Principles." The board members are nominated through a nomination system, with 7 to 9 individuals elected by the shareholders' meeting for a term of three years, eligible for re-election. Nomination and selection criteria are based on the candidates' independence, professional background relevance to the company's operational development, and considering the diversity of the board's composition.

The current board consists of 7 members, with a gender ratio of 5:2, including three independent directors, making up 42.86%, which is better than the requirements set by the Taiwan Stock Exchange; there are 2 female members, representing 28.57% of the board, surpassing the average ratio for female directors in Taiwan's listed companies. The age distribution includes 1 director under 50, 4 directors aged 51-60, and 2 directors over 61.

The company generally holds quarterly board meetings to review business performance, discuss major investment issues, company strategies, and assess significant ESG strategic issues and critical matters, including legal, environmental, social, and economic impacts, risk management, and cybersecurity issues; should any negative situation affecting stakeholders occur, it is reported to the board by the responsible unit.

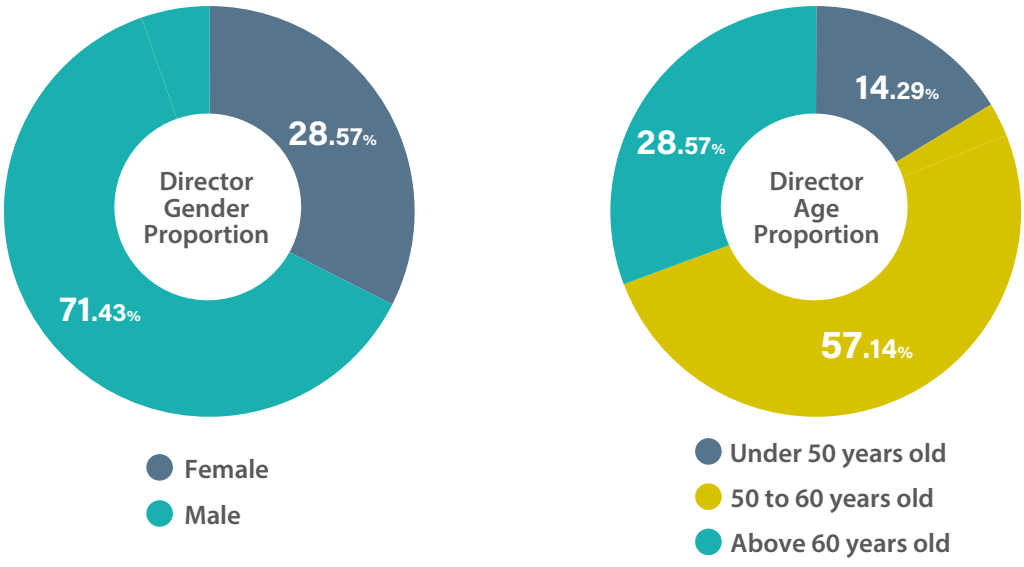
In 2023, the board convened 8 times without any emergency sessions, with an average attendance rate of 92.86%. Communication with the board on critical matters included 5 environmental matters, 4 social matters, and 70 governance matters, totaling 79 matters.

Details of each director's participation are disclosed on page 27 of Sea Sonic Electronics' 2023 Annual Report.

Sea Sonic Electronics (Board Members as of December 31, 2023)

Directors	Title	Nation-ality	Gender	Age	Independent Director Tenure	Director Who is an Employee of Sea Sonic	Functional Committees		
							Audit Committee	Remune-ration Committee	Sustain-ability Committee
CHANG, HSIU-CHENG	Chairman	R.O.C.	Male	51-60		V			
CHANG, YUN-CHI	Director	R.O.C.	Female	51-60		V			V
LAN, CHIEN TUNG	Director	R.O.C.	Male	51-60		V			V
LIN, YAO CHIN	Director	R.O.C.	Male	Over 61					V
LIN, CHING- CHING	Independent Director	R.O.C.	Female	Over 61	Under 3 years		V	V	V
HUANG, CHIN-HSIANG	Independent Director	R.O.C.	Male	51-60	3-6 years		V	V	V
KAO, CHIH TING	Independent Director	R.O.C.	Male	Under 50	3-6 years		V	V	V

Directors' Gender and Age Distribution



Distribution of Director Experience and Expertise

Name	Title	Distribution of Directors' Professional Abilities and Experience								
		Operational Judgment	Financial Analysis	Business Management	Industry Knowledge	Strategic Management	Product Research and Development	Information Management	Risk Management	Environmental Sustainability
CHANG, HSIU-CHENG	Chairman	V	V	V	V	V	V		V	V
CHANG, YUN-CHI	Director	V		V	V	V			V	V
LAN, CHIEN TUNG	Director	V	V	V	V	V			V	V
LIN, YAO CHIN	Director		V	V	V			V	V	V
LIN, CHING-CHING	Independent Director	V	V	V	V				V	V
HUANG, CHIN-HSIANG	Independent Director	V	V	V	V				V	V
KAO, CHIH TING	Independent Director		V	V	V	V			V	V

Director Continuing Education

In accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," Sea Sonic Electronics annually arranges professional skill and knowledge courses related to sustainable development for directors. New directors are required by law to complete 12 hours of continuing education, while reappointed directors must complete at least 6 hours to enhance their abilities to respond to operational impacts and optimize corporate governance. In 2023, a total of 20 training sessions and courses were attended, accumulating 63 hours of continuing education. For details on the 2023 director training programs, please refer to page 39 of the Sea Sonic Electronics 2023 Annual Report.

Compensation Structure for Directors and Senior Management (as defined by Company Act as managerial officers)

Sea Sonic Electronics has a Remuneration Committee, which held 4 meetings in 2023 to evaluate and manage the compensation of directors, independent directors, and managers. Director compensation is determined by the Remuneration Committee based on the typical levels in the industry, taking into account individual performance evaluations, in accordance with the "Rules for Distribution of Compensation to Directors." For details on director compensation, compensation ranges, and disbursement standards, please refer to pages 23-26 of the 2023 Annual Report.

The compensation system for senior management at Sea Sonic Electronics is proposed by the Remuneration Committee and approved by the Board of Directors. In addition to fixed salaries and retirement pensions, performance bonuses are calculated based on the achievement of various performance indicators. The retirement system for senior management is the same as for other employees. For details on the 2023 senior management compensation and pay scales, please refer to page 25 of the Sea Sonic Electronics 2023 Annual Report.

Director Resignation and Retirement Policy

According to the "Rules for Distribution of Compensation to Directors" at Sea Sonic Electronics, directors do not receive severance or retirement benefits.

Senior Management Resignation and Retirement Policy

The notice period for the resignation of senior management at Sea Sonic Electronics is determined by local government regulations, and the calculation of severance pay is the same as for other employees. Beyond severance pay, no additional payments or tangible benefits are provided to departing senior management.

Director Compensation and ESG Performance Link

Currently, the compensation of directors at Sea Sonic Electronics is not linked to ESG performance. The company plans to gradually introduce ESG performance indicators starting in 2024, linking their rewards to their involvement in and achievement of ESG goals, thereby strengthening the directors' accountability to the company's sustainability vision.

Link between Senior Management and General Employee Compensation and ESG Performance

Starting in 2023, Sea Sonic Electronics began integrating its compensation policy and employee performance assessments with sustainability performance. ESG indicators are included as bonus points in employee performance evaluations, impacting up to 10% of the total assessment score.

Clawback Mechanism

The company does not have a clawback mechanism in place.

Board Performance Evaluation

Sea Sonic Electronics follows the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" to establish a "Regulations Governing the Board Performance Evaluation," which clearly defines the cycle, period, scope, methods, executing units, and procedures of board performance evaluations. In principle, annual self-evaluations of the board, functional committees (including the Audit Committee, Remuneration Committee, and Sustainability Committee), and individual board members are conducted to ensure effective corporate governance operations. The most recent internal board performance evaluation was conducted by the corporate governance officer using an internal questionnaire and was reported to the board on March 11, 2024.

The board performance evaluation covers the following five aspects:

1. Participation in company operations (the Sustainability Committee assesses the impact and confirms goals related to ESG)

2. Improvement of board decision-making quality

3. Board composition and structure

4. Selection and ongoing education of directors

5. Internal controls

The performance evaluation of individual board members covers the following six aspects:

1. Understanding of company objectives and missions

2. Awareness of director responsibilities

3. Participation in company operations

4. Management of internal relationships and communication

5. Professional expertise and ongoing education of directors

6. Internal controls

Functional committee performance evaluations cover the following five aspects:

1. Participation in company operations.

2. Awareness of functional committee responsibilities.

3. Improvement of decision-making quality of the functional committee.

4. Composition and member selection of the functional committee.

5. Internal controls.

For the results of the 2023 performance evaluations, please refer to pages 28-29 of the Sea Sonic Electronics 2023 Annual Report.

Board of Directors' Performance Evaluation Implementation Status

Evaluation Cycle	Evaluation Period	Evaluation Method	Evaluation Scope	Evaluation Results
Annual	From January 1, 2023 to December 31, 2023	Internal assessment of the Board	Overall Board Performance	Average score of 98 out of 100; **Excellent grade.**
Annual	From January 1, 2023 to December 31, 2023	Internal assessment of the Board	Overall Board Performance	Average score of 97 out of 100; **Excellent grade.**
Annual	From January 1, 2023 to December 31, 2023	Internal assessment of the Board	Overall Board Performance	Average score of 99 out of 100; **Excellent grade.**
Annual	From January 1, 2023 to December 31, 2023	Internal assessment of the Board	Overall Board Performance	Average score of 99 out of 100; **Excellent grade.**
Annual	From January 1, 2023 to December 31, 2023	Internal assessment of the Board	Overall Board Performance	Average score of 95 out of 100; **Excellent grade.**

Conflict of Interest Management

The bylaws of Sea Sonic Electronics' Board, Audit Committee, Remuneration Committee, and Sustainability Committee all include provisions for avoiding conflicts of interest. If board members are involved in matters that may affect themselves, their spouses, or close relatives, or if they have a controlling relationship with the company concerned, they must disclose their interests at the board meeting. If there is a potential conflict with the company's interests, they must abstain from discussing and voting on the matter, and they cannot vote on behalf of other directors; this abstention and the details of the conflict and discussion are recorded in the meeting minutes.

For information about the relationships among shareholders who hold the top ten largest shares, please refer to page 69 of the Sea Sonic Electronics 2023 Annual Report.

Additionally, the company has established the "Procedures for Ethical Management and Guidelines for Conduct," "Codes of Ethical Conduct for Directors and Managers," and "Codes of Ethical Conduct for Employees," which are overseen by the President's office. The implementation results are regularly reported to the board. As of the end of 2023, there have been no significant conflicts of interest at Sea Sonic Electronics.

2.2.2 Functional Committees

Sustainability Committee

Sea Sonic Electronics established the "Sustainability Committee" in 2021 to implement corporate social responsibility and achieve a sustainable business philosophy. As the highest sustainability-focused entity within the company, the Board of Directors formed the Sustainability Committee, composed of 3 directors and 3 independent directors, totaling 6 members.

The Sustainability Committee has set up its organizational regulations approved by the Board, defining its responsibilities and duties. It primarily manages, resolves, and oversees the company's major ESG issue governance strategies, policy effectiveness, and goal achievement rates, reporting its execution results to the Board annually.

Under the Committee, an ESG Initiative Team was established, led by the Director of Management Department as the chair. Based on functional responsibilities, four execution teams were formed: the Information Security Team, Climate Change Team, Greenhouse Gas Inventory Team, and Risk Management Team, with the company's senior managers serving as members and one manager appointed as the team leader for each group.

The execution teams are responsible for identifying ESG material topics related to company operations, developing management strategies and goals, and preparing the annual sustainability report. The Chair of the ESG Initiative Team regularly reviews the performance and goal attainment of the execution teams and reports to the Sustainability Committee annually.

In 2023, the Sea Sonic Electronics Sustainability Committee held 4 meetings, with a 100% attendance rate by its members.

There were 9 major matters communicated with the Board, mainly focused on promoting corporate sustainability, emphasizing governance, environmental, and social aspects, implementing governance systems, adhering to principles of integrity in business operations, executing and supervising risk management, and carrying out other Board-approved related matters.

The Board of Directors reported and approved ESG proposals in 2023 as follows:

Meeting Dates	Board Reports and Approved Resolutions
March 21, 2023	1. Progress report on the "Greenhouse Gas Inventory and Verification Schedule." 2. Report on the implementation of the company's sustainability initiatives.
May 9, 2023	1. Progress report on the "Greenhouse Gas Inventory and Verification Schedule."
August 8, 2023	1. Progress report on the "Greenhouse Gas Inventory and Verification Schedule." 2. Amendment to certain articles of the "Sustainability Committee Charter."
November 9, 2023	1. Establishment of the "Climate Risk and Opportunity Management Procedure." 2. Implementation report on sustainability initiatives: "Greenhouse Gas Inventory and Verification Schedule," the 2023 management plan related to climate change risks and opportunities, and the preparation of the 2023 Sustainability Report - Material Topics Analysis Report. 3. In line with the company's sustainability efforts, the "Sustainability Committee" oversees the "ESG Initiative Team," which includes four working groups: "Information Security Team," "Greenhouse Gas Inventory Team," "Climate Change Team," and "Risk Management Team." 4. Establishment of the procedure for "Preparation and Verification of the Sustainability Report."

Remuneration Committee

Sea Sonic Electronics established the Remuneration Committee on December 19, 2011, to assess and recommend compensation policies and systems for the company's directors and managers from a professional and objective standpoint. The committee members, including independent directors appointed by the Board resolution, must not be fewer than 3 people, with 1 independent director serving as the convener and chairperson of the meetings.

The current committee, consisting of 3 independent directors, meets the regulatory requirements for independence, with a term from June 14, 2023, to June 13, 2026. Their responsibilities include:

1. Establishing and regularly reviewing the performance assessment and compensation policies, systems, standards, and structures for directors and managers.
2. Regularly assessing and setting compensation for directors and managers.
3. The professional qualifications, independence, and authority of the committee members are governed by the "Remuneration Committee Charter" of the company.
4. Other matters resolved by the Board.

Principally, the Remuneration Committee meets at least twice a year; in 2023, it convened 4 times, with a 100% attendance rate among its members. To ensure a more transparent and fair compensation system and to protect stakeholders' interests, the company's Articles of Incorporation specify that employee and director compensation be distributed based on the profit ratio for the year. Employee compensation must be decided by a Board resolution with at least two-thirds of directors present and a majority of those present in agreement, and reported to the shareholders' meeting. The compensation for employees and directors for this year was approved by the Board on March 21, 2023, and reported at the shareholders' meeting on June 14, 2023.

Audit Committee

Sea Sonic Electronics established the Audit Committee on June 12, 2020, and formulated the "Audit Committee Charter" following the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies."

The current committee is composed of 3 independent directors, with a term from June 14, 2023, to June 13, 2026. Their powers include:

1. Reviewing the appropriateness of the financial statements.
2. Appointing and removing the certified public accountant and assessing their independence and performance.
3. Establishing or amending internal control systems and ensuring their effective implementation.
4. Supervising compliance with relevant laws and regulations within the company.
5. Managing existing or potential risks within the company.

The Audit Committee meets quarterly in principle and may invite department heads, internal auditors, accountants, legal advisors, etc., to attend discussions as necessary. In 2023, it held 5 meetings, with a 100% attendance rate among its members. For details on the Audit Committee's operations, refer to page 30 of the Sea Sonic Electronics 2023 Annual Report.

2.3 Economic Performance

2.3.1 Economic Value

In 2023, Sea Sonic Electronics implemented seven key initiatives as part of its management strategy to solidify its operations:

1. In 2023, Sea Sonic Electronics implemented seven key initiatives as part of its management strategy to solidify its operations:
2. Responding to global economic shifts by enhancing revenue generation and cost control to foster long-term growth.
3. Expanding technological leadership, mastering core technologies, and strengthening product innovation.
4. Building long-term competitive advantages by enhancing human resource support and cultivating outstanding talent.
5. Shortening product design cycles, improving research and development management, and enhancing intellectual property protection.
6. Strengthening strategic partnerships, expanding distribution channels, and providing quality services.
7. Constructing customer relationship management systems, optimizing business processes, and creating growth.

2023 Financial Performance

Unit: NT$ thousand

Item \ Year	2021	2022	2023
Net Revenue	5,017,499	2,554,842	3,333,190
Gross Profit	1,491,645	776,752	1,139,926
Operating Income	1,015,670	430,327	760,254
Non-operating Income and Expenses	(52,313)	170,163	22,171
Net Profit for the Period	752,829	450,226	614,706
Earnings Per Share	9.42	5.63	7.58

In 2023, Sea Sonic Electronics reported strong profit growth. The consolidated revenue was NT$3.3 billion, a 30.47% increase year-over-year. The gross profit was NT$1.14 billion, up by 46.76% from the previous year. The consolidated gross margin was 34.20%, an increase of 3.8%. The net profit after taxes was NT$614.71 million, with an EPS of NT$7.58.

Despite a challenging environment, Sea Sonic Electronics has maintained stability and profitability. The primary reasons for our success include the development and mass production of high-quality, high-performance products such as the Vertex, Prime, and Focus ATX3.0 series, which have enhanced our brand competitiveness and market share due to their performance and stability. We have also

implemented effective pricing and marketing strategies, generating operational synergies and receiving positive market responses. Particularly, our growth rates in the United States, Europe, and Mainland China were 47%, 99%, and 30%, respectively. Additionally, we have introduced several policies and programs in production, including process optimization, the introduction of automated testing systems, anechoic chamber setups, and automated packaging equipment, significantly enhancing production efficiency, reducing costs, and meeting customer demands. Through the integration of our shipping systems, we have precisely controlled and significantly reduced per-unit transportation costs. Globally, we have optimized our inventory management systems and strengthened communications with suppliers and customers, significantly reducing material procurement costs and increasing product profit margins. In this environment, we are actively nurturing and retaining talent, developing effective incentive compensation plans, fostering a sense of mission, achieving team collaboration, and creating a win-win situation with our customers and suppliers.

Looking ahead to 2024, we aim to promote new products, explore new markets, and strengthen existing customer relationships, continuing our efforts in "product performance innovation" and "building excellent quality" to maintain our leadership in the global high-end market. We plan to develop and combine a complete range of products, introducing a forward-looking series from entry-level to top-tier models such as the new generation Prime, Vertex, Focus, Core, and G12X series, catering to diverse customer groups. With effective marketing strategies and customer service, our comprehensive product lineup is expected to enhance the competitiveness of the Sea Sonic brand in the market while also increasing brand recognition and standing.

We will also increase our investment in R&D resources, hire more professional talent, and conduct comprehensive training to enhance our team's research and development capabilities and efficiency. Simultaneously, we are continually optimizing our R&D processes and adopting the latest technologies, equipment, and quality adaptable parts to shorten product development cycles. Through enhanced R&D capabilities, we aim to rapidly introduce more market-aligned products.

Furthermore, we are committed to expanding our production capacity to ensure the timely delivery of high-quality products. This plan includes improving production line efficiency, increasing investment in production equipment, and expanding production lines. We believe this will help meet greater customer demands and enhance our brand's competitiveness in the market.

Additionally, we will use market expansion to enter new regions or markets to increase sales volumes. We will continue to innovate products and upgrade platforms, consistently introducing new features and technologies while intensifying our brand promotion efforts to gradually enhance brand recognition and appeal to more potential customers.

We will continue to focus on customer needs by providing quality post-sale services to promote repeat purchases and brand loyalty. By optimizing production processes, reducing production costs, and increasing profit margins, and through strategic partnerships with upstream and downstream entities, we aim to expand market size and achieve stable performance targets for 2024.

