




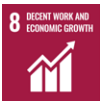




2022

Corporate Sustainability Report Highlights



Responding to UN SDGs



SDGs	SDGs Targets	Phison's Performance	Corresponding Chapters/Sections
	4.4 4.5	<ul style="list-style-type: none"> ■ Provided scholarships for underprivileged students and sponsored industry-academic cooperation, schooling, and student activities to improve education quality and support students' self-development. ■ Supported S-Girl, Taiwan's first educational movie on popular science (specifically AI) filmed especially for teenagers, by purchasing movie tickets and donating them to family support centers in Hsinchu and Miaoli. 	CH8 Social Participation
	8.2 8.3 8.8	<ul style="list-style-type: none"> ■ Recorded an annual operating revenue of NT\$60.256 billion in 2022, the second highest record. ■ Achieved a staff growth rate of 22% in 2022 due to operational scale-up; established an R&D base in Tainan, and will do so in Kaohsiung, to expand our R&D deployment. ■ Conducts a salary structure adjustment every year in response to the rising salary standard on the market; in 2022, employee's salary increased by an average of 15~18%, mainly contributed by the increment due to salary structure adjustment, attesting to our practical feedback to employees' hard work. ■ Maintained the ISO 45001-Occupational safety and health management system; promoted the maternity protection program; hosted diversified health-promoting activities to build a healthy workplace. ■ The median salary for full-time employees in non-managerial positions is NTD1,894,000 and the average salary is 2,108,000. 	CH3 Sustainable Governance CH7 Employee Care
	9.4	<ul style="list-style-type: none"> ■ In 2022, annual R&D expenses topped NTD8.1 billion, or 14% of total operating revenue; total global patents obtained reached 1,882; in terms of patent quality, the Company's patent approval rate reached 90% or higher. ■ Taking the critical product lines under R&D as an example, the power performance ratio of the PS5021chip, the best performing product in 2022, reduced by 37% compared with its baseline product. 	CH4 Innovation & Service
	12.2 12.5	<ul style="list-style-type: none"> ■ Constantly optimized the product performance early on at the design stage to develop more energy-saving and more compact products, thereby helping end users reduce their greenhouse gas emissions and waste generation. ■ Prioritized the use of recyclable materials when designing product packaging for customers; adopted a simplified and light-weight packaging strategy to reduce the amount of waste generation at the back end. ■ Implemented green product management procedures to ensure that the products met domestic and foreign legal requirements and customers' requirements for restriction of hazardous substances; gradually improved products' green attributes to reduce the impact of product-related activities on health and environment. 	CH4 Innovation & Service CH6 Environmental Protection
	13.1 13.3	<ul style="list-style-type: none"> ■ Voluntarily inventories carbon emissions every year; signed the RE 10x10 Climate Declaration, and thereby committed to the goal of "transitioning at least 10% of total energy consumption to green electricity by 2025". ■ Promoted energy-conservation programs and continued maintenance and upgrade of factory equipment to improve the resources and energy usage efficiency; Collaborated with downstream transportation companies on a carbon neutral project to reduce Scope 3 carbon emissions. ■ Opted for the "nature-based solution (NBS)" by continuing the coastal reforestation long-term plan, and collaborated with Luodong Forest District Office on afforestation of 2.5 hectares of land and plantation of a total of 5,750 trees. 	CH6 Environmental Protection CH8 Social Participation
	17.16	<ul style="list-style-type: none"> ■ Donated a research fund to relevant industry associations and academic research foundations. ■ Donated computer equipment to the police station and the fire brigade for them to improve service quality and work efficiency. 	CH8 Social Participation



Sustainable Governance

10

Number of Board meetings held

98.84%

Average attendance rate of directors

22%

Proportion of female directors

Top 5%

Ranked among the top 5% TPEX-listed companies in the corporate governance evaluation of Taiwan Stock Exchange