Unit: NT$ thousand

Economic Value	Items/Accounts	Definitions	2021	2022	2023
Direct Economic Income	Net Operating Revenue	Total sales of products and services minus returns, discounts, and allowances	5,017,499	2,554,842	3,333,190
	Financial Investment Income	Interest from financial loans Dividend income from held shares	9,501	22,031	60,451
	Financial Investment Income	Tangible assets, such as real estate, infrastructure, and equipment; Intangible assets, such as intellectual property rights, designs, and brands.	0	0	878
	Other Income	Gains from valuation of financial assets and other income	10,911	188,843	23,199
Generated Direct Economic Value		Sum of the above	5,037,911	2,765,716	3,417,718
Economic Distribu-tion	Operating Costs	Cash payments to external organizations for purchasing raw materials, product parts, site facilities, and services	3,669,281	1,885,256	2,290,122
	Employee Salaries and Benefits	Benefits allocated by the company	330,796	237,958	275,650
	Payments to Investors	Distribution of cash dividends Interest expenses	404,750	409,471	408,980
	Payments to the Government	Corporate income tax expenses Fines	212,265	174,543	174,763
	Community Investment	Voluntary donations and financial investments to the broader community	15	15	220
	Other Expenses	Non-operating expenses	67,741	8,013	53,043
Distributed Economic Value		Sum of the above	4,684 ,848	2,715,256	3,202,778
Retained Economic Value		Generated direct economic value - Distributed economic value	353,063	50,460	214,940

2.4 Responsible Business Practices

2.4.1 Integrity Management

Sea Sonic Electronics has established an ethical management culture to maintain sound development and a robust business operation structure. Following the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," our company has developed policies under Article 5 of the "Ethical Corporate Management Best Practice Principles." Based on principles of integrity, transparency, and accountability, these policies create a sustainable business environment with strong corporate governance and risk management controls. Directors, managers, and employees are prohibited from directly or indirectly offering, promising, demanding, or accepting any improper benefits, or engaging in any other acts of dishonesty, illegality, or breach of fiduciary duties during their commercial dealings with customers and suppliers, to gain or maintain benefits.

The company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" have been revised in accordance with relevant laws and approved by the Board of Directors. These documents specify the standards of behavior that all employees must follow in performing their duties, keeping abreast of both domestic and international ethical management standards. We encourage directors, managers, and employees to participate in further education or training to enhance the effectiveness of our ethical management.

Our responsible business conduct policies include the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Measures on Handling of Illegal, Unethical, or Dishonest Conduct," "Procedures for Ethical Management and Guidelines for Conduct," and "Insider Trading Rules," which are also disclosed in the company's annual report, on our website, or through the Market Observation Post System (MOPS).

Sea Sonic Electronics conducts annual training sessions on these guidelines to ensure that governance members and colleagues understand and adhere to our ethical management policies and legal standards. Additionally, a series of measures and management mechanisms, including the signing of related documents and the provision of training courses on ethical management, are implemented and continuously promoted.

2023 Ethical Management Implementation

Stakeholders	Compliance Standards	Management Actions and Implementation
Corporate governance bodies Board of Directors, functional committees	1. Rules of Procedure of Board Meetings 2. Board-related regulations 3. Conflict of interest avoidance norms 4. Internal significant information handling procedures 5. Shareholding norms during the election of directors and independent directors 6. Directors did not engage in any integrity-breaching activities 7. Board regulations advocacy manual 8. Ethical management education and training	• Developed relevant norms approved by the Board of Directors; legally avoided conflicts of interest to prevent breaches of ethical management principles. • Irregularly informed directors about internal significant information handling and insider trading prevention laws and procedures, emphasizing the confidentiality of internal information, prohibition of short-term insider trading, and legal norms concerning insider stock transactions. • In 2023, there were 8 cases of directors avoiding conflicts of interest. (For more details, refer to page 28 of our Annual Report for 2023.) • In 2023, directors and key staff purchased liability insurance, approved by the board on May 9, 2023, with a coverage amount of USD 3 million to protect shareholder interests and reduce operational risks. • Board members participated in courses organized under the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," with each director receiving an average of 9 hours of training. (For more details, refer to the MOPS or page 39 of our Annual Report for 2023.) • During their appointment, 100% of the board members signed declarations of no breach of integrity principles and internal shareholding norms. • The company provided all board members with a "Board Regulations Advocacy Manual." • The company plans to conduct ethical management education training for all board members in 2024.
Employees	1. Codes of Ethical Conduct for Employees 2. Integrity commitment document	• Detailed norms cover integrity, fairness, fair trading, insider trading, confidentiality obligations, environmental respect, conflict of interest avoidance, political donations and activities, and copyright issues. • This year, 44 new employees at our Taiwan headquarters signed the "Codes of Ethical Conduct for Employees" and "Integrity Commitment," achieving a 100% signing rate. Dongguan Seasonic had 193 new employees who also signed the "Integrity Commitment," with a 100% signing rate. • In 2023, a total of 33 managers and above received 147 hours of ethical management-related training (both physical and online), accounting for 9.38% of all employees; 24 of these were at the Taiwan headquarters, totaling 133.5 hours, and 9 at Dongguan Seasonic, totaling 13.5 hours. The training predominantly involved indirect staff, making up 13.75% of this job type. • The company plans to conduct ethical management education training for all employees in 2024.
Business partners clients/ suppliers	1. Customer business contracts 2. Honesty clause	• The commitment to ethical management is included in the commercial contracts signed with clients. • Clients conduct regular or irregular ethical audits, with self-monitoring of any potential violations of business ethics. • Suppliers and outsourcing factories sign an "Honesty Clause" prohibiting bribery. In 2023, 29 new suppliers signed the honesty clause as per regulations, achieving a 93.1% signing rate.

Whistleblower and Complaint Mechanism

To ensure the implementation of the Company's Code of Conduct and the Ethical Corporate Management Best Practice Principles, and to encourage reporting of any illegal or unethical actions that violate these guidelines, Sea Sonic Electronics has established both internal and external reporting channels and handling systems. This initiative ensures that the guidelines and principles are enforced and protects the legal rights of whistleblowers and relevant parties. On January 13, 2023, the Board of Directors approved the "Measures on Handling of Illegal, Unethical, or Dishonest Conduct," applicable to all employees, managers, trustees, directors, directors or other interested parties of the company and its subsidiaries.

Reporting Channels

The Company has posted independent whistleblower mailboxes on its website for both internal and external use:

External Whistleblower Mailbox: davidliu@law-meridian.com, managed by a legal attorney.

Internal Whistleblower Mailbox: whistleblower@seasonic.com.tw, managed by the Chairman's office.

Whistleblower Handling Procedures

The receiving unit investigates the content and related evidence of the report. If the report involves a director or supervisor, it should be escalated to an independent director or the Chairman as appropriate. Whistleblowers must provide relevant information as stipulated by the handling procedures. Upon confirmation of violation of laws or the Company's ethical management policies, the accused must immediately cease the implicated actions and appropriate measures must be taken, including legal action for damages if necessary, to protect the Company's reputation and rights.

An independent audit unit supervises the follow-up handling of whistleblower events, incorporating ethical management standards into the annual general business inspection agenda, and reports annually to the Board of Directors. The Audit Committee oversees cases of misconduct and provides suggestions for improvement. In addition to enhancing company management processes and internal control procedures, it also analyzes risks associated with violations such as corruption, unfair competition, and breaches of regulations. Incidents causing impacts over NT$50 million are considered significant risks or major violations. In 2023, the Company's internal and external whistleblower mailboxes did not receive any reports or complaints regarding dishonest or unethical cases.

2.4.2 Human Rights Policy

Sea Sonic Electronics adheres to labor-related laws at all its operational sites globally and follows the principles and fundamental rights outlined in the "ILO Convention" and the "Universal Declaration of Human Rights" by the United Nations, ensuring the legal rights of employees are protected, demonstrating our responsibility towards respect and protection of human rights, and treating all colleagues with dignity and respect.

Key Elements of the Human Rights Policy:

Workplace Rights Protection	Equal Pay for Equal Work	Healthy and Safe Workplace	Promoting Labor-Management Harmony	Personal Data Protection
The Company prohibits any violation of human rights, including the employment of child labor, discrimination, and sexual harassment. We legally provide leave for indigenous employees during their tribal ceremonies, actively promote gender balance, and foster a diverse, equal, and inclusive work environment.	Compensation for employees is not influenced by personal characteristics such as gender (including sexual orientation), race, class, age, marital status, language, political affiliation, religion, ethnicity, place of birth, appearance, facial features, or physical or mental disabilities, ensuring no discriminatory treatment or any form of discrimination.	We provide a safe and healthy work environment with necessary health and emergency facilities, eliminate factors that may jeopardize employee health and safety, and reduce the risk of occupational accidents.	The Company offers various and effective communication channels for labor-management discussions, regularly convening talks to protect employee rights, promote labor-management harmony, improve labor relations, and create a friendly workplace environment.	The Company strictly adheres to laws related to personal data protection, ensuring that the collection, processing, and utilization of personal data comply with legal regulations to protect individual data rights.

To ensure suppliers also implement our Human Rights Policy, we evaluate them based on three criteria during procurement. Violation of any criterion results in disqualification, including human rights protection (such as gender equality, labor rights, and anti-discrimination); inhumane treatment (including sexual harassment, mental or physical coercion, or verbal abuse); and providing a safe and healthy workplace for employees. To prevent or mitigate negative social impacts in the supply chain, Sea Sonic Electronics' procurement staff regularly review suppliers against environmental and social criteria as detailed in Section 4.2 on Supply Chain Management.

Human Rights Education and Training

Committed to protecting human rights, Sea Sonic Electronics formalized its Human Rights Policy in December 2023, announced it on the official website, and conducted e-learning courses. Initial training sessions covered the Taiwan headquarters and Dongguan Seasonic, with 129 employees completing the training, accounting for 36.79% of the total workforce, totaling 129.5 training hours.

To ensure all group employees understand their rights and company policies, human rights courses are included in the training system for new hires to implement the training mechanism effectively and increase the training rate. We also plan to integrate human rights courses into general education, holding annual training sessions for current employees to ensure they fully understand critical company management information, aiming to promote labor-management harmony and achieve a win-win situation for both the enterprise and its employees.

Human Rights Communication Channels and Procedures

The Company has established a platform for feedback and a dedicated mailbox to enable all workers and external stakeholders to communicate with the responsible department regarding human rights issues, including suggestions for policy improvement, alerts on potential risks, and complaints about human rights violations. To maintain fairness in the review and investigation of complaints or reports, a cross-departmental team consisting of the Sustainability Committee, Audit, and Human Resources Administration is responsible for investigating human rights incidents and developing corrective measures. In 2023, there were no incidents of discrimination, child labor, or forced labor.

2.4.3 Compliance with Laws and Regulations

Sea Sonic Electronics defines any operational impact exceeding NT$50 million as a significant risk or major event. We prioritize sustainable business practices and compliance with local regulations at our operational sites, keeping abreast of domestic and international policy trends and regulatory changes. The responsible unit reviews any new or revised regulations to ensure compatibility with our current business models and practices, providing relevant information for executive decision-making to adjust our operational strategies accordingly.

During 2022 and 2023, all operational sites acted in accordance with the law, with no occurrences of anti-competitive, anti-corruption, or anti-bribery incidents. In terms of environmental and social compliance, there were no penalties or non-monetary sanctions for violations of labor, environmental, health, and safety regulations.

2.5 Risk Management

2.5.1 Risk Management Organization

The Company's ability to manage risks and opportunities arising from internal and external factors is crucial. Global trends and environmental factors can impact profitability and even survival. How a company controls risks, responds to emergencies, ensures employee safety, and fulfills commitments to customers are key to assessing its competitiveness and pursuit of operational excellence.

To ensure the implementation of risk management policies, Sea Sonic Electronics established the "Risk Management Policy and Procedures" in 2021, approved by the Board of Directors, setting the standard for the "Risk Management Operational Procedures." These procedures clearly define the principles, responsibilities, and mechanisms of risk management, enhancing the effectiveness of risk management practices. The risk management team regularly reviews and identifies potential risks, prioritizes them, and develops risk management plans. These are reported within the Sustainability Committee and presented annually to the Board of Directors.

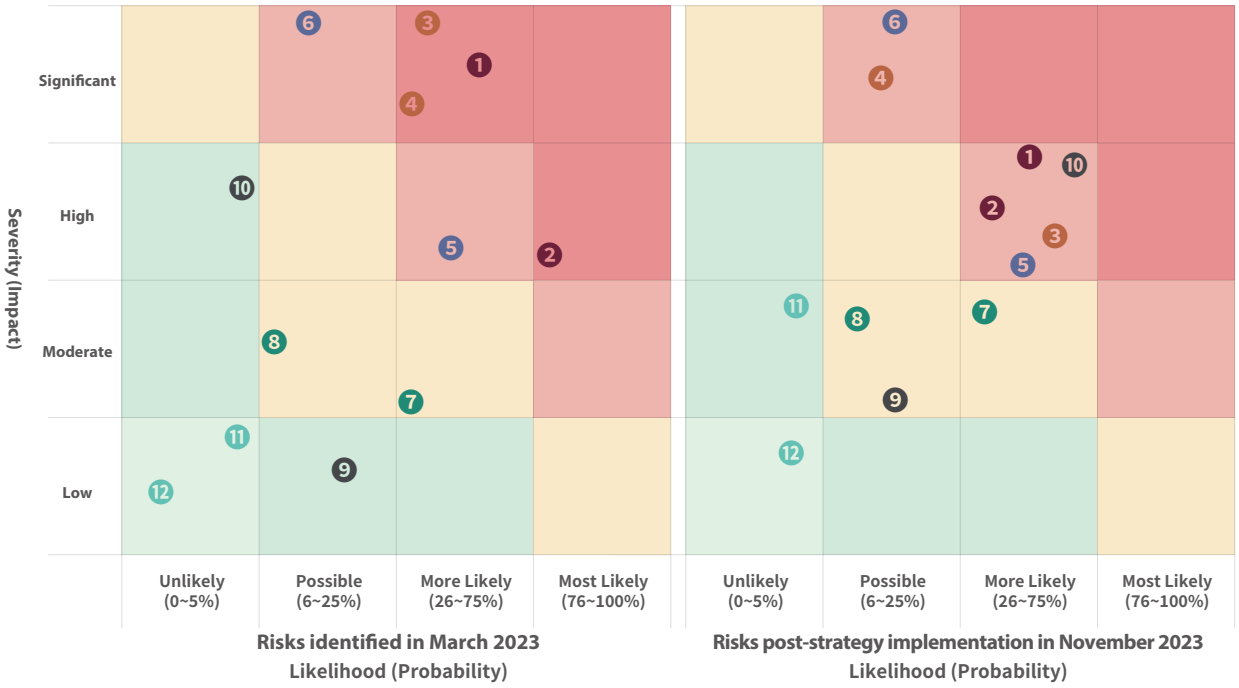
2.5.2 Risk Identification and Response Measures

To ensure the robust management of the Company, Sea Sonic Electronics conducted risk identification and assessment in 2021, in accordance with the "Risk Management Policy and Procedures" approved by the Board of Directors. Identified risks include operational, business, financial, compliance, cybersecurity, and hazardous event risks. To further strengthen corporate governance, in November 2022, the Board of Directors approved the "Risk Management Operational Procedures," elevating the oversight and review of the Company's risk management to the Board level; the President serves as the chief executive officer of risk management, coordinating and directing risk management planning, review, modification, and related activities, and reports annually to the Board on the status of risk management operations.

The risk management team is responsible for planning, implementing, supervising, and reporting on risk management activities. Each department, according to the risk management policy, procedures, and relevant standards, fully understands the risks facing their business, adjusts and amends the risk management system based on internal and external environments and regulatory changes, and conducts necessary self-assessments and promotes risk management operations to ensure that risk control mechanisms and procedures are effectively implemented.

In 2023, based on the operational goals set by departments, 94 risk items were identified. After aggregating and analyzing these items based on the likelihood and severity of occurrence, 12 significant risk issues were selected and registered in the "Risk Assessment Table." Of these, four were classified as "significant risks," and the Company developed corresponding response strategies, while continuing to monitor and manage other risk items. In November 2023, the implementation of these strategies was reported to the Board of Directors, with the four significant risks being downgraded to high risks, demonstrating that the Company's management mechanisms for identifying, measuring, monitoring, and controlling potential risks effectively reduce the various operational risks the Company may face. For details on the "2023 Risk Management Status," please refer to the Company's official website.

2023 Risk Map Distribution (Risk Levels)



12 significant risk issues

1.Inventory Risk
2.Supply Chain Risk
3.Exchange Rate Risk
4.New Product Development Failure or Delay Risk
5.Sales Risk
6.Taiwan Geopolitical Risk
7.Human Resource Risk
8.Director Liability Risk
9.Diversification Business Risk
10.Climate Change Risk
11.Information Security Risk
12.Legal Compliance Risk

Risk Level Descriptions

Low Risk(1)	Low-Moderate(2~3)	Moderate Risk(4~6)	High Risk(8~9)	Significant Risk(12~16)
Incorporate into routine management	Redeploy limited management resources	Incorporate into monitoring items	Take immediate action or include in monitoring items	Take immediate action

2.6 Climate Action

2.6.1 Climate Governance

In recent years, greenhouse gas emissions have led to extreme climate events globally, presenting significant risks. To ensure that climate change impacts are considered in business and investment decisions, and to assist enterprises in effectively communicating climate-related information, the Financial Stability Board (FSB) introduced the Task Force on Climate-Related Financial Disclosures (TCFD) framework in 2017, aiding enterprises in managing climate change-related issues.

In 2022, the National Development Council announced the "Taiwan's Pathway to Net-Zero Emissions in 2050." In February 2023, the "Greenhouse Gas Reduction and Management Act" was officially amended to the "Climate Change Response Act," incorporating climate governance, carbon pricing, emission management, and adaptation into the overall planning. The national long-term goal for greenhouse gas reduction is to achieve net-zero emissions by 2050.

Sea Sonic Electronics is attentive to global climate action trends, referencing the core elements of the TCFD to disclose information on climate governance, strategy, risk management, and metrics and targets. A governance framework has been constructed to integrate the risks and opportunities related to climate into the enterprise's risk identification process. Each responsible unit identifies climate-related risks and opportunities and formulates action plans.

Governance

- In 2021, Sea Sonic Electronics established the first Sustainability Committee under the Board of Directors. In 2023, the second session of the Committee was chaired by an independent director, tasked with reviewing sustainability issues, strategizing key themes, and managing risks, with at least one annual report on the implementation results to the Board of Directors.
- Under the Sustainability Committee, an ESG Initiative Team was formed, chaired by the Director of General Management Department. Four execution teams were established based on functional responsibilities: Information Security Team, Climate Change Team, Greenhouse Gas Inventory Team, and Risk Management Team. Each team is comprised of company's senior managers, with one supervisor assigned as the leader of each team. The Climate Change Team follows the TCFD criteria to identify and manage risks and opportunities related to climate change, assess risks, set targets, and report the outcomes related to climate issues to the Board of Directors.

Strategy

- The Climate Change Team identifies risks and opportunities related to climate change within its scope of business, considering the extent and condition of impacts, assessing short (1-3 years), medium (3-5 years), and long-term (5-10 years) temporal impacts, and further develops action plans for identified climate-related issues.

Risk Management

- The Climate Change Team uses the same definitions for risk management to identify risks and opportunities, rating the probability of occurrence and impact severity on a four-point scale, and then ranking them accordingly.
- Climate-related risks identified include: 2 significant risks, 2 high risks, and 3 moderate risks. Action plans are listed for significant and high transition risks, and moderate physical risks.
- Climate-related opportunities identified include: 1 significant opportunity, 3 high opportunities, 2 moderate opportunities, and 2 low opportunities. Action plans are developed for 1 significant and 3 high opportunities.
- The identified risks and opportunities are discussed cross-departmentally to formulate action plans, and the results are reported to the Sustainability Committee.

Metrics and Targets

- Targets:
  1. Initiate greenhouse gas inventory: Completed the internal inventory within the scope of the consolidated financial statements in 2023 (Achieved).
  2. Group Energy Intensity: Below 2.5 (Not Achieved).
  3. Greenhouse gas emission intensity: Below 0.43 (Achieved).
  4. Reduction of greenhouse gas emissions (Scope 1 + Scope 2): Reduced by 1% from the 2021 baseline year (Achieved).
- Management Mechanisms:

  The relevant emission data have been inventoried according to the greenhouse gas inventory protocol and ISO 14064-1 standards, with inventories conducted internally and not yet verified by a third party.
- Greenhouse Gas Emission-Related Risks:

  Scope 1: Emissions from purchased gas and fugitive emissions, primarily from equipment at Dongguan Seasonic. If emissions continue to increase, costs will rise due to carbon fees.

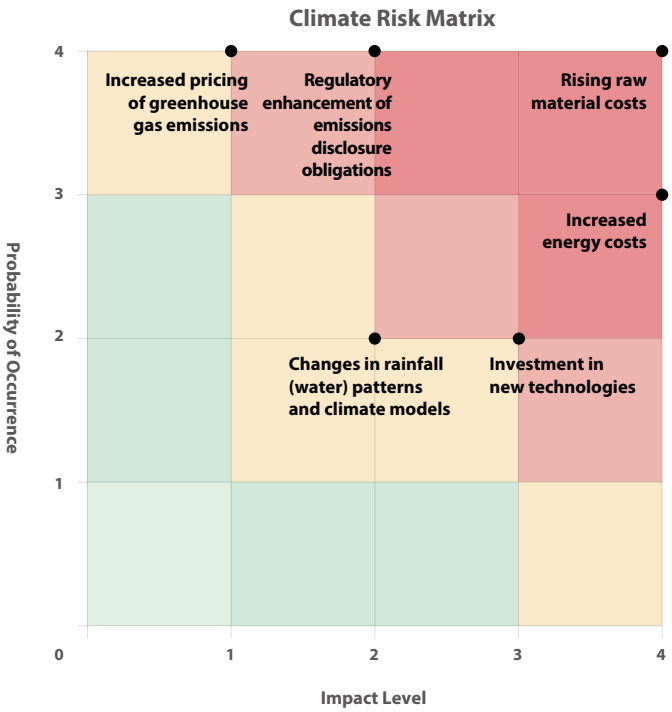
  Scope 2: Emissions are mainly from electricity purchased for the production line equipment at Dongguan Seasonic. The Dongguan plant has seen an increase in production volume in 2023, which has impacted the emissions.

  Scope 3: Main emissions are from the product use phase. There is a positive correlation between energy usage and total sales across the company. The increase in production volume in 2023 has led to higher emissions.
- Establishing Internal Carbon Pricing: The company has sent staff for training and plans to gradually implement internal carbon pricing in 2024 to encourage proactive carbon reduction within the company and lower external carbon costs.

2.6.2 Climate Change Risk Identification

In 2023, Sea Sonic Electronics first utilized the TCFD framework, with the Climate Change Team under the ESG Initiative Team identifying climate-related risks and opportunities based on potential issues within their business scope. Risks and opportunities are assessed by probability of occurrence (four levels) and impact severity (four levels), and are visualized in a risk matrix, followed by the development of action plans to reduce, transfer, or avoid potential impacts.

The results of the climate change risk assessment matrix identified two significant risks: rising raw material costs and increasing energy costs; two high risks: enhanced emission disclosure obligations and regulatory risks; and three moderate risks: failed investments in new technology, increased greenhouse gas emission pricing, and changes in rainfall patterns and extreme climate variations. For climate-related risks, we have action plans for significant and high transformation risks, and even though physical risks are considered moderate, due to the increasing severity of extreme weather, they are also included in our action plans.

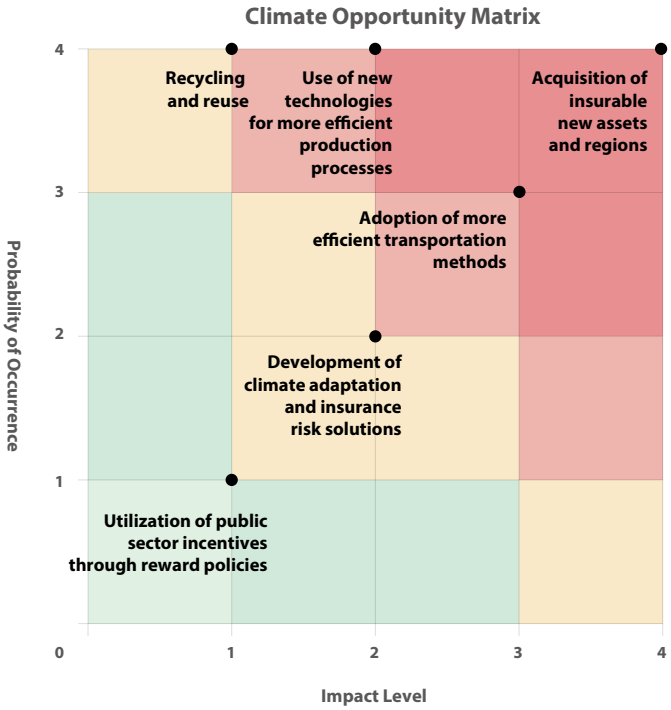


Climate-related Risks		Impact on Sea Sonic	Impact Duration	Potential Financial Impact Dimensions	Risk Levels	Impact Scope	Action Plan	Revenue Impact Ratio
				Transition Risks				
Market	Increase in raw material costs	Key and secondary components in upstream materials account for approximately 20% to 25% of total procurement costs, resulting in financial impacts due to cost increases.	Long-term	Changes in input costs and demand leading to increased production costs.	Significant Risk	Taiwan Headquarters Dongguan Seasonic	Constant monitoring of raw material supply and price changes, taking appropriate responsive measures.	Unable to estimate
	Increase in energy costs	1.Annual increase in electricity prices, leading to higher energy acquisition costs.	Long-term	Sudden changes in energy costs.	Significant Risk	Taiwan Headquarters Dongguan Seasonic Subcontractor	Increasing local procurement and production to reduce transportation costs.	0.28%

Climate-related Risks		Impact on Sea Sonic	Impact Duration	Potential Financial Impact Dimensions	Risk Levels	Impact Scope	Action Plan	Revenue Impact Ratio
Transition Risks								
	Enhanced obligations for emission disclosure	1. Investor and customer demands for carbon emission disclosure. 2. Sea Sonic Electronics initiated the 2021 greenhouse gas inventory in 2022.	Short-term	Increased operational costs.	High Risk	Taiwan Headquarters Dongguan Seasonic	Planning to disclose the 2022 and 2023 group-wide inventory data with the guidance of external consultants by 2024.	0.06%
Policy and Regulation	Regulations: Climate Change Response Act, Fuel Tax, Energy Tax, Renewable Energy Regulations, Carbon Tax or Carbon Fees	Introduction of energy taxes, fuel taxes, carbon taxes, or carbon fees will increase operational expenses.	Short-term	Increased operational costs.	High Risk	Taiwan Headquarters Dongguan Seasonic	Adopting high-energy-efficiency equipment to manufacture more efficiently, transport, and plan for long-term use of renewable energy to achieve carbon reduction goals. Establishing product carbon footprint management mechanisms and gradually implementing low-carbon measures. Enhancing product performance through design, planning to introduce durable, recyclable materials for packaging by 2024.	0.58%
Physical Risks								
Long-term	Changes in rainfall patterns and extreme variations in climate models	Increased rainfall concentrated in certain areas, causing water scarcity or flooding situations.	Short-term	Increased infrastructure costs and operational expenses.	Moderate Risk	Dongguan Seasonic Supply Chain	Installing water storage devices, purchasing flood barriers, biannual cleaning of underground drains, and constructing a supply chain risk diversification plan by region.	0.002%

2.6.3 Climate Change Opportunity Identification

The results of the climate change opportunity assessment matrix show one significant opportunity: acquisition of insurable new assets and regions; three high opportunities: adopting more efficient transportation methods, using more efficient production processes, and utilizing new technologies; two moderate opportunities: recycling and reusing, and developing climate adaptation and insurance risk solutions; and two low opportunities: adopting incentive policies and leveraging public sector incentives. We have developed action plans for one significant and three high opportunities respectively.



Opportunity Types	Opportunities	Opportunity Description for Sea Sonic	Impact Duration	Potential Financial Impact	Opportunity Levels	Impact Locations	Action Plan	Revenue Impact Ratio
Market	Acquisition of insurable new assets and regions	Diversification of financial assets (e.g., green bonds and infrastructure)	Short-term	Enhances the diversification of financial assets	Significant Opportunity	Taiwan Headquarters	Increase investment in green financial products.	3%
Resource Efficiency	Adopting more efficient transportation methods	By adopting more efficient transportation modes, consolidating shipments, or transitioning to electric vehicles:	Long-term	Reduces operational costs	High Opportunity	Dongguan Seasonic	Electric vehicles as low-carbon transport means, with a trend of increasing penetration in multiple countries. Continually advocate for suppliers to switch to electric vehicle transport for shipments to factories by 2030, managing to achieve full load and consolidated shipments as much as possible.	Unable to estimate

Opportunity Types	Opportunities	Opportunity Description for Sea Sonic	Impact Duration	Potential Financial Impact	Opportunity Levels	Impact Locations	Action Plan	Revenue Impact Ratio
Resource Efficiency	Using more efficient production processes	1. Reducing the defect rate can lower scrap costs 2. Reducing the consumption of process materials to lower costs	Short-term	Reduces operational costs	High Opportunity	Dongguan Seasonic	Continue to enhance production efficiency activities and create improvement activities focused on reducing waste.	0.39%
Energy Sources	Utilizing new technologies	Implementing high-efficiency facilities, reducing high-energy-consuming equipment, decreasing electricity usage	Medium- to long-term	Reduces operational costs	High Opportunity	Dongguan Seasonic	Promote energy recovery from burn-in rooms and set up solar power generation at factories.	0.49%

2.7 Information Security

2.7.1 Information Security Management Policy

Sea Sonic Electronics employs a systematic risk assessment approach to identify the risks facing its information assets, ensuring a secure information environment for continuous business operations, compliance with relevant regulations, and protection of the Company's business activity information from both internal and external deliberate or accidental threats.

To maintain the confidentiality, integrity, and availability of Sea Sonic Electronics' information assets, and to safeguard user data privacy, the Company has established an "Information Security Team" under the ESG Initiative Team. In 2023, an information security officer was appointed, and a director with expertise in information technology was designated by the board of directors to oversee internal information security risk management. Risk management is implemented through three key areas: risk prevention, emergency response, and crisis management:

Risk Prevention

- Focusing on the assessment of information security and cyber risks, regular and irregular assessments are conducted according to the Company's "Information Security Risk Management Procedures" to ensure the safety of the company's communication systems.

Emergency Response

- This includes computer network security, physical security, crisis communication, disaster recovery, business continuity, high availability, and emergency handling. When the security alarm system detects suspicious connections, the response procedure is immediately initiated:

  (1)Identify the compromised information equipment

  (2)Monitor the connection status of the compromised equipment

  (3)Assess and respond:

  - Disconnect
  - Stop network services
  - Assess the authenticity of the security incident
  - Determine the impact level of the security incident
  - Check the extent of damage to the information equipment

Crisis Management Procedure

- Immediate action for crisis management is taken when a security incident occurs. Appropriate crisis management can reduce human liability, minimize corporate damage, protect corporate assets, and minimize financial losses. Upon confirmation of an intrusion, an external attack response procedure is initiated:

  (1)Report and clarify the cause of the incident, request support from associate companies

  (2)Proceed with recovery operations after crisis resolution

  (3)For web attacks, replace the web pages after crisis resolution

The "Information Security Team" at Sea Sonic Electronics regularly conducts assessments of information security and cyber risks to ensure that all related operations are properly implemented. The 2023 communication system security management results are regularly reported to the ESG Initiative Team, with the Sustainability Committee providing security reports to the board of directors. There have been no major deficiencies, nor have there been any significant information security violations, customer information leaks, or fines. For more details, please refer to pages 97-105 of the Sea Sonic Electronics 2023 Annual Report.


Seasonic
PRIME

CH3

Product Services

3.1 Product Services

3.1.1 Innovative Products and Services

Industry Development Strategy

Sea Sonic Electronics Co., Ltd was established in 1975, initially focusing on the manufacturing of testing instrument-related products. Since 1980, the company has started producing power supplies for computers, gradually becoming a professional manufacturer of Switching Power Supplies (SPS) under the brand "Seasonic." The company continues to focus on innovative research and development as its core, committed to using the most advanced technologies to manufacture high-quality products. Our main business covers the development, design, research, , manufacturing, and sales of power supplies. These power supplies play a crucial role in areas such as personal computers, industrial computer workstations, servers, and telecommunication information equipment, responsible for providing stable voltage to ensure their normal operation.

Sea Sonic Electronics' mission is not only to continuously provide professional solutions required by the information technology industry but also to constantly research and innovate to meet the diverse market needs. We focus on developing reliable and efficient products to respond to the rapidly changing trends in information technology, while also striving to create innovative products suitable for the retail market.

In response to environmental protection and energy-saving trends, Sea Sonic Electronics incorporates energy consumption considerations into the product development phase, offering more environmentally friendly, energy-efficient, quiet, and 80 PLUS[Note1] certified products, aiming to reduce carbon emissions.

Through continuous innovation, we are committed to expanding the application range of our products, continuously exploring broader fields of power supply products. This commitment is not only a promise to our products but also a firm belief in environmental protection and innovation. Our power supply designs lead the industry, being the first manufacturer to receive the 80 PLUS[Note 1] certification in the U.S. We have also obtained the Cybernectics[Note2] professional power efficiency and noise certification. Sea Sonic Electronics' patented DC to DC full modular back panel enhances conversion efficiency, paired with our patented three-stage/two-stage switching temperature control circuit design and selected silent hydraulic dynamic bearing fans. Our professional, rigorous design and stringent verification achieve ultra-high efficiency and extremely quiet performance.

Note1 80 PLUS is a voluntary standard developed by Ecos Consulting and the Electric Power Research Institute (EPRI) in the United States, aimed at improving energy efficiency in power supplies (PSU) to further save energy. The 80 PLUS standard has six levels (white, bronze, silver, gold, platinum, and titanium), each requiring a minimum efficiency of over 80%.
When the U.S. Energy Star set the 4.0 specifications, it also included 80 PLUS, so Sea Sonic Electronics products comply with the EuP (Energy-using Products) Directive/U.S. Energy Star standard: less than 1W power consumption when turned off.

Note2 Cybenetics is a certification company founded by media reviewer Aris, primarily evaluating computer-related products. While power products are its main focus, it also certifies fans, computer cases, graphics cards, etc. Its efficiency certification is similar to 80Plus, with six levels (bronze, silver, gold, platinum, titanium, and diamond), and its noise levels have seven grades (S, S+, S++, A-, A, A+, A++).

Sea Sonic Electronics is committed to developing environmentally friendly, energy-saving, and environmentally friendly products, aiming to enhance the performance of the entire range of power supplies and bring new value to customers, becoming an enterprise model for providing high-quality products and solutions. Sea Sonic Electronics will continue to work hard to develop more advanced, more environmentally friendly, and more future-oriented power supplies, to promote sustainable development of society and achieve the common goals of customers and the company.

Products and Services

Products	• Retail DIY and system assembly power supply products: Covering everything from entry-level to high-end, from 300W to 1600W, including fully modular, semi-modular, and non-modular output types. Our comprehensive product line provides consumers and system operators with the best power solution. • Power supplies for industrial computer applications, ranging from 250W to 1000W, featuring fully modular and non-modular output styles. These products are widely adopted for their long-lasting Japanese electrolytic capacitors, dual-ball bearing fans, and wide temperature range designs, enhancing product quality and reliability to meet the strict requirements of industrial power use. • Computer peripheral components: The MagFlow series of case fans, besides excellent cooling capabilities, features a special patent design by Sea Sonic Electronics using magnetic attachment to link multiple fans together, simplifying user wiring and improving cable management inside the case for a user-friendly and neater setup. The optimized cooling and noise reduction of the MagFlow fans have earned them the Red Dot Design Award in 2022 and the iF Design Award in 2023.

Services	• For distributor and customers:
	  • After-sales service: Offers rapid repair services for products within the warranty period, along with a variety of value-added repair services for products beyond the warranty.
	  • Technical support service: When compatibility issues or other quality issues arise with our products on the market, Sea Sonic Electronics staff will personally visit the customer's site to test and verify solutions, aiming to resolve issues in the shortest possible time.
	  • Participation in gaming competitions and campus contests.
	• For consumers:
	  • Provides a daily technical support mailbox (FAQ) on the official website, constantly updating with the latest product and technology information. Website link: https://seasonic.com/contact-us
	  • Dedicated personnel handle consumer email inquiries, providing immediate answers and correct guidelines for product use. Email: support@seasonic.com
	  • Operates a Sea Sonic Electronics Facebook page, offering instant updates on company activities and related product.

Production Volume and Value by Product Category/Operating Revenue and Proportion by Product Category

Year / Product Name	2022		2023	
	Production Quantity (Thousand Units)	Production Value (NT$ Thousand)	Production Quantity (Thousand Units)	Production Value (NT$ Thousand)
Power Supply	774	1,073,758	1,017	1,499,000
Total	774	1,073,758	1,017	1,499,000
	Amount (NT$ thousand)	%	Amount (NT$ thousand)	%
Power Supplies (Note)	2,484,358	97.24%	3,270,638	98.12%
Other	70,484	2.76%	62,552	1.88%
Total	2,554,842	100.00%	3,333,190	100.00%

Note: 100% of the power supplies have obtained 80Plus energy efficiency certification.

Sales Regions of Main Products (Services)

Unit: NT$ thousand

Year / Sales Regions		2022		2023	
		Amount	%	Amount	%
Domestic Sales		152,226	5.96%	181,618	5.45%
Export Sales	Americas	413,572	16.19%	914,771	27.44%
	Europe	364,117	14.25%	951,199	28.54%
	Asia	1,609,531	63.00%	1,263,216	37.90%
	Other	15,396	0.60%	22,386	0.67%
	Subtotal	2,402,616	94.04%	3,151,572	94.55%
Total		2,554,842	100.00%	3,333,190	100.00%

Note: Sea Sonic Electronics' products or services are not banned in any specific markets.

Research and Development Cultivation Mechanism

Sea Sonic Electronics has established its R&D base in Taiwan. In addition to recruiting excellent industry R&D talent, we actively cultivate a professional R&D team. We integrate both internal and external training resources, offering the following five training programs. In 2023, the average training hours per R&D personnel were 23.37 hours, achieving the set goal of 20 hours per person. Sea Sonic Electronics continues to implement these five major cultivation strategies aimed at building a competitive and efficient R&D team to drive the company's innovation and technological development.

Training Categories	Course Content Description
Professional training courses	We provide a diversified training curriculum that covers professional skills, new technologies, and industry trends. 70% of these courses are conducted internally, with the remaining 30% led by external experts to ensure our R&D team stays abreast of the latest developments.
Project-based learning and practice	We arrange for R&D personnel to actively participate in projects, learning and applying new knowledge through hands-on work. This practice-oriented learning approach strengthens the skills of the R&D team and enhances their problem-solving capabilities.
Knowledge sharing and collaboration	An internal knowledge-sharing platform has been established, enabling R&D staff to share experiences, techniques, and solutions. We also encourage teamwork and promote interaction and cooperation between different departments to strengthen team cohesion.
Professional mentorship and project leadership systems	A project leadership system is in place, where seasoned R&D personnel guide and train newcomers. This one-on-one mentoring accelerates the learning curve of new employees and ensures the transfer of professional knowledge within the company.
Continuous learning culture	To establish a culture of continuous learning within the company, we encourage R&D personnel to engage in self-directed learning and growth. The company provides learning resources, including online courses, external professional seminars, and incentive programs to encourage self-learning.

Research and Development Innovation

Sea Sonic Electronics has always focused on maintaining a strong R&D capability, continuously striving for higher quality products, and is committed to developing environmentally friendly, energy-saving, quiet, and high-performance products. This mission drives us to continually enhance the performance of our entire range of power supplies. We aim to invest more than 1.5% of our annual revenue in R&D, with actual R&D spending in 2023 amounting to 1.66% of the annual revenue, to meet the needs of future products and grow alongside our customers.

Recent R&D Expenses

Item \ Year	2021	2022	2023
R&D Expenditure (NT$ Thousand)	79,179	59,256	55,414
Percentage to Operating Revenue (%)	1.58%	2.32%	1.66%
Net Operating Revenue (NT$ Thousand)	5,017,499	2,554,842	3,333,190

Technical Development

In the past, the design of Sea Sonic Electronics' power supply units involved the use of SMD components adhered to both the front and back of the PCB. However, in addition to SMD components, many electronic components used in power supplies are of the DIP type, which require the use of a DIP (Dual In-line Package) assembly process. This is a traditional electronic component PCB integration manufacturing process. Although modern electronics increasingly favor compact designs, leading to the replacement of most DIP components by SMD components, the characteristics of the power supply industry, limited by component development and evolution, still necessitate the use of DIP components such as transformers, inductors, capacitors, MOSFETs, diodes, and some heat sinks, resistors, and capacitors installed on the PCB.

When SMD components are placed on the back of the PCB (as shown in Figure 1), issues such as component drop-off and solder bridging can occur after passing through the solder furnace. This not only requires visual inspection and manual re-soldering but also re-testing, which not only increases labor hours but also reduces the yield of the process. Consequently, the costs associated with quality inspection, re-soldering, materials, and labor all increase accordingly.