28

Number of participations in investor conferences

60.256 billion

Operating revenue reached NTD60.256 billion, the second highest record

100%

Completion rate of employees signed a consent letter, agreeing to abide by the "Code of Business Practices and Ethics"

Became the first-ever IC design company in Taiwan and successfully obtained the **RBA VAP silver certificate**

Became of member of the **S&P Global Sustainability Yearbook 2023**



Innovation & Service

8.1billion

Annual R&D expenses(NT\$)

1,882

Accumulated patents worldwide in 2022

92nd

Ranking of the Taiwan's top 100 invention patent applications list

77nd

Ranking of the Taiwan's top 100 invention patent grants list

8.12 points

Annual customer satisfaction score

Received the 2023

“Taiwan Excellence Award”

PCIe 4.0 SSD **passed NASA's space certification** and was ready for use in moon-landing mission

PCIe 4.0 SSD E21T helped a partner customer in

acquiring a full-score recommendation from a test and evaluation website

PCIe 5.0 SSD E26 assisted a brand customer in

receiving the 2023 CES Best SSD award



Responsible Supply Chain

100%

Completion rate of sustainable risk assessment on tier 1 suppliers who meet the transaction criteria

100%

Completion rate of critical suppliers have signed the "Supplier Code of Conduct"

100%

Completion rate of tier 1 suppliers have signed the "Supplier Code of Conduct"

31

Performed RBA audits on 31 critical suppliers

100%

Passing rate of RBA audit

98.7%

Ratio of quality suppliers

113.53million

Amount of green procurement(NT\$)



Environmental Protection

Joined the RE 10x10 Enterprise Initiative Program

Committed to the goal of "transitioning at least 10% of total energy consumption to renewable electricity by 2025"

20%

Expect to purchase renewable energy in the amount equal to 20% or more of total electricity consumption by 2030

ISO 14064-1

Being certified against ISO 14064-1 Greenhouse Gas by a third party

1

Held 1 environmental education lecture

3

Initiated 3 energy-saving programs, which are expected to save 133,962 kWh of electricity and 3,553 cubic meters of water, which is equivalent to a reduction of 68,759 Kg of CO₂e

37%

Taking the critical product lines under R&D as an example, the power performance ratio of the PS5021 chip, the best performing product in 2022, reduced by 37% compared with its baseline product

544.2 metric tons of CO₂e

Collaborated with UPS on a carbon neutral project to reduce carbon emissions at the logistics back end. A total of 544.2 metric tons of CO₂e were removed from the atmosphere under this project in 2022

Progressed from **C to B-** in the rating based on the CDP climate change questionnaire. Progressed from **B- to B** in the rating based on the water security questionnaire



Employee Care

1.894 million

The median salary for full-time employees in non-managerial positions(NT\$)

2.108 million

The average salary for full-time employees in non-managerial positions(NT\$)

2.431 million

The average benefits expenses per employee(NT\$)

28.6 hours

The average training hours per employee, up 34.1% from last year

93.9 points

Satisfaction score of training courses

998

The number of people using Employee Assistance Programs consultation service

5.8 points

Satisfaction score of Employee Assistance Programs (with 6 being the full score)

ISO 45001

Continue to obtain the certification of ISO 45001 Occupational health and safety management systems

Officially announced its intension to join the

“TALENT, in Taiwan”, a Taiwanese talent sustainability action alliance, and jointly proposed the initiative that “enterprises take hold of talents and export future skills to universities”



Social Participation

9.878 million

The amount of charity donation
(including donations of funds and
resources) (NT\$)

300

Volunteer service hours

2

The number of charity sales held

2,000 trees

Cumulatively planted a total of 2,000 trees as the "Coastal
Forest Restoration Long-term Plan" entered the second year