Figure 1

Figure 2

By installing both SMD components and DIP parts on the front of the PCB (as shown in Figure 2) and utilizing an automated assembly process, production efficiency can be enhanced, and costs can be reduced. Surface-mounted components also allow for smaller, more complex circuit designs, offering higher circuit performance and reliability. This process is an extremely efficient method of electronic component installation, ideal for mass production, high-density circuits, and high-efficiency assembly, significantly reducing energy consumption and costs, thereby promoting energy conservation and carbon reduction.

To embody its environmental commitment and create value for customers, Sea Sonic Electronics set a target to reduce labor hours by over 10% for its main product lines, the Vertex and Focus series, starting in 2023. We successfully achieved a reduction of 10.7%. This significant reduction was primarily due to the introduction of a new front-side SMT process focused on environmental protection, energy saving, and performance enhancement. This process involved meticulous optimization of energy use, employing new materials and refining production workflows to not only reduce manufacturing steps and improve the production line's throughput rate (First Pass Yield, FPY—a measure of the quality level of products on a production line, describing a condition of production quality, work quality, or testing quality. It tracks the rate of good units passing through all operations successfully from the first step to the final step in one go) but also to decrease energy consumption and enhance product quality. This process innovation not only delivers superior performance in our products but also achieves goals of energy efficiency and emission reduction. Over 90% of Sea Sonic Electronics' power supplies are certified at the 80 PLUS Gold level or higher, which is about 5% more efficient than the lower 80 PLUS Bronze level. Based on the 2023 sales volume of approximately 1,000,000 units, with an average power output of 850W per unit, and assuming half-load usage for 8 hours per day, it is estimated to save about 62.05 million kWh annually, reducing carbon emissions by approximately 30,653 tCO_2e.

Due to advancements in R&D and the semiconductor industry, the Sea Sonic Electronics R&D team is committed to developing quieter and more efficient products. Noise levels have improved from an average 'S' rating in 2018 to between 'A-' and 'A++' in 2023. The average conversion efficiency of the Vertex series has increased from 88% to 89%, significantly reducing energy consumption and contributing to environmental sustainability.

FOCUS GX ATX3.0

1. 80Plus Gold
2. Intel Design Guide ATX 3.0 Note1
3. Digital Fan Control Note2
4. FDB Fan Note3
5. Cybenetics A-
6. Full Modular Note4
7. ErP Lot 6 2013 Note5

VERTEX PX ATX3.0

1. 80Plus Platinum
2. Intel Design Guide ATX 3.0
3. Digital Fan Control
4. FDB Fan
5. Cybenetics A-
6. Full Modular
7. ErP Lot 6 2013

Note 1: Intel Design Guide: A set of power supply design specifications established for Intel to ensure that the power supplies meet system requirements. Power supply manufacturers refer to this guideline when designing power supplies.

Note 2: Digital Fan Control: Digital temperature control involves changing the control of cooling fans from analog to digital, optimizing fan speed to effectively reduce noise and energy consumption from the power supply.

Note 3: FDB Fan: Fluid Dynamic Bearing (FDB) is a new form of bearing that is non-contact and mainly used in the 3C industry, most commonly in servers and computer cooling fans. Compared to previously used miniature ball bearings and oil-impregnated bearings, FDB operates more quietly and stably. With the dynamic pressure oil chosen by our company, our products not only achieve optimal lifespan but also improved vibration resistance.

Note 4: Full Modular: A design where the output power cables are fully modular. In traditional power supplies, output cables are fixed, leaving unused cables inside the case, which takes up space and is visually unappealing. The full modular design allows users to attach cables to a modular backplate based on their needs, while the unused cables do not need to remain inside the case, enhancing aesthetics.

Note 5: ErP Lot 6 2013: According to the 2013 EU Commission Energy-Related Products (ErP) Lot 6 eco-design directive, electronic products must not consume more than 0.5W in standby mode.

Sea Sonic Electronics is committed to expanding the application range of its products, continuously extending the scope of its power supplies to provide more comprehensive and diverse services to customers. This means the company is constantly pursuing new application scenarios to meet the increasing demand for high-quality power supplies in an increasingly digitalized lifestyle.

While pursuing product excellence, Sea Sonic Electronics is also highly attentive to environmental issues. In response to environmental policies, starting in 2023, Sea Sonic Electronics has implemented digital product manuals and provides QR codes that link to electronic handbooks. Currently, about the PRIME, VERTEX, and FOCUS ATX3.0 series have adopted the removal of wire usage instructions, and the VERTEX GX product manuals and quick installation guides have been reduced by about one third in size, reducing paper usage. The company also plans to minimize the environmental impact of packaging materials by reducing the amount of packaging used or switching to renewable energy materials. Additionally, the company optimizes carbon emissions and volume during transportation to promote the sustainable use of environmental resources. These efforts are not only a responsibility towards the environment but also part of Sea Sonic Electronics' commitment to social responsibility, ensuring the sustainable development of products.

Patent Strategy and Intellectual Property Management

Sea Sonic Electronics, facing rapidly evolving technology in power supplies and intense global competition, understands the necessity of differentiating its products to maintain competitiveness. Therefore, in 2022, the company consolidated its historical patent applications and integrated the management of tangible assets with intellectual property. This established a streamlined and efficient management system that effectively applies to the company's product design, enhancing market competitiveness and ensuring effective management of all intellectual property.

Committed to the high-end personal computer power supply market in an innovation-driven economic era, Sea Sonic Electronics operates in a cross-regional and interdisciplinary competitive environment. Global competitors continually introduce new ideas, attempting to transform these ideas into marketable products. A critical aspect of realizing these innovations conceived by our R&D team is the proactive protection and value addition of these ideas through intellectual property rights.

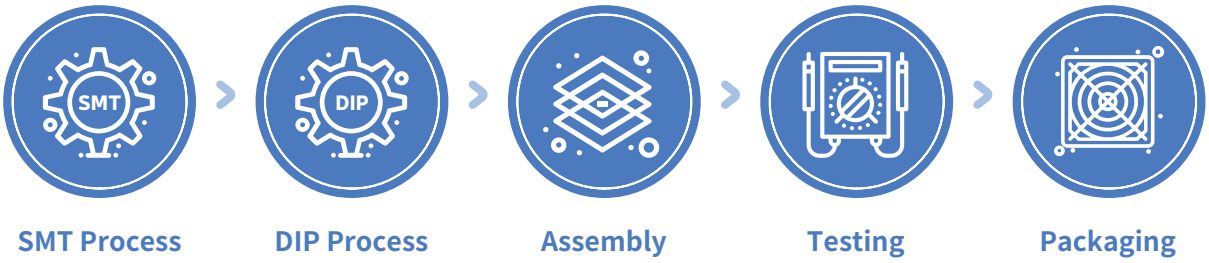
Historically, the company has averaged 5 to 8 patent applications annually, focusing primarily in Taiwan, the United States, and China, while also expanding into the European market as dictated by strategic needs. To meet the demands of future products and explore strategic opportunities, the target for innovative technology patent applications in 2023 was set at a minimum of 5, with an actual achievement of 10 applications. In 2023, beyond power technology-related patents, the focus included cross-industry collaborative efforts, such as the magnetic fan product arrangement. By synergistically enhancing the value of these collaborations with tangible products, greater overall synergy is created. Moving forward, Sea Sonic Electronics will continue to materialize and commercialize innovative ideas, allocating an annual budget for patent strategy and expansion to enhance product competitiveness.

3.2 Product Health and Safety

3.2.1 Product Quality Management

With the advancement of technology and changes in market demands, the power supply industry faces increasingly fierce competition. It is essential to continually enhance product quality and technology. Sea Sonic Electronics, in its operational activities, ensures the safety of products provided to customers and maintains the safety of products sold and services offered. Sea Sonic Electronics' Taiwan headquarters and its Dongguan plant were certified with the ISO 9001 Quality Management System in 1998 and 2001, respectively. This certification reflects our commitment to offering the highest quality products and services and maintaining stable and positive relationships with customers to generate corporate profits.

Every process in Sea Sonic Electronics' products undergoes stringent quality inspections. With a customer-oriented process and through five internal process management workflows, we closely link and continuously monitor process KPIs with quality policies to ensure customer satisfaction with our products and services. Our Dongguan plant serves as the main production base for the global market, certified by ISO 9001 and ISO 14001. Our products meet international standards such as CE, CISPR22, FCC part 15 class B, and AS/NZS 3548, and have received multiple international safety certifications including UL, C-UL, VDE, TUV, FI, CCC, GOST-R, PSE, and CB. Sea Sonic Electronics assesses 98.12% of its revenue for health and safety impacts.



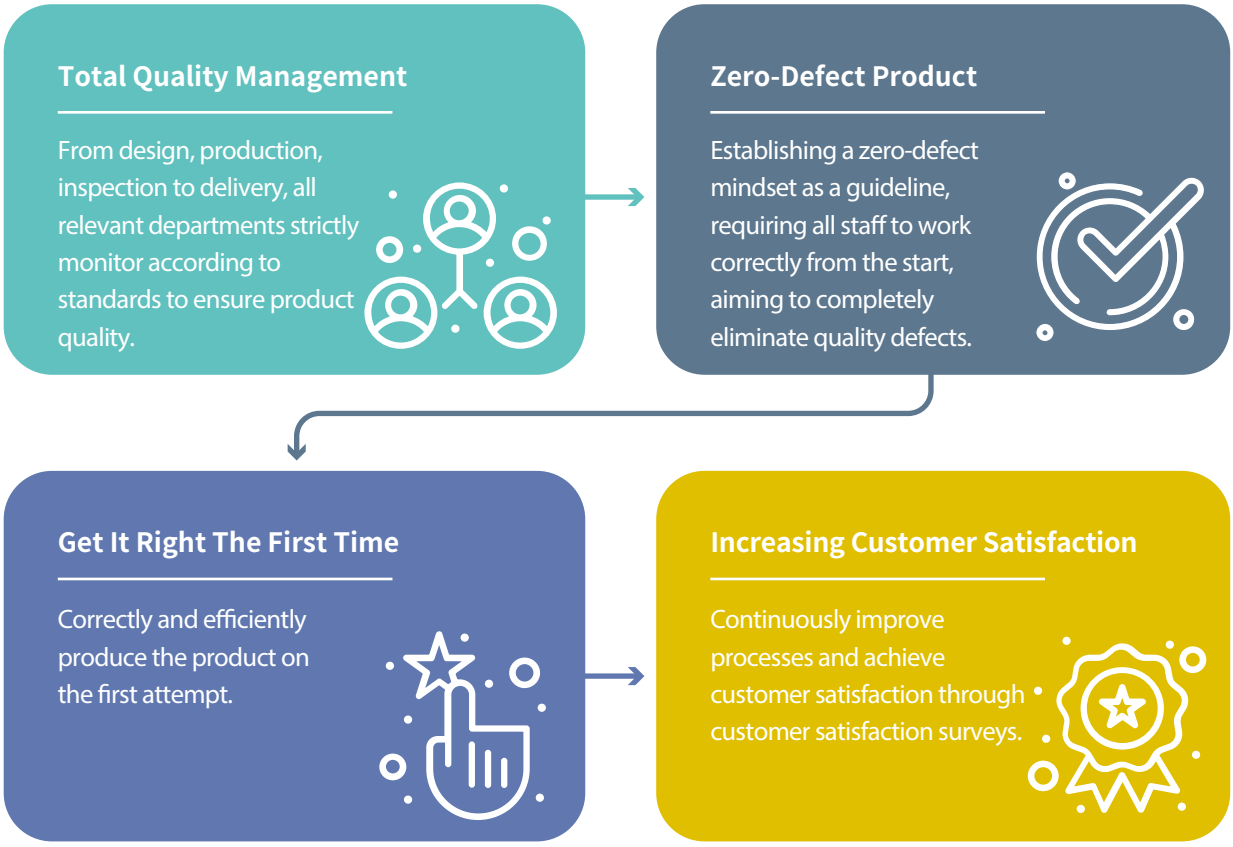
1. Process Management

In recent years, we have introduced numerous automation investments in production, testing, and information technology equipment to reduce dependence on manual labor and simultaneously enhance product quality. We continue to simplify processes, reduce costs, increase product reliability, and adopt more automated process control information systems to quickly capture process information and improve process capability.

All Sea Sonic Electronics facilities are equipped with XRF machines to monitor hazardous substances in incoming materials, finished products, and packaging materials. We identify and manage customer-specified materials throughout the processes of incoming, issuing, manufacturing, and finished goods storage. Sea Sonic Electronics ensures that products sold and labels comply with customer requirements and international regulations such as EU REACH, RoHS, and WEEE. We maintain product safety information, comply with relevant laws and regulations, and prevent product accidents. In 2023, there were no product recall incidents.

2.Customer Satisfaction

Sea Sonic Electronics adheres to a quality policy of total quality management, zero defects, doing it right the first time, and enhancing customer satisfaction. We focus on communication with customers, providing high-quality products and services to meet their expectations and needs, and increasing the loyalty of existing customers. Our goal is to listen to and understand customer feedback, improve internal processes, and continuously provide products and services that meet their requirements and expectations, thereby earning their satisfaction and trust and co-creating new value for sustainable business practices for both our customers and society.

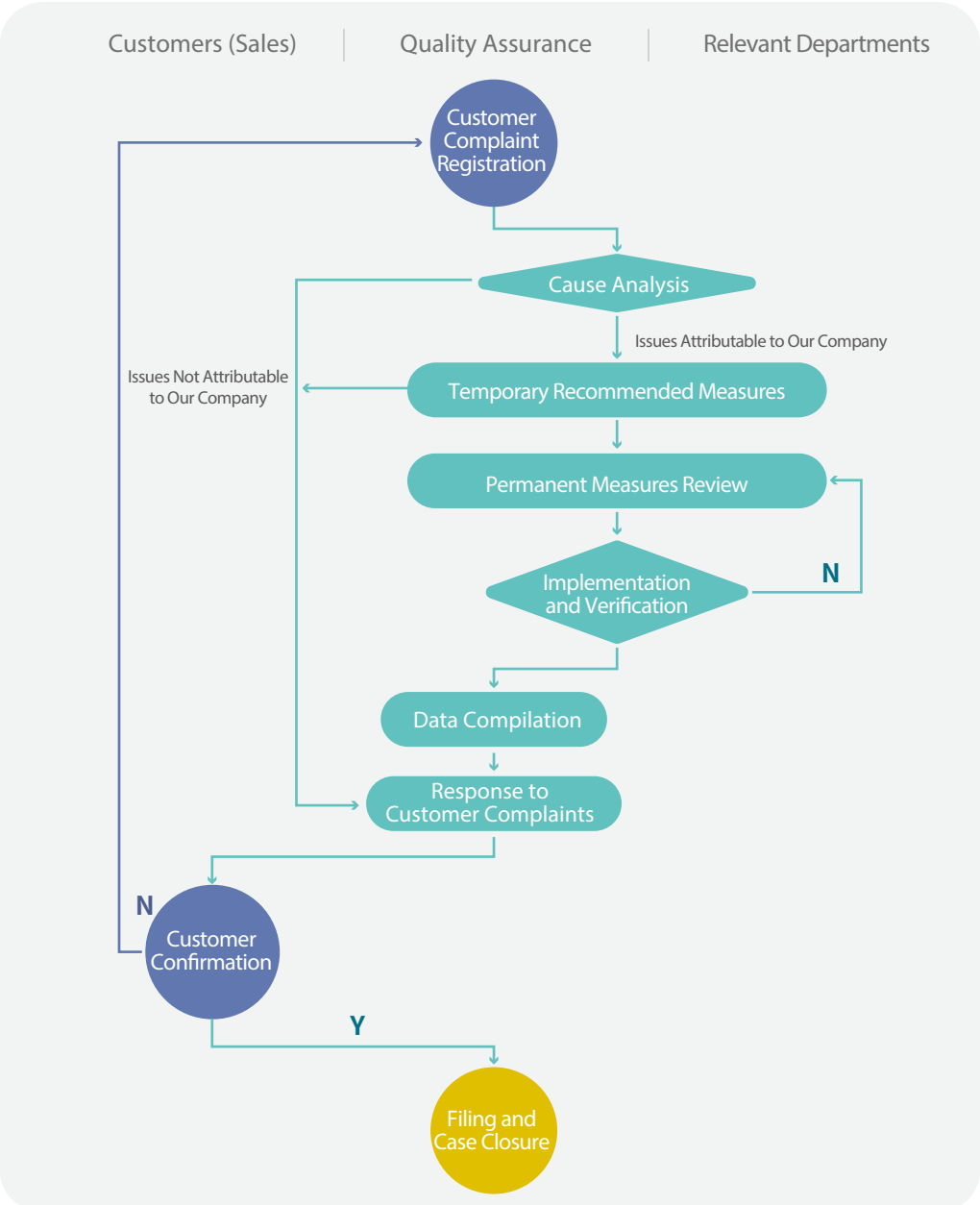


In the 2023 Customer Satisfaction Survey, Sea Sonic Electronics effectively collected feedback from 19 respondents, achieving an overall satisfaction rate of 87.63%, an increase from 2022. Satisfaction with customer service and technical capability was particularly high at 92.63%. However, delivery timeliness received the lowest satisfaction scores. To address this, we will establish a project aimed at improving this area. Through this annual survey, we capture insights into our brand positioning and adjust our customer satisfaction strategies, enhancing service quality and customer satisfaction. Our goal is to become a long-term partner trusted and appreciated by our clients.

3. Customer Complaint Handling Mechanism

Meeting customer expectations is crucial. To ensure complete satisfaction with the products and services offered by Sea Sonic Electronics, we attentively listen to customer feedback and have established a customer complaint procedure to address concerns swiftly and effectively. Through a complete, systematic, and standardized process, we ensure that customer complaints and feedback are effectively communicated, handled, and responded to, thus safeguarding customer rights. In 2023, we received 22 complaints, all of which received a 100% response rate.

Customer Complaint Notification and Management Mechanism



3.3 Marketing and Labeling

3.3.1 Product and Service Labeling Standards

Sea Sonic Electronics specializes in the professional design and production of power supply-related products. From product design to production and final delivery to customers, every step is meticulously overseen to ensure product safety. Our packaging clearly displays the origin, product specifications, and safety certification marks, providing safe products and ensuring the safety of products sold and services offered. During the design phase, our products are also sent for safety certification testing by professional laboratories accredited by the TAF (Taiwan Accreditation Foundation) or CNAS (China National Accreditation Service) to ensure compliance with international safety standards. In 2023, there were no safety or marketing labeling violations or fines related to any of Sea Sonic Electronics' products. Our product packaging and official website provide consumers with access to technical support and relevant information.

CH4

Supply Chain Sustainability

4.1 Industry Supply Chain

4.1.1 Industry Overview

Current Status and Development of the Industry

In 2023, the release of NVIDIA RTX 4090/4080 graphics cards initiated a major upgrade wave for high-specification power supplies, coupled with the demand from AI/Edge Computing applications, which has provided significant growth momentum to the power supply industry in recent years.

Industry Supply Chain Relationships

The upstream of the electronics and electrical industry consists of suppliers of electronic components, mainly including (1) Japanese, American, and Taiwanese semiconductor and electrolytic capacitor manufacturers or distributors, and (2) other component suppliers primarily Taiwanese businesses in mainland China, including suppliers of PC boards, passive components, wires, transformers, casings, switches, terminals, and other components, (3) associate companies or subcontractors. These suppliers and power supply manufacturers have formed a vast industrial cluster, sharing fortunes and challenges, and have made significant contributions to Taiwan's dominance in the global computer industry.

Downstream customers include computer system assemblers and brand vendors who either participate in setting specifications or simply place orders and directly distribute products to the market. As they control the market, power supply manufacturers must closely cooperate with them to understand market demands and technological trends, including specifications for motherboards, graphics cards, and other peripheral products, all of which are closely linked to power supplies.

Trends and Competitive Landscape of Products

1. Development Trends

   With the increase in new applications and consumers' demands for innovation, the development of digital power circuit architectures to meet power management needs has become a significant trend and a new selling point. Sea Sonic Electronics is actively engaged in the research and development of digital circuitry and product development in this area.

2. Competitive Landscape

   The power supply sector is a relatively mature industry within the electronics field, where the specifications for mid to low-range power supplies have become standardized, making it difficult for manufacturers to enhance product competitiveness through differentiation. Consequently, the market has evolved to favor major players and brand dominance, making it challenging for smaller manufacturers and new brands to enter.

3. Competitive Niches
   - Sea Sonic Electronics establishes a strong brand image with its environmentally friendly, energy-saving green initiatives and product reliability, positioning itself away from competitors' low-price strategies.
   - Focused on technology and R&D, Sea Sonic Electronics has accumulated over forty years of R&D experience, possesses superior product design capabilities compared to the industry, and continues to elevate its technological levels, allowing the company to lead in new product design and functionality, continuously developing quieter, more energy-efficient, and eco-friendlier power supplies.
   - Sea Sonic Electronics primarily focuses on developing high-end power supplies. The Sea Sonic brand is well-regarded within the industry, attracting significant OEM/ODM business in addition to its branded products.

4.2 Supply Chain Management

4.2.1 Supply Chain Management Policy

As a leading manufacturer of power supplies, Sea Sonic Electronics' supplier management policy considers environmental, social, and economic aspects, aiming to reduce the risk of supply disruptions, enhance the sustainability and resilience of the supply chain, and maintain its stability. During procurement, we focus on six key aspects of our suppliers: Technology, Quality, Responsiveness, Delivery, Cost, and Energy saving, collectively referred to as TQRDCE. We assess suppliers' environmental impact based on six indicators: 1) Do they have ISO 14001 or ISO 50001 certification? 2) Do they conduct ISO 14064 greenhouse gas inventories or ISO 14067 product carbon footprint assessments? 3) Is there a power saving system with data monitoring and electricity distribution? 4) Do they have systems for recycling water resources and wastewater treatment, with effective reuse of treated water? 5) Do they engage in activities like transport energy saving, office energy saving, and green consumption to promote energy conservation and emission reduction? 6) Do they provide a declaration of restricted use of hazardous substances? Additionally, social responsibility is assessed through four indicators: 1) Compliance with current regulations regarding the strict prohibition of child labor. 2) Adherence to current laws and prevention of any potential inhumane treatment. 3) Provision of a safe and healthy working environment to prevent occupational accidents. 4) Provision of a declaration of metal conflict-free. Sea Sonic Electronics drives its supply chain partners to implement ESG sustainability initiatives and establishes joint ESG goals with suppliers, building a competitive supply chain together.

Sea Sonic Electronics' primary suppliers are categorized into five main types: raw material suppliers, machinery and equipment manufacturers, waste disposal firms, on-site service providers (such as security and cleaning), and safety regulation certification services, with Taiwan and China being the most crucial regions for raw material and machinery suppliers. For the main raw material suppliers involved in product manufacturing, we manage supplier relations according to international environmental procurement standards and manage various ESG risks under the ISO 9001 quality management system, including commitments to restricted substances and declarations of metal conflict-free, ensuring all products meet international environmental standards and customer requirements. Sea Sonic Electronics maintains a stable partnership with suppliers based on principles of integrity, helping to reduce operational risks, stabilize product quality, enhance customer service, and achieve sustainable development.

In response to the standards of the Responsible Minerals Initiative (RMI), Sea Sonic Electronics requires its suppliers to conduct comprehensive "RMI Conflict Minerals Due Diligence" and provide a 3TGs (Tantalum, Tin, Tungsten, Gold) survey according to the Conflict Minerals Reporting Template. Through our supplier evaluation process, we require new suppliers to sign a "Declaration of Metal Conflict-Free," adhering to Sea Sonic Electronics' management requirements of not using conflict minerals. In 2023, the signing rate reached 96.30%. Sea Sonic aims to uphold corporate responsibility together with our suppliers to prevent inhumane and human rights abuses, striving to build a sustainable enterprise.

Dongguan Seasonic serves as the main production base for Sea Sonic Electronics' global market. It has passed international certifications ISO 9001 and ISO 14001 and meets the standards of CE, CISPR22, FCC part 15 class B, and AS/NZS 3548. It also holds multiple international safety certifications including UL, C-UL, VDE, TUV, FI, CCC, GOST-R, PSE, and CB. In 2023, Dongguan Seasonic's main raw material suppliers totaled 152, including 42 Taiwanese and 110 Chinese suppliers, with no significant changes in the supply chain structure.

Sea Sonic Electronics prioritizes local sourcing and actively implements material localization, giving preference to local suppliers. Additionally, to address labor shortages and geopolitical risks internationally, we have initiated an assessment plan for third-country manufacturing to establish local supply chains and enhance supply flexibility. At our Dongguan Seasonic production site, we have promoted the localization of the supply chain, which not only shortens delivery times and reduces transportation risks but also lowers carbon emissions and creates more local job opportunities. To increase the number of high-quality material suppliers and avoid supply shortages due to risks such as sole sourcing, regional policy changes, and insufficient capacity, as well as to reduce costs, our focus has been on increasing local procurement. In 2022, a new contract manufacturing facility was established in Malaysia. Going forward, we will continue to seek new high-quality supply chain partners and gradually increase local procurement, continually strengthening Sea Sonic Electronics' key advantage in global sourcing strategy.

Supplier Screening Mechanism

When there is a need to add new suppliers for raw materials or outsourced processing products, the procurement department, based on the requisitioning unit's needs, identifies suitable suppliers and requests them to provide the "Supplier Information Card", "Good Faith Principle", "Declaration of Metal Conflict-Free", and "Certification of Non-use of Hazardous Substances". Upon approval of these documents, except for suppliers who meet the criteria for special registration, an on-site review and evaluation of the supplier's operations are also required.

The material suppliers at the Taiwan headquarters primarily consist of overseas material purchasers or import part agents, while Dongguan Seasonic primarily deals with manufacturers, resulting in slightly different document requirements for supplier screening.

Supplier Evaluation Items		Suppliers with Special Registration Conditions Overseas Material Purchasers or Import Part Agents	Raw Material or Outsourced Processing Suppliers Manufacturers
Document Review	Supplier Information Card	V	V
	Good Faith Principle	V	V
	Declaration of Metal Conflict-Free	V	V
	Certification of Non-use of Hazardous Substances	V	V
On-site Review	Supplier Criteria Evaluation Table	NA	V
	Environmental Management Substance System Evaluation Form	NA	V

For suppliers meeting special registration conditions at the Taiwan headquarters, screening is conducted through document review. In Dongguan Seasonic, new suppliers are selected through on-site evaluations, with the following process:

Step 1: Suppliers provide the "Supplier Information Card", sign the "Good Faith Principle", "Declaration of Metal Conflict-Free", and "Certification of Non-use of Hazardous Substances".

Step 2: Local suppliers in Dongguan Sea Sonic undergo an evaluation, providing the "Supplier Criteria Evaluation Table" and "Environmental Management Substance System Evaluation Form" for self-assessment, followed by an actual factory evaluation.

Step 3: Dongguan Seasonic conducts an on-site supplier evaluation, while the Taiwan headquarters conducts a supplier document review.

Step 4: Upon approval of the review, qualified suppliers are assigned a supplier code.

In 2023, through the environmental and social screening mechanisms, the following suppliers were excluded: those restricted to products specified by a customer, suppliers with a monopoly in the market or specific design requirements, overseas purchasers of materials or import part agents, suppliers whose product quality is industry-recognized and widely used, triangular trading companies, and suppliers of equipment/instrument, general affairs, and consumable packaging materials. As a result, 29 new raw material suppliers were added in 2023, including 2 in Taiwan and 27 in China, mainly to increase alternative material suppliers. One supplier in Dongguan was removed due to poor quality, and another due to design changes. In 2023, 93.1% of the suppliers passed the environmental and social screening mechanisms.

To ensure a steady supply of raw materials, Sea Sonic Electronics established a supplier TQRDCE assessment system in August 2023. The system scores suppliers based on the following six principles: Technology, Quality, Responsiveness, Delivery, Cost, and Energy Saving. The assessment identified competitive suppliers, and as the importance of environmental and social aspects increased, these factors were incorporated into the scoring items. Starting from 2024, evaluations based on these six screening principles will be conducted every six months. To effectively manage suppliers, they are categorized and ranked to monitor the overall supply chain condition. Suppliers graded 'C' are notified for internal improvements, and those graded 'D' may have their order ratio reduced, be placed under special monitoring and guidance, or have review meetings scheduled. At the end of the year, a comprehensive annual review is conducted. Suppliers who score below 'D' in the annual TQRDCE rating (average for the year) must be reported to the company for a decision on whether to continue cooperation or to designate an observation period. The top ten suppliers in the annual TQRDCE rating with an average score of 'A' or higher are awarded to encourage their performance.

4.2.2 Supply Chain Audit Effectiveness

Supplier Audits

Sea Sonic Electronics conducts annual audits based on the "Annual Supplier Audit Plan", "Supplier Criteria Evaluation Table", "Environmental Management Substance System Evaluation Form", "Supplier Audit Deficiency List", and "Annual TQRDCE Score Summary". These audits verify the actual operation of all major material suppliers, minimizing risks related to the environment, human rights, and labor.

Audit Items at Taiwan Headquarters and Dongguan Seasonic

Audit Items	Taiwan Headquarters	Dongguan Seasonic
Annual Supplier Criteria Evaluation Table	NA	V
Environmental Management Substance System Evaluation Form	NA	V
Supplier Audit Deficiency List	NA	V
Annual TQRDCE Score Summary	V	V

In 2023, 17 suppliers were audited on-site at Dongguan Seasonic, and 6 were audited through document review at the Taiwan Headquarters, totaling 23 audited suppliers. Suppliers rated 'C' or above were deemed qualified, while those rated 'D' and 'E' were considered unqualified, requiring coaching and re-auditing after one month to enforce the PDCA management cycle. Suppliers that still failed to meet standards had their qualifications revoked and were phased out to maintain the company's service quality.

Audit Grading Criteria

A Grade: 91-100 points

B Grade: 81- 90 points

C Grade: 71-80 points

D Grade: 61-70 points

E Grade: 60 points

Based on the audit results, all 23 suppliers scored above 81 points this year and were deemed qualified. There were 16 'A' grade suppliers, including 5 from the Taiwan Headquarters and 11 from Dongguan Seasonic, and 7 'B' grade suppliers, with 1 from Taiwan Headquarters and 6 from Dongguan Seasonic, achieving a 100% qualification rate. All audited suppliers rectified deficiencies within the specified deadline, with no suppliers classified as unqualified. Suppliers under audit had to complete or submit improvement plans within the improvement period. This year, there were 10 items of non-compliance; suppliers were required to submit improvement plans for these deficiencies, achieving a 100% completion rate. Upon review of these improvement plans, all suppliers showed no significant actual or potential negative impacts on ESG aspects. Audit results are also integrated into the procurement process, prioritizing or increasing purchase volumes from high-performing suppliers.

In addition to evaluating suppliers to ensure that all engaged by the Company align with our environmentally friendly sustainability philosophy, Sea Sonic Electronics supports the spirit of SDG 17 by initiating green supply chain management. This connects upstream and downstream supply chain partners to create shared value and fulfill our responsibility to protect the environment, maintaining long-term cooperative relations.

Sea Sonic Electronics holds a biennial Supplier Conference, with the next sessions scheduled for January 2024 at both the Taiwan Headquarters and Dongguan Seasonic. Themed "Sustainable Digital Transformation: Collaborating to Create Value," the Taiwan Headquarters will host 25 representatives from 13 suppliers, while the Dongguan Seasonic will see 21 representatives from 11 suppliers. The agenda includes:

- **Policy Communication by Sea Sonic Electronics:**
  Review of the previous year and outlook for the new year, Sea Sonic Electronics' human rights policy, new annual production plans, and implementation standards for supplier management.
- **Promotion of Sustainable Development and Energy Conservation:**
  Conducting greenhouse gas inventories for key suppliers and encouraging the establishment of international standards systems like ISO.
- **Awarding Outstanding Suppliers**:
  Recognizing supplier partners with exemplary performance in ESG during the annual Supplier Conference, acknowledging their contributions and achievements in sustainability.

Supplier Conference: Taiwan Headquarters

Supplier Conference: Dongguan Seasonic

Sea Sonic Electronics is committed to enhancing supplier green performance, expanding environmental impact, and contribution, thereby fostering positive interactions and close partnerships with suppliers.

CH5

Eco-Friendliness

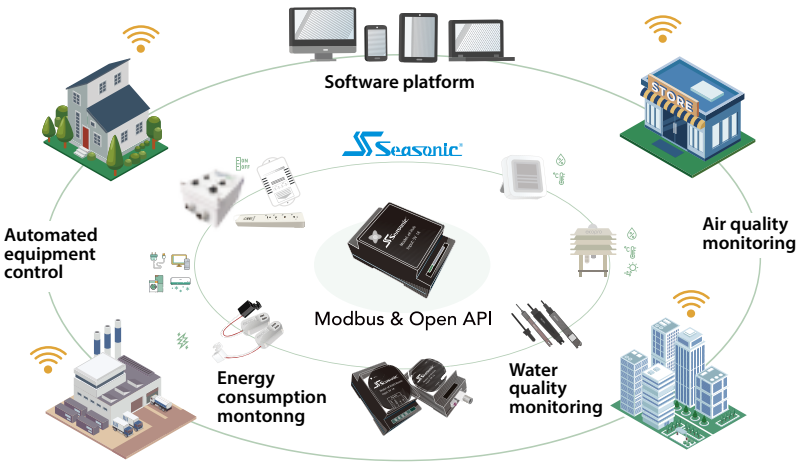
5.1 Energy Governance

5.1.1 Energy Management

Global warming and climate change have become critical issues for sustainable development in recent years. As a professional manufacturer of power supplies, Sea Sonic Electronics deeply recognizes that enhancing energy efficiency is key to transitioning to a low-carbon economy and strengthening competitiveness. Consequently, our mission is to develop environmentally friendly and energy-efficient products, improving the performance across our entire range of power supplies to mitigate the impacts of climate change.

To effectively enhance energy efficiency, Sea Sonic Electronics follows the ISO 14064-1:2018 greenhouse gas inventory standard to track carbon emission sources. Starting in 2021, we began conducting greenhouse gas inventories. From 2023, our Taiwan Headquarters has been utilizing the "Lightweight Energy Management System" developed by our subsidiary, Sea Sonic Energy. This system measures feeder current, voltage, power factor, and wire temperature among other metrics in a non-invasive way. Coupled with additional sensors and data analytics, it helps monitor equipment, detect unusual energy usage, and optimize energy efficiency, providing corporate energy-saving solutions and assisting businesses in achieving cost savings and energy conservation goals. We plan to collect data for over two years to understand the energy usage in various office areas at our Taiwan Headquarters, and adjust our energy-saving measures through this lightweight energy management system accordingly.

As global trends move towards net-zero carbon emissions and environmental regulations become increasingly stringent, such as the High Electricity User Clause (users with a contract capacity of over 5,000 kW), the EU carbon border tax, mandatory carbon audits, carbon taxes, and with Taiwan's anticipated carbon charge set to be introduced in 2025, companies are required to submit their own reduction plans. These plans include transitioning to low-carbon fuels, adopting negative emission technologies, improving energy efficiency, utilizing renewable energy, and process improvements. Companies that achieve specified targets can benefit from a reduced carbon fee rate.



Sea Sonic Energy Lightweight Energy Management System

- Integrates various sensing tools to comprehensively monitor the energy consumption data required at the site.
- Modular architecture that flexibly helps enterprises establish an ecosystem for energy and environmental control.
- Provides the eKoEN energy management system to meet the needs for energy disclosure and energy-saving cost reduction.

5.1.2 Energy Consumption

In 2023, Sea Sonic Electronics recorded a group energy intensity of 2.56, a decrease of 9.86% from 2022. Our energy sources include purchased electricity and the use of gasoline and diesel, with purchased electricity accounting for approximately 97% of the group's total energy usage; gasoline comprises 3%. The total energy consumption for 2023 was 8,548 GJ, an increase of 17.76% compared to 2022, primarily due to increased electricity usage at Dongguan Seasonic. In subsequent energy-saving plans, we are committed to implementing energy-saving policies, regulations, and standards, developing energy-saving improvement plans, promoting energy-saving and carbon reduction activities, and setting short/mid/long-term goals to maintain the group energy intensity below 2.5.

Dongguan Seasonic plans to introduce the ISO 50001 energy management system in 2024 to enhance the energy management system and ensure the long-term effectiveness of energy-saving management. Our mid to long-term plan from 2024 to 2026 includes a phased optimization of the burn-in cabinet energy recovery ESG program, aiming for energy savings and consumption reduction. Additionally, a solar power generation plan for the factory is expected to be completed by 2030.

Energy Usage from 2021-2023 across the Group

Region	Energy Types	Units	2021	2022	2023
Consolidated Financial Statement Scope	Electricity	KWh	3,242,301	1,939,373	2,311,211
		GJ	11,672	6,982	8,320
	Gasoline	Liters	8,171	8,691	6,466
		GJ	262	277	206
	Diesel	Liters	-	-	620
		GJ	-	-	22
Total		GJ	11,934	7,259	8,548

Item	Unit	2021	2022	2023
Group Energy Intensity	Megajoules per million NT$ revenue	2.38	2.84	2.56

Note 1: Disclosure boundary is consistent with the scope of the consolidated financial statements.

Note 2: The calorific value of electricity is converted to 1 kWh = 0.0036 GJ. The conversion factors are derived from the Gas Emission Coefficient Management Table 6.0.4 version of Ministry of Environment for calculating fuel calorific values, with gasoline at 7,800 kcal/L. Energy usage is multiplied by unit calorific value for conversion, calculating energy consumption. Gasoline: Taiwan = 0.0326 GJ/L; Mainland China = 0.0319 GJ/L; USA = 0.031246 GJ/L; Europe = 0.032168 GJ/L; Diesel: Europe = 0.036288 GJ/L.

5.1.3 Energy Saving Measures

At Sea Sonic Electronics, our energy-saving initiatives are implemented through day-to-day management. Since 2021, both our Taiwan headquarters and Dongguan Seasonic have progressively replaced old air conditioning units, lighting fixtures, and phased out old fuel vehicles in favor of new energy vehicles. We have also added variable frequency air compressors. These changes are initial steps toward achieving the goals of reducing energy and consumption, cutting emissions, and enhancing efficiency. Energy consumption standards have been prioritized in our procurement processes to not only reduce electricity costs but also to minimize the overuse of energy and implement carbon reduction measures.

"Earth" is considered a key stakeholder for Sea Sonic Electronics. On March 25, 2023, our Taiwan headquarters mobilized employees to participate in the "Earth Hour—Switch off and Give an Hour for Earth" event initiated by the World Wildlife Fund (WWF) in 2007. This globally recognized environmental campaign promotes turning off lights and other electrical devices to save energy and reduce emissions for our planet.

Earth Hour—Switch off and Give an Hour for Earth

At the Taiwan headquarters office building, specific energy-saving measures include:

Lighting Replacement

- The traditional T8 fluorescent tubes, besides generating more heat when in use, also consume more energy. Therefore, in 2021, the Taiwan headquarters undertook a major replacement of 313 T8 fixtures, substituting the original 100W T8 tubes with 48W LED flat panels.
- Estimated annual energy savings: 40,690 kWh/year

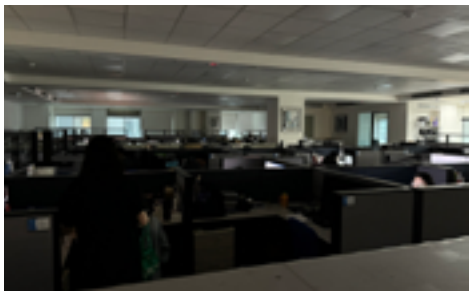
  Note: Based on an average use of 10 hours per day, with 250 working days per year.

Air Conditioning System Upgrade

- In 2022, the Taiwan headquarters upgraded to a variable frequency air conditioning system:
  - Before the improvement in 2021, fixed-frequency chillers were used; these were replaced in 2022 with a variable frequency split air conditioning system.
  - 2 units of energy efficiency level 1
  - 12 units of energy efficiency level 2

Office Energy Saving Measures

- Use of paper products certified by the Forest Stewardship Council (FSC) for copiers
- Implementation of the company's energy-saving policy and promotion of energy-saving measures on the company intranet:
  - ✓ Turning off lights during lunch break (12:30 PM - 1:00 PM)
  - ✓ Setting air conditioning temperatures to 24℃ in summer and 26℃ in winter
  - ✓ Air conditioning hours from 9:00 AM to 6:00 PM



Turning off lights during lunch break
(12:30 PM - 1:00 PM)

Dongguan Seasonic, as a key manufacturing base for Sea Sonic Electronics, has actively implemented energy-saving and electricity-reducing actions in response to future energy risks. The specific measures are as follows:

Lighting Replacement

- Beginning in 2021, Dongguan Seasonic initiated a phased replacement, switching from traditional fluorescent lights to high-quality, durable, energy-saving LED lights, which consume 57% less electricity and have a longer lifespan.
- Replacements made: 311 units in 2021, 160 units in 2022, and 258 units in 2023, with the overall replacement plan set to complete in 2024.