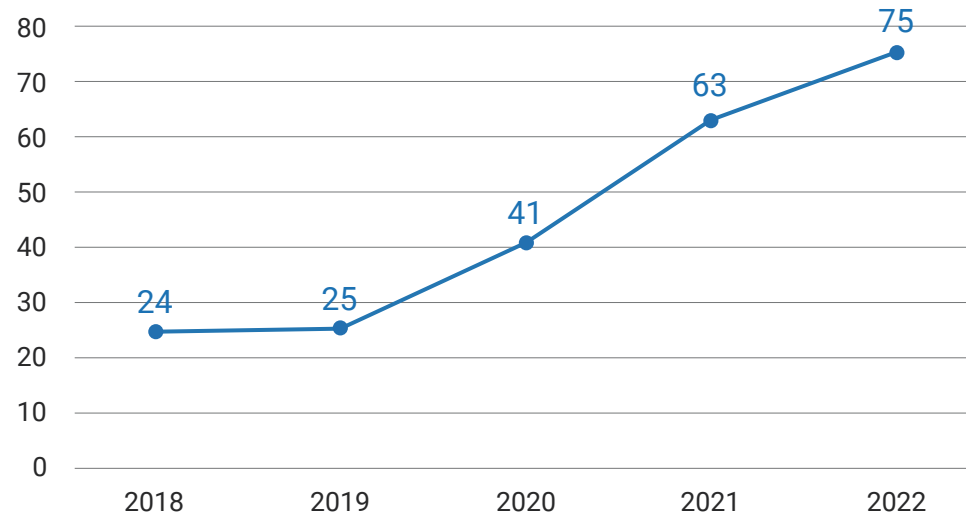
3,750 trees

Collaborated with Luodong Forest District Office on
afforestation of 2.5 hectares of land and plantation of a total
of 3,750 tanoaks, arishan oaks, and Mori oaks

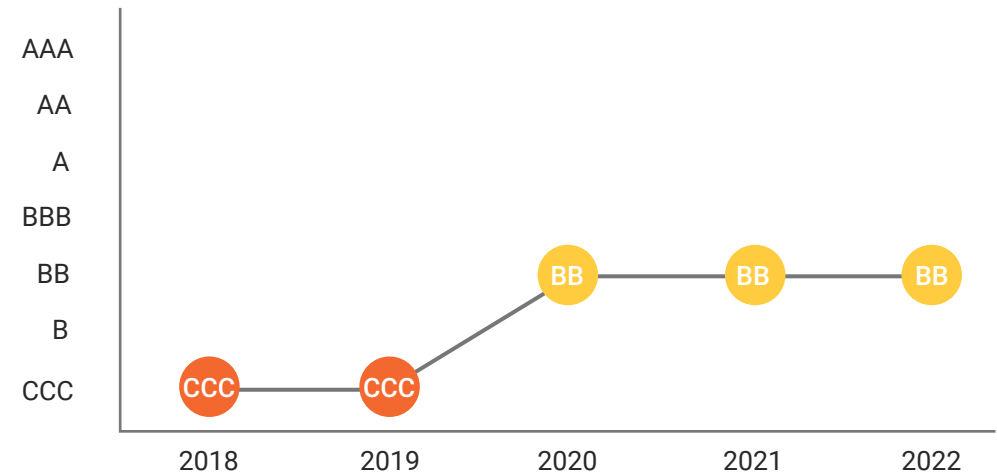
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Continued the five-year supported program "Fun to Go to
Schools" and hold 2 sessions in 2022

Appendix I DJSI Score



Appendix II MSCI Grade



Appendix III Sustainalytics Risk Rating

Year	2021	2022
Risk Rating Score	32.7	21.7
Risk Rating	High Risk	Medium Risk

Appendix IV Corporate Governance Evaluation Result

Year	2018	2019	2020	2021	2022
Score	68.23	64.31	80.56	88.21	96.49
OTC company ranking	21%~35%	21%~35%	6%~20%	6%~20%	Top 5%
Electronics industry with a market value above NT\$10 Billion	61%~100%	61%~100%	21%~40%	21%~40%	21%~40%