Air Conditioning System Upgrade

- Starting in 2021, Dongguan Seasonic began replacing old conventional air conditioners with new energy-efficient, comfortable, environmentally friendly, and healthy variable frequency air conditioners, reducing electricity costs and environmental pollution.
- Replacements made: 2 units in 2021, 1 unit in 2022, and 12 units in 2023, with the overall replacement plan set to complete in 2024.
- All new equipment has obtained China's energy-saving certification.

Fuel Vehicle Replacement

- In 2022, Dongguan Seasonic implemented green energy-saving measures by replacing one old fuel vehicle with a new energy vehicle, improving energy efficiency, reducing energy consumption, and saving costs.

Addition of Variable Frequency Devices

- Adding a frequency converter to the air compressor, which is estimated to save about 30% of electricity per hour.

Office Energy Saving Measures

- Implementing and promoting the company's energy-saving policy:

  ✓ Turning off lights during lunch break

  ✓ Setting the air conditioning temperature at 28°C

  ✓ Designating personnel to turn on the air conditioning later

5.2 Emission Monitoring

5.2.1 GHG Inventory

Climate change has become a global challenge, and we are acutely aware of the deteriorating environmental conditions due to greenhouse gas emissions. As a corporate citizen of the planet, Sea Sonic Electronics prioritizes the use of energy resources and environmental impact. To fulfill our corporate responsibility, since 2021, we have followed the ISO 14064-1:2018 greenhouse gas inventory standards, adopted the operational control approach to set organizational boundaries, and developed a "Greenhouse Gas Inventory Management Procedure" to conduct greenhouse gas inventories, regularly assessing and controlling organizational greenhouse gas emissions. Therefore, we have set 2021 as the baseline year. In March 2024, we completed the internal verification of the entire group's 2023 greenhouse gas inventory, with boundary scopes consistent with the consolidated financial statements, accurately controlling and managing the status of greenhouse gas emissions. According to the 2023 inventory results, the total emissions for Scope 1 and Scope 2 were 1437.70 tCO2e, an increase of 17.26% from 2022, but a decrease of 26.70% from the baseline year 2021; the GHG emissions intensity per million in revenue for 2023 was 0.43, a decrease of 10.11% from 2022 and an increase of 10.34% from the baseline year. Based on the inventory results, further initiatives to reduce energy consumption and carbon emissions are being promoted, aiming to reduce greenhouse gas emissions (Scope 1 and Scope 2) by 1% from the baseline year of 2021, contributing to environmental sustainability.

Emission Categories	Region	2021	2022	2023	Emission Categories	2021	2022	2023
Unit: tCO_2e								
Scope 1	Taiwan	16.72	27.51	27.81	Scope 1 + Scope 2	169.76	155.31	154.79
	China	79.46	106.25	107.91		1,771.35	1,045.23	1,268.03
	USA	1.40	4.66	2.85		11.27	16.24	9.50
	Europe	8.94	9.26	5.38		8.94	9.26	5.38
	Subtotal	106.51	147.68	143.95		1,961.32	1,226.04	1,437.70
Scope 2	Taiwan	153.04	127.80	126.98	Scope 3	408,448.46	177,148.69	213,750.57
	China	1,691.89	938.97	1,160.12		104,650.53	36,949.98	46,577.79
	USA	9.87	11.58	6.65		310.14	162.07	228.65
	Europe	0.00	0.00	0.00		311.46	89.30	263.24
	Subtotal	1,854.81	1,078.36	1,293.75		513,720.59	214,350.04	260,820.25
Unit: tCO_2e per million in revenue (tCO_2e/million revenue)								
Scope 1 + Scope 2	Entire Group	0.39	0.48	0.43				

Note 1: Taiwan includes Sea Sonic Electronics Taiwan Headquarters and Sea Sonic Energy (established in 2022, included in statistics starting 2023).

Note 2: China includes Dongguan Seasonic and Shenzhen Energy Power Electronics Co., Ltd.

Note 3: 2023 power emission factors:
Taiwan's factor is calculated based on the latest announcement by the Energy Administration, Ministry of Economic Affairs: 0.494;
China's factor is based on the value announced by the Ministry of Ecology and Environment of China: 0.5703; SSA uses multiple coeffi-cients compiled from ecoinvent, with an emission factor of 0.3336.

Note 4: The baseline year is 2021, as this was the first year of conducting inventories.

Note 5: Global warming potential (GWP) uses coefficients from the Intergovern-mental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6).

Note 6: Data for 2021 was externally verified, while data for 2022 and 2023 was only internally verified.

5.3 Water Source Management

5.3.1 Water Resource Management

Sea Sonic Electronics' Taipei headquarters and Dongguan Seasonic are located in areas not designated for ecological conservation. Water is sourced from third-party municipal water suppliers, used primarily for domestic purposes with no water used in manufacturing processes or wastewater produced. This year, there were no significant impacts on water sources due to water extraction by the company's operations.

According to the World Resources Institute's "Water Risk Atlas," the water resource stress for the locations of the Taipei headquarters and Dongguan Seasonic is projected to be "low to medium (10-20%)" by 2030, and water extraction has not caused significant impact on local water sources.

In response to climate change and the decreasing availability of water resources, we continue to promote the concept and knowledge of "water conservation" among our employees. In 2021, Sea Sonic Electronics' Taiwan headquarters decommissioned its chiller system, replacing it with variable frequency split air conditioners, renovated restrooms with water-saving toilets, and installed sensor-based urinals and faucets to encourage employees to value water resources and contribute to global environmental conservation.

Water extraction data is as follows:

Type	Water Source	Region	Unit	2022	2023
Third-party water supply	Tap water	Taiwan	Million liters	1.29	1.28
		China		13.16	13.04
Total				14.45	14.32
Water Consumption Intensity			Million liters / million in revenue	0.0057	0.0043

Note 1: Disclosure boundary: Consistent with the scope of consolidated financial statements.

Note 2: Taiwan includes Sea Sonic Electronics Taiwan headquarters and Sea Sonic Energy (established in 2022, included in statistics starting 2023).

Note 3: China includes Dongguan Seasonic and Shenzhen Energy Power Electronics Co., Ltd.

Note 4: The European subsidiary (SSE) operates remotely, and the U.S. subsidiary (SSA) does not use water, hence no data disclosure.

5.4 Waste Management

5.4.1 Waste Collection and Disposal

Sea Sonic Electronics, a professional manufacturer of Switching Power Supplies (SPS), specializes in the development, design, research, production, and sales of power supply units. These units are essential components for personal computers, industrial computer workstations, servers, and telecommunications equipment, primarily responsible for providing stable voltage required for system or equipment operation. Sea Sonic Electronics values the harmonious coexistence of its operational activities and the environment, committed to providing green products and services, alleviating environmental load, and creating intrinsic corporate value. To manage its environmental impact along the value chain, Sea Sonic Electronics assesses processes from raw material procurement and product design to manufacturing and waste generation, focusing on sourcing environmentally friendly materials, reducing waste in its own processes, and implementing waste segregation and recycling to minimize operational impacts on the environment.

Sea Sonic Electronics is committed to effectively managing company waste, preventing pollution, and improving environmental sanitation to avoid environmental contamination and achieve waste resource recovery, stabilization, non-harmfulness, and economization. At the Taiwan headquarters, in compliance with the "Waste Disposal Act," the company cooperates with qualified waste collection contractors licensed by the regulatory authorities to prevent improper waste disposal. At the significant production base in Dongguan Seasonic, which passed the external audit of ISO 14001 in 2005, the environmental policy of "committing to green conservation and pioneering sustainable development" is upheld. Through the environmental management system ISO 14001, a regular PDCA cycle reviews performance mechanisms to fulfill commitments to green management and sustainable development. In 2023, both the Taiwan headquarters and Dongguan Seasonic had no environmental violations that resulted in penalties.

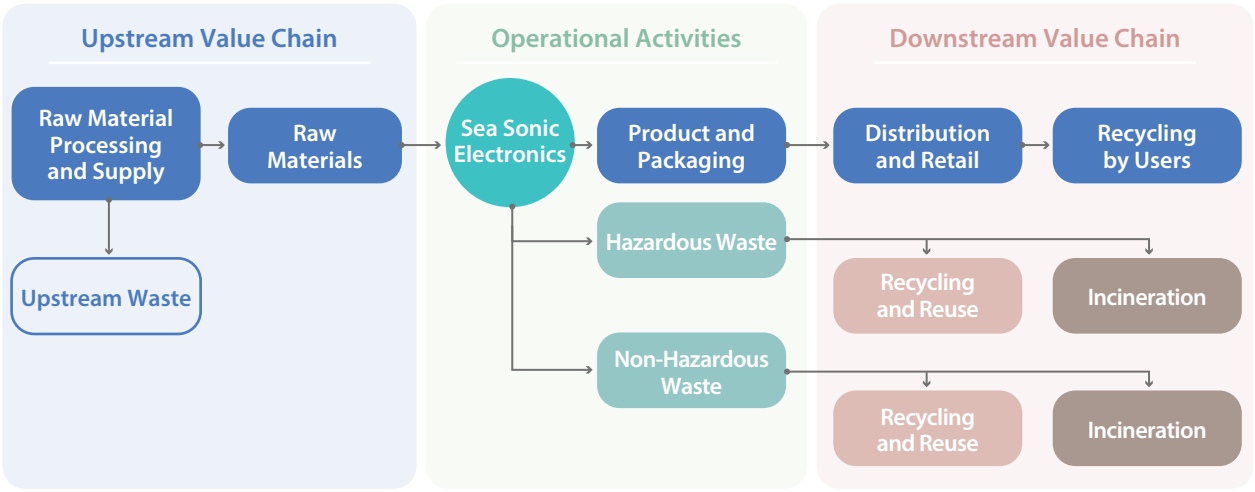
Sea Sonic Electronics manages and controls business waste according to its characteristics, with waste generated primarily at Dongguan Seasonic categorized into general waste, recyclable waste, and hazardous waste. Different colored bins are placed within the facility for waste segregation: gray bins for general waste, blue bins for recyclable materials, and small containers for cooked food waste. Each type of waste is deposited into the corresponding bins. Production lines focus on reducing waste of raw materials at the source. The weight of all outgoing waste from the facility is recorded to ensure proper tracking.

The waste at the Taiwan headquarters primarily consists of general waste from the corporate office building and business waste from the warehouse. Recycling bins are set up within the office and factory premises, marked with different colors and differentiated by shape: gray bins for general waste, blue bins for recyclable materials, and small containers for cooked food waste recycling. Each type of waste is placed into its respective bin. The disposal of general waste is managed by the building's waste collection contractor, while electronic waste is disposed of through contractors licensed by the Environmental Protection Administration.

To manage the environmental impact of Sea Sonic Electronics' products within the value chain, the company assesses processes from raw material procurement to product design, manufacturing, and waste generation to minimize operational impacts on the environment.

Value Chain Stages	Upstream	Manufacturing	Downstream
Assessment Items	**Raw Material Procurement**	**Product and Packaging**	**Waste Disposal Institution**
Implementation Methods	• Use TQRDCE to manage suppliers. • Conduct surveys for RoHS restricted substances. • Avoid the use of conflict minerals. • Increase local procurement to reduce transportation costs.	• Optimize the SMD process to reduce defect rates. • Decrease working hours by 10.7%. • Plan to introduce packaging materials that are durable and recyclable.	• Ensure waste disposal institutions have valid waste management licenses. • Conduct regular audits of waste disposal institutions. • Reuse and recycle turnover bins. • Ultimately, sold products are recycled by consumers.

Flowchart of Waste Management Process



In 2023, the total waste weight for Sea Sonic Electronics was 70.63 tons, of which 62.81 tons were transferred for disposal, accounting for 88.92%, and 7.82 tons were directly disposed of, accounting for 11.07%. The total weight of hazardous business waste was 5.40 tons, and non-hazardous business waste was 65.22 tons. The waste output intensity per unit of revenue in 2023 was 0.021, slightly higher than 0.018 in 2022.

Year	Sites	Total Hazardous Waste						Total Amount (Unit: Tons)
		Onsite Disposal			Offsite Disposal			
		Waste diverted from disposal		Direct Disposal	Waste diverted from disposal		Direct Disposal	
		Recycling and Reuse	Energy Recovery	Incineration	Recycling and Reuse	Energy Recovery	Incineration	
2022	Taiwan Headquarters	-	-	-	1.40	-	-	1.40
	Dongguan Seasonic	-	-	-	-	-	0.42	0.42
2023	Taiwan Headquarters	-	-	-	4.80	-	-	4.80
	Dongguan Seasonic	-	-	-	-	-	0.60	0.60

Year	Sites	Total Non-Hazardous Waste						Total Amount (Unit: Tons)
		Onsite Disposal			Offsite Disposal			
		Waste diverted from disposal		Direct Disposal	Waste diverted from disposal		Direct Disposal	
		Recycling and Reuse	Energy Recovery	Incineration	Recycling and Reuse	Energy Recovery	Incineration	
2022	Taiwan Headquarters	-	-	-	2.46	-	-	2.46
	Dongguan Seasonic	-	-	-	33.81	-	7.22	41.03
2023	Taiwan Headquarters	-	-	-	12.16	-	-	12.16
	Dongguan Seasonic	-	-	-	45.85	-	7.22	53.06

Year	Sites	Total Waste						Total Amount (Unit: Tons)
		Onsite Disposal			Offsite Disposal			
		Waste diverted from disposal		Direct Disposal	Waste diverted from disposal		Direct Disposal	
		Recycling and Reuse	Energy Recovery	Incineration	Recycling and Reuse	Waste Heat Recovery	Incineration	
2022	Taiwan Headquarters	-	-	-	3.87	-	-	3.87
	Dongguan Seasonic	-	-	-	33.81	-	7.64	41.45
	Total	-	-	-	37.68	-	7.64	45.32
2023	Taiwan Headquarters	-	-	-	16.97	-	-	16.97
	Dongguan Seasonic	-	-	-	45.85	-	7.82	53.66
	Total	-	-	-	62.81	-	7.82	70.63

Note 1: The disclosure boundary includes: Sea Sonic Electronics Taiwan Headquarters and Dongguan Seasonic, as well as sales-focused "Shenzhen Energy Power Electronics Co., Ltd.," "SSA," and "SSE," where recycling is carried out by users.

Note 2: "Onsite" refers to within the premises of Sea Sonic Electronics factories.

Note 3: "Offsite" refers to disposal by external contractors hired by Sea Sonic Electronics.

Note 4: Waste classification in Taiwan and China factories follows the "Waste Disposal Act" and "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste," respectively, with hazardous waste in China being equivalent to hazardous business waste in Taiwan.

Note 5: The Taiwan Headquarters generated more waste in 2023 due to the relocation of the Taoyuan warehouse; increased production in Dongguan Seasonic led to more waste.

5.4.2 Recycling and Reuse

With the planet's resources being finite, the industry is striving to find alternative materials or reduce usage to effectively utilize limited resources and minimize resource wastage and environmental impact. With a commitment to caring for the Earth, Sea Sonic Electronics has, since 2022, implemented reuse practices that do not compromise product quality or safety, to reduce material resource consumption. Starting from 2022, Dongguan Seasonic began recycling blisters, empty box, and pallets for vendor reuse. This not only increases the resource reuse rate but also reduces waste disposal costs and the amount of waste recycled, effectively utilizing the Earth's resources and reducing operational costs for both parties, thus creating a win-win situation.

Annual Turnover Total

Unit: Pieces

Recycling Items	2022	2023
Blisters	43,108	73,580
empty box	66,144	94,276
Pallets	4,576	6,344

CH6

Employee Care

6.1 Human Capital

6.1.1 Talent Recruitment

Sea Sonic Electronics' human resource management policy aims for long-term planning and management through talent selection, utilization, development, and retention, in alignment with the organization's business development needs. We assess the current quality of our workforce and forecast future manpower requirements. Adhering to local labor laws and regulations, Sea Sonic Electronics follows international human rights conventions and government labor-related regulations in its employee recruitment policies. We prohibit the employment of child labor, discrimination, workplace harassment, forced labor, etc., and have established an independent complaint channel. Through open communication between labor and management, we provide employees with a safe, equitable, and free working environment. In 2023, through collaboration with schools, we strengthened the technical and practical skills of young talent through internships and other programs to meet the needs of industry development and youth employment. We plan to recruit "Research and Development Alternative Service Personnel" in 2024, cultivating their ability to handle projects independently, from circuit design, material selection, analysis, to implementation strategies, providing young people with broader opportunities for development. Sea Sonic Electronics offers competitive compensation and benefits, designs talent training mechanisms, and implements performance evaluation systems that align with market trends. We aim to stimulate employee innovation and maintain a momentum of continuous improvement. We hope to provide outstanding talent with unlimited development opportunities and possibilities, fostering mutual growth with the company and creating a sustainable future for talent development.

Employee Composition

Sea Sonic Electronics employs local staff at each operational site. As of the end of 2023, Sea Sonic Electronics had a total of 352 employees. All employees are full-time. There were 208 regular employees and 144 irregular employees. Among them, 112 were direct employees, and 240 were indirect employees. Compared to 2022, the number of employees increased by 27 people (a growth of approximately 8.3%), mainly due to increased demand for grassroots personnel.

There were 13 non-employee workers. In Sea Sonic Europe B.V., 8 consultants were hired, while in Taiwan, there was 1 outsourced cleaning staff and 1 marketing staff. In China, there were 2 outsourced customer service staff and 1 design marketing staff.

Employee numbers in the past two years unit: people

Year	2022	2023
Number of Male Employees	175	190
Number of Female Employees	150	162
Number of Other Employees	0	0
Total Number of Employees	325	352

Note 1: All employed staff are full-time, with no part-time or "employees with no guaranteed hours".

Note 2: Employee numbers are based on the data as of the end of the reporting period. Excludes employees on leave without pay for the year.

Distribution of Total Employees by Region, Gender, and Type in 2023

Employment Type	Gender	Region					Total
		Taiwan		China		USA	
		Sea Sonic Electronics Taiwan Headquarters	Sea Sonic Energy	Dongguan Seasonic	Shenzhen Energy Power Electronics Co., Ltd.		
All Employees	Male	57	5	121	5	2	190
	Female	52	0	104	5	1	162
	Total	**109**	**5**	**225**	**10**	**3**	**352**
Irregular Employees	Male	57	5	16	5	2	85
	Female	52	0	1	5	1	59
	Total	**109**	**5**	**17**	**10**	**3**	**144**
Regular Employees	Male	0	0	105	0	0	105
	Female	0	0	103	0	0	103
	Total	**0**	**0**	**208**	**0**	**0**	**208**

Distribution of Direct and Indirect Employees by Gender

Direct and Indirect Employees	Gender	Region					Total
		Taiwan		China		USA	
		Sea Sonic Electronics Taiwan Headquarters	Sea Sonic Energy	Dongguan Seasonic	Shenzhen Energy Power Electronics Co., Ltd.		
Direct Employees	Male	0	0	48	0	0	48
	Female	0	0	64	0	0	64
	Other	0	0	0	0	0	0
	Subtotal	**0**	**0**	**112**	**0**	**0**	**112**
Indirect Employees	Male	57	5	73	5	2	142
	Female	52	0	40	5	1	98
	Other	0	0	0	0	0	0
	Subtotal	**109**	**5**	**113**	**10**	**3**	**240**
Total		**109**	**5**	**225**	**10**	**3**	**352**

Note 1: Taiwan includes Sea Sonic Electronics Taiwan Headquarters and Sea Sonic Energy (established in 2022, included in statistics starting 2023).

Note 2: China includes Dongguan Seasonic and Shenzhen Energy Power Electronics Co., Ltd.

Note 3: Direct refers to operators; indirect refers to other personnel.

Diverse Employee Structure

The gender distribution among our company's employees is 53.98% male and 46.02% female, with the highest percentage (63.92%) falling within the 30-50 age group.

Distribution of Personnel by Level, Gender, and Age

Job Level		2022						2023					
		Senior Executives	Middle Managers	Junior Managers	Entry Level Employee		Total	Senior Executives	Middle Managers	Junior Managers	Entry Level Employee		Total
					Direct	Indirect					Direct	Indirect	
Gender	Male	10	16	5	40	104	175	8	20	4	48	110	190
	Female	7	12	6	56	69	150	5	10	5	64	78	162
	Other	0	0	0	0	0	0	0	0	0	0	0	0
Age	Below 30	0	0	0	32	53	85	0	0	0	40	58	98
	30-50	5	21	9	62	112	209	4	23	7	70	121	225
	Above 50	12	7	2	2	8	31	9	7	2	2	9	29

Percentage Distribution of Personnel by Level, Gender, and Age

Job Level		2022						2023					
		Senior Executives	Middle Managers	Junior Managers	Entry Level Employee		Total	Senior Executives	Middle Managers	Junior Managers	Entry Level Employee		Total
					Direct	Indirect					Direct	Indirect	
Gender	Male	58.82%	57.14%	45.45%	41.67%	60.12%	53.85%	61.54%	66.67%	44.44%	42.86%	58.51%	53.98%
	Female	41.18%	42.86%	54.55%	58.33%	39.88%	46.15%	38.46%	33.33%	55.56%	57.14%	41.49%	46.02%
	Other	-	-	-	-	-	-	-	-	-	-	-	-
Age	Below 30	-	-	-	33.33%	30.64%	26.15%	-	-	-	35.71%	30.85%	27.84%
	30-50	29.41%	75.00%	81.82%	64.58%	64.74%	64.31%	30.77%	76.67%	77.78%	62.50%	64.36%	63.92%
	Above 50	70.59%	25.00%	18.18%	2.08%	4.62%	9.54%	69.23%	23.33%	22.22%	1.79%	4.79%	8.24%

Note 1: Senior executives are defined as managers at the level of department head (inclusive) or above, reporting directly to the President. Middle managers are at the level of Deputy Manager to Senior Manager, and junior managers are at the level of Section Chief. Direct staff in the entry level employee are operators, while indirect staff are non-managerial roles.

Note 2: In Taiwan, no physically or mentally challenged individuals are employed; monthly contributions are regularly made to the fund for the employment of the disabled.

New Hires and Resignations

Sea Sonic Electronics maintains a robust human resource system, aiming for mutual growth with employees while respecting their career development plans. In 2023, the company recruited 237 new employees, including 130 males and 107 females, predominantly under the age of 29; additionally, 210 employees resigned, including 115 males and 95 females. Reasons for resignation included personal career planning, family care, relocation, and career changes. To understand the reasons for employee departures and protect employee rights while establishing a robust recruitment system, both the responsible department heads and HR units conducted exit interviews with departing employees, serving as a reference for future improvements in human resources management.

Total Number and Proportion of New Employees

Gender	Age	2022					2023				
		Region			Total	%	Region			Total	%
		Taiwan	China	USA			Taiwan	China	USA		
Male	Below 30	9	27	0	36	34.95%	15	59	0	74	31.22%
	30-50	3	13	0	16	15.53%	16	40	0	56	23.63%
	Above 50	2	1	0	3	2.91%	0	0	0	0	-
Female	Below 30	4	24	0	28	27.18%	7	54	0	61	25.74%
	30-50	8	12	0	20	19.42%	5	40	0	45	18.99%
	Above 50	0	0	0	0	-	1	0	0	1	0.42%
Other	Below 30	0	0	0	0	-	0	0	0	0	-
	30-50	0	0	0	0	-	0	0	0	0	-
	Above 50	0	0	0	0	-	0	0	0	0	-
Total		26	77	0	103	100%	44	193	0	237	100%

Note 1: New hire ratio by age group = Number of new hires (male/female) in the age group for the year / Total new hires for the year * 100%. Does not include employees on unpaid leave.

Note 2: In Taiwan, mainly due to increases in junior employees.

Note 3: In China, mainly due to increases in direct employees at Dongguan Seasonic.

Total Number and Proportion of Resignations

Gender	Age	2022					2023				
		Region			Total	%	Region			Total	%
		Taiwan	China	USA			Taiwan	China	USA		
Male	Below 30	12	44	0	56	33.33%	14	48	0	62	29.52%
	30-50	5	26	0	31	18.45%	10	41	0	51	24.29%
	Above 50	0	1	0	1	0.60%	2	0	0	2	0.95%
Female	Below 30	7	34	0	41	24.40%	2	47	0	49	23.33%
	30-50	7	30	0	37	22.02%	6	36	1	43	20.48%
	Above 50	1	1	0	2	1.19%	2	1	0	3	1.43%
Other	Below 30	0	0	0	0	-	0	0	0	0	-
	30-50	0	0	0	0	-	0	0	0	0	-
	Above 50	0	0	0	0	-	0	0	0	0	-
Total		32	136	0	168	100%	36	173	1	210	100%

Note 1: Resignation ratio by age group = Number of resignations (male/female) in the age group for the year / Total resignations for the year * 100%. Includes employees on unpaid leave.

Note 2: In Taiwan, primarily junior employees resignations.

Note 3: In China, primarily direct employees resignations at Dongguan Seasonic.

Minimum notice periods regarding operational changes

Should significant operation changes occur that affect employee rights or alter employment conditions, such as cessation or transfer of business, losses, business contraction, force majeure suspending work for over a month, or changes in business nature necessitating workforce reductions without suitable job placement, the shortest notice period for terminating employment contracts in Taiwan will comply with the "Labor Standards Act":

- Over 3 months and less than 1 year: 10 days notice
- Over 1 year and less than 3 years: 20 days notice
- Over 3 years: 30 days notice

In mainland China, except in cases of work-related injuries or inability to perform duties, labor contracts can be terminated by giving a written notice to the employee 30 days in advance.

Labor Relations Management

Sea Sonic Electronics respects all employees' rights to assembly and collective bargaining. Currently, there are no union organizations in the Taiwan area, Shenzhen Energy Power Electronics Co., Ltd., or the U.S. subsidiary. Only Dongguan Seasonic has established a union organization in accordance with the "Trade Union Law of the People's Republic of China" and the "General Provisions of the Civil Law of the People's Republic of China," with 100% participation.

6.2 Compensation and Benefits

6.2.1 Equitable and Generous Compensation

Every year, Sea Sonic Electronics' headquarters in Taiwan participates in salary surveys conducted by manpower banks. Compensation plans are devised according to local industry salary levels, local cost of living, statutory minimum wage adjustments, and social insurance regulations. By establishing a compensation structure that aligns with market conditions and an employee incentive reward system, we aim to attract talent and retain key personnel.

Adjustments in salaries and bonuses are based on annual employee performance evaluations and are not differentiated by type of employment, gender, or age. Through self-assessments and managerial performance reviews, we strive to accurately reflect employee performance and provide positive feedback, setting goals for personal breakthroughs in the coming year. ESG principles are integrated into our core operations, enhancing colleagues' awareness of corporate sustainability and risk management. ESG performance metrics are linked to variable employee compensation, aligning company and employee interests to make corporate sustainability a common goal.

Annual total compensation for the organization's highest paid-individual vs. Median annual total compensation for all of the organization's employees excluding the highest-paid individual

Ratio of Highest Compensation to Median Compensation across the Entire Group

Disclosure Scope:	Median Ratio	Increase in Median Ratio
Sea Sonic Electronics Group	41.4:1	1.44:1

Note 1: Median Ratio = Highest Individual's Annual Total Compensation / Median Annual Total Compensation of Other Employees.

Note 2: Increase in Median Ratio = Increase Ratio of the Highest-Paid Individual's Annual Total Compensation / Median Increase Ratio of All Other Employees' (excluding the highest-paid individual) Annual Total Compensation.

Note 3: The median employee for 2023, who joined in July 2023, lacks salary information for 2022, therefore the analysis of the median salary is based on the closest median colleague's salaries for 2023 and 2022.

Average and Median Salaries for Non-Supervisory Employees in Taiwan

Categories	2022	2023
Non-Supervisory Employees (Number)	103	99
Non-Supervisory Employees (Average Annual Salary, Thousand NT$)	884	945
Non-Supervisory Employees (Median Annual Salary, Thousand NT$)	687	780

Note: This data refers to the guidelines and FAQs published by the Taiwan Stock Exchange on the reporting of salary information for non-supervisory full-time employees.

6.2.2 Comprehensive Welfare Measures

To enhance employee cohesion and improve market competitiveness, Sea Sonic Electronics has implemented various welfare measures. The Taiwan headquarters has legally established an Employee Welfare Committee, responsible for promoting and planning various employee welfare measures. Welfare funds are allocated monthly by the company and contributed by employees to the welfare committee account for use in various activities or subsidies. The committee regularly tracks the use of welfare funds and employee feedback to ensure proper utilization of the funds.

Taiwan Headquarters' Compliance with Regulations and Superior Practices

Social Insurance

Regulatory Standards —

Social insurance contributions (e.g., labor insurance, national health insurance, and labor pension contributions)

Practices Superior to Regulations —

Planning group comprehensive insurance, including life, accident, medical, and overseas travel insurance

Leave and Attendance Related

Regulatory Standards —

Rest days, national holidays, marriage leave, maternity leave, menstrual leave, family care leave, prenatal check-up accompaniment and paternity leave, prenatal check-up leave, bereavement leave, personal leave, sick leave, official leave, military leave, annual leave

Practices Superior to Regulations —

Advanced special leave

Additional welfare measures at the Taiwan headquarters that are not mandated by law

Items	Welfare Details
Flexible Work Hours	Employees can arrange their own working hours within specified periods.
Work from Home Flexibility	Employees may apply to work from home due to special needs.
Outstanding Employee Recognition	Conducting outstanding employee awards, providing trophies and bonuses.
Welfare Committee Subsidies/Activities	Birthday vouchers, Labor Day vouchers, Dragon Boat Festival vouchers, Mid-Autumn Festival bonuses, marriage and funeral bonuses, childbirth bonuses, scholarships for employees' children, birthday celebrations, employee travel activities, year-end party activities, club subsidies, irregular tea times, and designated store discounts.
Employee Services	Workplace environment and facilities optimization, lunch subsidy, lunch ordering service, health check-up subsidies, external education and training subsidies, and parking benefits for motor vehicles.

Dongguan Seasonic provides benefits according to local regulations to meet the various needs of local employees

Items	Welfare Details
Insurance	Employees are legally covered for basic pension insurance, basic medical insurance (including childbirth), and unemployment insurance.
Leave benefits superior to legal requirements	Employees legally enjoy various statutory and welfare leave such as marriage leave, maternity leave, nursing leave, bereavement leave, and annual leave.
Marriage, funeral, childbirth, and festival bonuses	Express appreciation to employees during festivals like Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival.
Employee health checks	Organize annual health checks for employees to emphasize and understand personal health.
Educational training subsidies	Provide annual educational subsidies for employees to encourage self-improvement and develop other skills in work and life. Conduct on-the-job training in labor safety, environmental protection, health and safety education.
Welfare activities	Provide annual travel and club subsidies to enrich employees' leisure lives and encourage them to form different types of recreational clubs spontaneously.
Others	Legally establish a trade union and actively promote various employee welfare and emergency aid programs.

Retirement Benefit System

Sea Sonic Electronics adheres to the statutory retirement systems in each region, allocating pension funds for all regular employees, with a participation rate of 100%. In Taiwan, the old pension system has been fully settled; currently, the new pension system is adopted, paid from the "Individual Labor Pension Accounts." Employees can voluntarily contribute 0-6% of their salary to their individual labor pension account. Upon meeting the retirement conditions, employees can legally claim their personal pension, ensuring their rights and benefits.

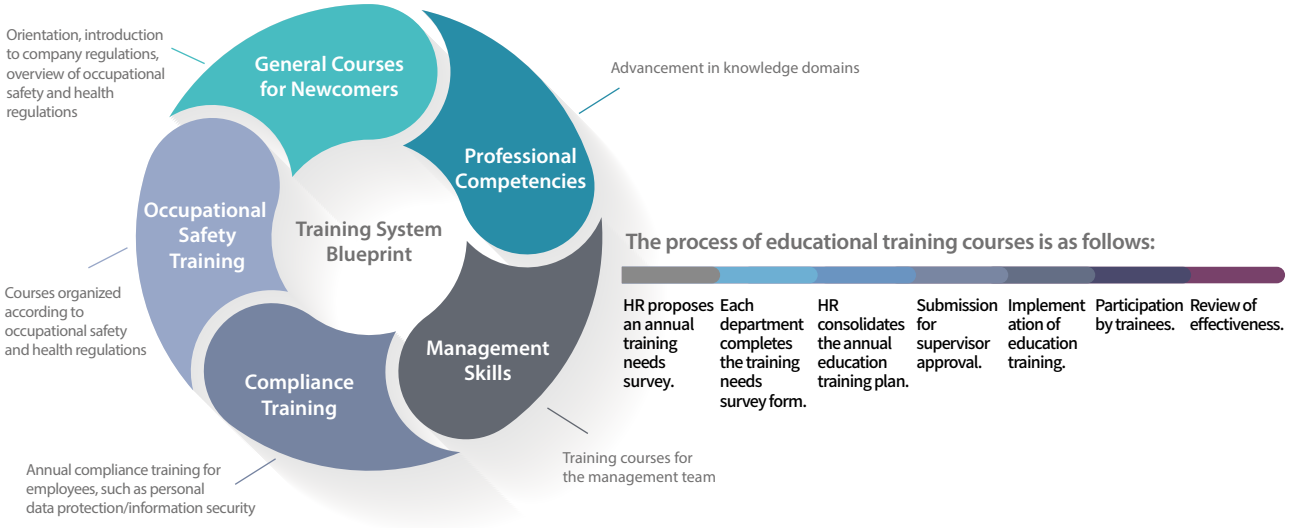
Dongguan Seasonic adheres to the statutory retirement system in China, where employees legally enjoy government pensions upon reaching the normal retirement age or in statutory situations such as disability due to illness or injury, ensuring their rights and benefits.

6.3 Diversified Development

6.3.1 Training and Education

Sea Sonic Electronics fulfills its corporate responsibility by establishing a comprehensive training system, providing diversified training courses and professional on-the-job education. Tailored training content is designed for different job functions and specialties, covering five main areas: general courses for newcomers, professional skills, managerial skills, compliance training, and occupational safety training. A comprehensive talent development plan is implemented to assist employees in continuous growth and ensure the Company's sustainable operation.

Educational training methods include internal training, external training, and online learning courses. In addition to regularly conducting internal and online learning courses, subsidies are provided to encourage employees to participate in on-the-job training and seminars organized by external certification bodies. The Human Resources department is responsible for planning employee training and development programs, with individual training performance considered in employee promotion criteria. Evaluation mechanisms include post-training assignments, internal presentation sessions, internal/external training course surveys, external training feedback reports, and attendance records. The goal is for employees to grow alongside the company, thereby enhancing overall performance and realizing a win-win operating philosophy.



Class schedule, number of trainees, and total hours of educational training:

In 2023, the total training hours amounted to 6,832.5 hours, with an average of 27.98 hours per person in Taiwan and 15.50 hours per person in China. The average training hours per employee for all staff were 19.41 hours, an increase of approximately 3,883 hours compared to 2022, representing a significant increase of 131.65%. This demonstrates the company's emphasis on and investment in employee education and training.

Among these, the total hours for professional skills training were the highest at 1,993 hours, accounting for 29.17%, mainly including research and development training courses totaling 838.5 hours, as well as product training courses. The Taiwan headquarters participated in Class A occupational safety and health supervisor education and training courses, while the Dongguan Seasonic conducted employee third-level safety education training in compliance with local regulations.

Recognizing the increasing importance of ESG issues, in 2023, we added new ESG-related courses to compliance training. There was an increase of 1,045 hours compared to 2022, primarily for senior executives to participate in external training and obtain ESG sustainability reporting and carbon management certification. It is hoped that employees will gain a deeper understanding of ESG principles, actively participate in carbon reduction measures, and possess the resilience and capability to analyze climate change impacts on operational bases. Additionally, there was an increase in integrity management courses to establish a business based on integrity, demonstrating the company's determination to pursue sustainable operation and enhance its overall value.

Employee Education and Training Hours Statistics

Items	2022			2023		
	Taiwan	China	USA	Taiwan	China	USA
Cumulative Hours for the Year	1,597.0	1,352.50	0	3,190.0	3,642.50	0
Number of Employees	106	215	4	114	235	3
Average Hours per Person	15.07	6.29	0	27.98	15.50	0

Note 1: Cumulative hours for the year include courses such as general orientation for newcomers, professional skills, compliance training, managerial skills, and occupational safety training.

Note 2: Average hours per person = Total annual training hours ÷ Number of employees in each region as of the end of 2023.

Note 3: Starting from 2024, education and training in the United States will comply with local regulations and corporate policies

Employee Training Hours by Course Category

Course Categories	2022	2023
	Total Hours	Total Hours
General Orientation for Newcomers	264.0	829.0
Professional Skills	1,178.5	1,993.0
Compliance Training	61.0	1,327.5
Managerial Skills	1,399.0	829.0
Occupational Safety Training	47.0	1,854.0
Other	-	-
Total	2,949.5	6,832.5

Average Training Hours by Gender

In 2023, the average training hours for males were 20.76 hours, and for females, 17.83 hours. The average training hours percentage for females to males increased from 73.2% in 2022 to 85.9% in 2023, a 12.7% increase.

Average Training Hours by Gender in hours

Gender	2022	2023
Male	10.36	20.76
Female	7.58	17.83
Total	-	-

Note 1: Average training hours = Total training hours for each gender ÷ Number of employees of each gender as of the end of 2023.

Average Training Hours by Job Level

In 2023, the average training hours increased for all job levels compared to the previous year, except for middle managers, with the greatest increase observed among junior employees, whose average training hours increased by 13.03 hours compared to the previous year. The main reason for this increase is the cultivation of research and development talent. Since 2023, research and development training courses and seminars have been conducted by the President, R&D managers/senior staff, and external suppliers, totaling 1,144 hours of training for research and development personnel. Among these, 794.5 hours were allocated to research and development-related training courses, while the remaining hours were for general orientation for newcomers, sustainability (ESG) courses, and occupational safety training course, a total of 407.50 training hours. This reflects the company's increased investment in employee education and training, fostering career development and creating a win-win situation for both the company and its employees.

To cultivate managerial talent within the company, the President initiated professional manager training courses for mid to senior-level executives since 2022, covering topics such as product, sales, innovation, research and development, finance, human resources, and organizational behavior. The total hours for managerial skills training amounted to 1,399 hours, with 25 middle-high level executives completing the training courses. In 2023, the Taiwan headquarters further condensed this program's essence and extended it to entry level employee, with a total of 422 hours allocated for training courses, completed by 17 employees.

Average Training Hours by Job Level in hours

Job Level	2022	2023
Senior Executives	45.18	53.04
Middle Managers	36.36	30.83
Junior Managers	8.14	12.44
Entry Level Employee	3.99	17.02

Note 1: Average training hours = Total training hours for each job level ÷ Number of employees of each job level as of the end of 2023.

Note 2: Middle Managers: The average training hours decreased by 5.53 hours compared to 2022, mainly due to the reinforcement of professional skills training for newly appointed middle managers in 2024.

Note 3: Junior Managers: The average training hours increased by 4.30 hours compared to 2022, primarily due to training in leadership and sustainability (ESG) education for newly appointed junior managers.

Note 4: Entry level employee: The average training hours increased by 13.03 hours compared to 2022, mainly attributed to research and development training courses, followed by general orientation for newcomers, sustainability (ESG) education, and occupational safety training.

6.4 Workplace Safety

6.4.1 Occupational Safety and Health Management

Occupational Safety and Health Management

Sea Sonic Electronics, in order to protect the safety and health of its employees, conducts occupational safety and health management affairs at its Taiwan headquarters and Dongguan Seasonic in accordance with local regulations.

At the Taiwan headquarters, relevant personnel received professional training in occupational safety and health in 2023, obtaining Class A occupational safety and health supervisor certification. They oversee occupational safety and health matters in Taiwan, establish "Occupational Safety and Health Management Regulations" in compliance with the law, and develop implementation plans for education and training, health management, occupational disease prevention, and health promotion.

In Dongguan, a crucial production base, Sea Sonic Electronics has established a Safety Production Committee as required by the "Work Safety Law of the People's Republic of China". This committee, comprising enterprise safety management personnel and safety production management personnel, implements various standardized operations for occupational safety and health.

Occupational Health Services

The physical and mental health of employees is a crucial indicator of corporate sustainability. Both the Taiwan headquarters and Dongguan Seasonic implement relevant employee health care services in accordance with local regulations. The Taiwan headquarters has engaged one qualified occupational medicine specialist and one occupational health nutritionist. The main services include analyzing health examination results and providing guidance, health education, counseling and evaluation, health promotion, assessment and recommendations for workplace environment improvements, evaluation for return-to-work arrangements after injuries or illnesses, regular reporting to employers, and recommendations for employee health services.

In accordance with Article 16 of the "Regulations of the Labor Health Protection," new employees are required to provide health examination reports upon joining the company. The company conducts "general health check-ups" for employees every three years, without particular health checks. The Company plans to engage on-site medical personnel in 2024 to monitor employee health. In 2023, 107 employees underwent general health check-ups. The frequency of health checks varies based on employee age:

1. Employees aged 65 and above undergo annual check-ups.
2. Employees aged 40 and above but below 65 undergo check-ups every three years.
3. Employees below the age of 40 undergo check-ups every five years.

Hence, there were no cases of occupational diseases identified in 2023 according to the "Regulations for Implementing Labor Occupational Accident Insurance Occupational Disease Appraisal."

In Dongguan Seasonic, in compliance with regulations in China, employees undergo health examinations annually. After examination and determination by the medical examination center, if any case requires follow-up management, sufficient medical information is provided for treatment. The examination items and results for 2023 are as follows:

Examination Items	Results for 2023	Examination Items
Detection of occupational disease hazards in the workplace: Once a year	All examinations were passed.	Tin dioxide, methanol, isopropanol, noise
General health check-ups for employees: Once a year	A total of 173 employees completed health examinations.	Examination items as required by regulations
Particular health check-ups for positions potentially exposed to occupational hazards: Once a year	33 employees required particular health check-ups, all of which were conducted, achieving a 100% completion rate. No abnormalities were found among employees in 2023.	Tin dioxide, noise

Promotion of Worker Health and Work-related Ill Health

Only with healthy employees can we improve quality of life and work efficiency. Nowadays, many office workers rely heavily on dining out for their meals, often leading to issues such as excessive seasoning, high meat content, and low fiber intake in their diets, which can contribute to health problems. To fulfill our responsibility of caring for employees' physical and mental health and to enhance their health awareness, Sea Sonic Electronics launched a Healthy Weight Loss Competition at its Taiwan headquarters in 2022, encouraging employees to adopt healthy eating and exercise habits. In 2023, we continued to organize relevant seminars to enhance employees' health levels, promote unity and cohesion among employees. The implementation results are as follows:

Activity Themes	Titles	Number of Participants
Health Seminar	Healthy Weight Loss with No Burden: Importance of Eating Right	23
Preventive Healthcare Lecturer	Colon Cancer Tops Globally: Preventing Office Syndrome	16

Health Seminar

Preventive Healthcare Lecturer

Dongguan Seasonic adheres to the "Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases," focusing on the prevention and management of occupational hazards in employees' daily work. In 2023, no cases of occupational diseases were reported. Measures taken to prevent occupational diseases include:

1. Pre-job training for employees to fully understand the potential hazards they may face at work and to provide corresponding protection. Different positions are equipped with labor protection supplies such as masks, heat-resistant gloves, high-pressure gloves, safety helmets, safety ropes, insulated shoes, labor protection shoes, and electrician suits.

2. Compliance with statutory working hours, with breaks of 10 minutes for every 2 hours of work each day and fixed weekends and statutory holidays off, reducing the continuous presence of these factors' harm to the human body. Regular medical examinations are conducted, and if abnormalities are found during examinations, arrangements are made for employees accordingly, and environmental improvements are promptly implemented based on disaster events.

Work-related injuries Prevention

Sea Sonic Electronics complies with occupational safety and health regulations in various regions. When employees identify urgent and serious risks to their lives or health while performing their duties, they can propose improvement suggestions to the company. The company ensures that employees who provide improvement suggestions are not penalized. At the Taiwan headquarters, the importance of occupational health and safety is emphasized during new employee training, and periodic reminders are provided to employees to prevent occupational accidents.

In Dongguan Seasonic, measures are taken to strengthen the management of protective facilities and equipment in accordance with regulations, aiming to prevent and reduce occupational health accidents. Effective protective facilities are installed in workplaces with occupational hazards to ensure that the working environment meets national occupational health standards and hygiene requirements. In 2023, Sea Sonic Electronics Taiwan headquarters and Dongguan Seasonic reported zero cases of occupational accidents.

	Taiwan		Dongguan	
	Male	Female	Male	Female
Employee Count	57	52	121	104
Total Working Days	248	248	250	250
The number of hours worked	113,088	103,168	242,000	208,000
The number of fatalities as a result of work-related injury	0	0	0	0
The rate of fatalities as a result of work-related injury	0%	0%	0%	0%
The number of high-consequence work-related injuries	0	0	0	0
The rate of high-consequence work-related injuries	0%	0%	0%	0%
The number of recordable work-related injuries	0	0	0	0
The rate of recordable work-related injuries	0%	0%	0%	0%

Note 1: Disclosure boundaries include Sea Sonic Electronics Taiwan headquarters and Dongguan Seasonic.

Note 2: Employee Count: The number of employees as of December 31 of the year.

Note 3: Total Working Days: Total working days in the year.

Note 4: The number of hours worked: Number of employees * Total working days * Daily working hours.

Note 5: The number of hours worked for non-employees are to be calculated starting in 2024.

Occupational Safety and Health Training

To comply with safety inspections in office buildings, the Taiwan headquarters established a fire protection system according to the regulations of the Fire Services Act. In addition to conducting drills in coordination with the management committee annually, regular fire safety and disaster prevention education and training sessions are also held. In 2023, professional instructors from the Association of Fire Safety Protection of R.O.C. were invited to provide training on disaster response capabilities, evacuation and escape, fire prevention knowledge, and workplace disaster prevention concepts and management. Through these courses, employees' emergency response capabilities are enhanced, correct evacuation and fire prevention knowledge are cultivated, enabling them to quickly mobilize and take correct actions in emergencies to effectively control disasters and reduce losses.

Fire Safety and Disaster Prevention Education Training Course: Association of Fire Safety Protection of R.O.C.

Dongguan Seasonic strengthens its safety management by conducting annual fire drills. Participating in fire evacuation drills and extinguishing exercises not only hones risk avoidance skills but also strengthens the capacity to respond effectively to emergencies. This enhances both self-protection and self-rescue capabilities. Employees are trained in the proper use of fire extinguishing equipment and firefighting skills, thereby raising safety awareness. Additionally, to address and prevent the risk of hazardous chemical accidents, annual exercises are conducted to enhance employees' ability to handle emergencies.

No fire incidents occurred at Sea Sonic Electronics in 2023.

Fire Drill

Chemical Exercise

Subcontractor Safety and Health Management

Dongguan Seasonic Electronics has established "Subcontractor In-Plant Operation Management Measures" to ensure that subcontractors comply with construction safety, health, and environmental protection requirements to prevent occupational accidents, environmental pollution, and other incidents during their service period.

- Subcontractors must notify the project contractor at least one working day before construction and obtain construction permits before commencing work.
- When special equipment such as scaffolding, hot work, and hoisting is used, subcontractors must provide equipment usage permits and operator licenses to the project contractor for review.
- If nationally regulated hazardous chemicals or raw materials that may cause harm to humans or environmental pollution are delivered, the subcontractors must provide a Material Safety Data Sheet and comply with its safety management regulations.
- When subcontractors enter the plant to transport waste, they must comply with regulations on waste pollution prevention and control.
- Special operations require prior permission before proceeding.

No incidents of permanent injury, partial permanent injury, or temporary injury occurred during operations in 2023.

CH7

Social Prosperity

7.1 Sea Sonic Europe B.V. Participates in the Côte d' Ivoire Project

7.1.1 "Turning Waste into Treasure: Building Schools"

Côte d'Ivoire, also known as the Ivory Coast, is a country in West Africa where children aged 6 to 16 are required to receive compulsory education. However, due to reasons such as insufficient classrooms, overcrowded classes, distance between homes and schools, and the cost of textbooks and stationery, many children still cannot attend school. In the Ivory Coast, a total of 30,000 classrooms are needed to ensure that all children receive education. To provide quality education to every African child and unlock their full potential, an innovative construction approach is being employed to address one of the biggest obstacles to education in Africa – the lack of classrooms.

Therefore, in 2019, the United Nations Children's Fund (UNICEF) partnered with the Colombian social enterprise "Conceptos Plásticos" (Plastic Concepts) to establish Africa's first plastic brick factory in the city of Abidjan, Ivory Coast. This initiative created a recycling market led by women, providing income opportunities for impoverished women in the market while transforming plastic waste in the Ivory Coast into safe and sustainable building materials at low cost. These low-cost, durable, and easy-to-assemble plastic bricks are used to construct much-needed classrooms in this West African country.

In 2023, Sea Sonic Europe B.V. took concrete action by sponsoring the UNICEF initiative, donating €5,000, equivalent to nearly NT$170,000, to support the Côte d'Ivoire project. This initiative involves collecting plastic waste and recycling it into sustainable building materials, which local associations then use to construct schools and other community buildings.

To date, this project has recycled 1,441 tons of plastic waste and converted the plastic waste into building blocks to build 262 classrooms for the local children, benefiting 13,100 African children. This initiative not only meets the needs of out-of-school children and provides income sources for vulnerable families but also protects the environment, aligning with and realizing the United Nations Sustainable Development Goals – SDG1 "No Poverty," SDG4 "Quality Education," and SDG11 "Sustainable Cities and Communities."

SSE plastic brick plan

7.2 Social Welfare Activities of Sea Sonic Subsidiaries in China

7.2.1 Free Lunch Program

June 1st marks the International Children's Day established by the United Nations in 1954, aiming to safeguard the rights to survival, health, and education of children worldwide, thereby improving their living conditions. According to a report by the China Development Research Foundation, students in poverty-stricken areas of central and western China suffer from severe malnutrition. In April 2011, the Free Lunch for Children (FLFC) was founded as a public welfare fundraising project to provide free lunches to primary school students in impoverished areas. It was initiated by dozens of Chinese media outlets and the China Social Welfare Foundation (CSWF) with the goal of making free lunches a basic welfare benefit for Chinese children. This initiative sparked a significant public welfare movement, with increasing participation from various institutions and expanding implementation to many other remote and impoverished areas in China.

Since 2021, Shenzhen Energy Power Electronics Co., Ltd. has been annually participating in and supporting the donation of free lunch programs, providing free lunches to children in remote and impoverished areas of China, aiming to create a healthy childhood without hunger for Chinese children. So far, a total donation of RMB 19,635, equivalent to nearly NT$80,000, has been made. This project aligns with and contributes to the achievement of the United Nations Sustainable Development Goals – SDG1 "No Poverty" and SDG3 "Good Health and Well-being."

7.3 Plastic Reduction Initiative at Sea Sonic Electronics Taiwan Headquarters

7.3.1 Participation in the Ban of Single-Use Utensils and Melamine Tableware Activities

On March 2, 2022, the United Nations Environment Programme (UNEP) held a global plastic reduction conference where representatives from 175 countries advocated for the drafting of the world's first global treaty for plastic pollution. The goal is to complete the negotiation of the Global Plastic Treaty by the end of 2024, which is an international trend that all industries need to pay attention to. To prevent the generation of plastic waste and change the disposable culture of single-use plastics, the Taipei headquarters office area has responded to the Taipei City Government's initiative to ban single-use utensils and melamine tableware since 2023. This initiative aims to implement environmental protection concepts through practical actions, foster a new culture of eco-friendly and healthy dining, and has received an acknowledgment from the Taipei City Government.

Appendix GRI Standards Content Index

Statement of Use Sea Sonic Electronics prepared the 2023 Sustainability Report in accordance with the GRI Universal Standards, covering the period from January 1, 2023, to December 31, 2023.

GRI 1 Version GRI 1 Foundation 2021

GRI Industry Standards Applicable GRI Industry Standards have not been issued.

GRI 2：General Disclosure 2021

	Disclosure Title	Chapter	Page	Note
2-1	Organizational details	2.1.1 Basic Information	26	
2-2	Entities included in the organization's sustainability reporting	1.1.3 Scope and Boundaries	4	
2-3	Reporting period, frequency and contact point	1.1.1 Reporting Period 1.1.8 Contact Information	4 5	
2-4	Restatements of information	1.1.4 Restatements of information As this report is issued for the first time, there are no instances of restated information.	5	
2-5	External assurance	1.1.4 External Assurance Appendix	104	
2-6	Activities, value chain and other business relationships	2.1.1 Basic Information 3.1.1 Innovative Products and Services 4.1 Industry Supply Chain	28 56 70	
2-7	Employees	2.1.1 Basic Information 6.1.1 Talent Recruitment	28 90	
2-8	Workers who are not employees	6.1.1 Talent Recruitment	90	
2-9	Governance structure and composition	2.2.1 Governance Structure 2.2.2 Functional Committees	30 37	
2-10	Nomination and selection of the highest governance body	2.2.1 Governance Structure	30	
2-11	Chair of the highest governance body	2.2.1 Governance Structure	30	
2-12	Role of the highest governance body in overseeing the management of impacts	2.2.2 Functional Committees	37	
2-13	Delegation of responsibility for managing impacts	2.2.2 Functional Committees	37	
2-14	Role of the highest governance body in sustainability reporting	2.2.2 Functional Committees	37	
2-15	Conflicts of interest	2.2.1 Governance Structure	30	

	Disclosure Title	Chapter	Page	Note
2-16	Communication of critical concerns	1.3.1 Material Topic Assessment Process 2.2.2 Functional Committees	11 37	
2-17	Collective knowledge of the highest governance body	2.2.1 Governance Structure	30	
2-18	Evaluation of the performance of the highest governance body	2.2.1 Governance Structure	30	
2-19	Remuneration policies	2.2.1 Governance Structure 2.2.2 Functional Committees	30 37	
2-20	Process to determine remuneration	2.2.2 Functional Committees	37	
2-21	Annual total compensation ratio	6.2.1 Equitable and Generous Compensation	95	
2-22	Statement on sustainable development strategy	1.2.1 Message from the Management Team	6	
2-23	Policy commitments	1.2.1 Message from the Management Team 2.4.2 Human Rights Policy	6 44	
2-24	Embedding policy commitments	2.4.1 Ethical Management 2.4.2 Human Rights Policy	42 44	
2-25	Processes to remediate negative impacts	2.4.1 Integrity Management	42	
2-26	Mechanisms for seeking advice and raising concerns	2.4.1 Integrity Management	42	
2-27	Compliance with laws and regulations	2.4.3 Compliance With Laws And Regulations	46	
2-28	Membership associations	2.1.1 Basic Information	28	
2-29	Approach to stakeholder engagement	1.3 Stakeholder Engagement	11	
2-30	Collective bargaining agreements	No collective bargaining agreements signed.	-	

Material Topic Disclosure

GRI 3：Material Topic Disclosure 2021			
3-1	Process to determine material topics	1.3.1Material Topic Assessment Process	13
3-2	List of material topics	1.3.1Material Topic Assessment Process	16
3-3	Management of material topics	1.3 Stakeholder Engagement Please refer to the respective chapters for details.	13

Material Topic	GRI Standards		Disclosure Title	Chapter	Page	Note
Economic Performance	GRI 201 Direct economic value generated and distributed 2016	201-1	Direct economic value generated and distributed	2.3.1 Economic Value	39	
Innovative Products and Services	Specific Topics for Sea Sonic Electronics	-	Technology, Research and Development, and Intellectual Property at Sea Sonic Electronics	3.1.1 Innovative Products and Services	56	
Risk Management	Specific Topics for Sea Sonic Electronics	-	Major Risk Management at Sea Sonic Electronics	2.5 Risk Management 3.1.1 Innovative Products and Services 4.2 Supply Chain Management	46 56 71	
Supply Chain Management	GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.2 Supply Chain Management	71	
	GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	4.2 Supply Chain Management	71	
Energy and GHG Management	GRI 302 Energy 2016	302-1	Energy consumption within the organization	5.1.1 Energy Management	78	
		302-3	Energy intensity	5.1.1 Energy Management	78	
		302-4	Reduction of energy consumption	5.1.1 Energy Management	78	
	GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	5.2.1 GHG Inventory	82	
		305-2	Energy indirect (Scope 2) GHG emissions	5.2.1 GHG Inventory	82	
		305-3	Other indirect (Scope 3) GHG emissions	5.2.1 GHG Inventory	82	
		305-4	GHG emissions intensity	5.2.1 GHG Inventory	82	
Human Resources Development	GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	6.3.1 Training and Education	98	

Secondary Topic Disclosure

Secondary Topic	GRI Standards		Disclosure Title	Chapter	Page	Note
Business Ethics	GRI 205 Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	2.4.1 Ethical Management	42	
Waste Management	GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts	5.4.1 Waste Collection and Disposal	84	
		306-2	Management of significant waste-related impacts	5.4.1 Waste Collection and Disposal	84	
		306-3	Waste generated	5.4.1 Waste Collection and Disposal	85	
		306-4	Waste diverted from disposal	5.4.1 Waste Collection and Disposal	85	
		306-5	Waste directed to disposal	5.4.1 Waste Collection and Disposal	85	
Climate Change Management	Specific Topics	-	Climate Governance	2.6 Climate Action	48	
Occupational Health and Safety	GRI 403 Occupational Health and Safety 2018	403-3	Occupational health services	6.4.1 Occupational Safety and Health Management	101	
		403-6	Promotion of worker health	6.4.1 Occupational Safety and Health Management	101	
		403-9	Work-related injuries	6.4.1 Occupational Safety and Health Management	102	
		403-10	Work-related ill health	6.4.1 Occupational Safety and Health Management	101	
Product Safety and Quality	GRI 416 Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	3.2.1 Product Quality Management	64	

Sustainability Accounting Standards Board (SASB) Content Index

Topic	Indicator Codes	Indicator Descriptions	Chapters
Energy Management	RT-EE-130a.1	(1) Total energy consumed (GJ): 8,544 GJ (2) Percentage grid electricity (%): 0 (3) Percentage renewable (%): 0	5.1 Energy Governance
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated (T): 5.4 tons; Percentage recycled (%): 88.92%	5.4 Waste Management
	RT-EE-150a.2	Reportable leak incidents (Number): None	2.4.3 Compliance With Laws And Regulations 5.4 Waste Management
		Reportable leak volume (kg): None	
		Reportable recovery volume (kg): None	
Product Safety	RT-EE-250a.1	Number of product recalls issued: None	3.2.1 Product Quality Management
		Total units recalled: None	
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with productsafety: None	3.2.1 Product Quality Management
Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances (%)	N/A
	RT-EE-410a.2	Percentage of eligible products, by revenue, certified to an energy efficiency certification (%)	3.1.1 Innovative Products and Services
	RT-EE-410a.3	Revenue from renewable energy-related and energy-efficient products	N/A
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	4.2 Supply Chain Management
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	2.4.1 Ethical Management 2.4.3 Compliance With Laws And Regulations
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption: None	
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations: None	
Performance Indicators	RT-EE-000.A	Number of units produced by product category	3.1.1 Innovative Products and Services
	RT-EE-000.B	Number of employees	2.1 Company Profile 6.1.1 Talent Recruitment

Appendix Assurance Statement

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SEA SONIC ELECTRONICS CO., LTD.'S SUSTAINABILITY REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE
SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by SEA SONIC ELECTRONICS CO., LTD. (hereinafter referred to as SEASONIC) to conduct an independent assurance of the Sustainability Report for 2023. The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Standards and AA1000 Accountability Principles (2018) during assurance (2024/05/02~2024/05/20) in SEASONIC headquarter. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD) and sustainability accounting standards (SASB).

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all SEASONIC's Stakeholders.

RESPONSIBILITIES
The information in the SEASONIC's Sustainability Report of 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of SEASONIC. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

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

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organization's reporting practices and other organizational detail, GRI 3 2021 for organization's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

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

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

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SCOPE OF ASSURANCE AND REPORTING CRITERIA
The scope of the assurance included evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	GRI Standards (in Accordance with)
2	AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

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

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

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

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

ASSURANCE / VERIFICATION OPINION
On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.
We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

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ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY
SEASONIC has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, SEASONIC may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

MATERIALITY
SEASONIC has established an effective, robust, systematic, and ongoing materiality determination process under the governance of senior management, with key cross-functional involvement. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT
SEASONIC has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
The report, SEASONIC's Sustainability Report of 2023, is adequately in accordance with the GRI Universal Standards 2021and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. SEASONIC has established a Sustainable Development Committee, demonstrating SEASONIC 's determined commitment to advancing sustainable governance. For future reporting, it is encouraged to enhance the remuneration policies for members of the highest governance body and senior executives related to their objectives and performance with the management of the organization's impacts on the economy, environment, and people.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000 Licensed Report 000-AUV3-QREQ7

Stephen Pao
Business Assurance Director
Taipei, Taiwan
30 May, 2024
WWW.SGS.COM

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Seasonic
THE HEART OF YOUR SYSTEM

Sea Sonic Electronics Co., Ltd.

2023 Sustainability Report

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