

2022

PixArt

Sustainability
Report

FEEL



TOUCH



SEE



PXI

Table of Contents



PixArt Imaging Social Care	03	Stakeholder Engagement	09	About PixArt	14	Corporate Governance	20
A Letter from the Chairman of the Committee	04	The Identification & Selection of Stakeholders	10	About PixArt	15	Corporate Governance Policy and Guidelines	21
Contents of the Report	05	The Response to Stakeholders' Matters of Concern	10	Economic Performance	17	Legal Compliance	27
		Identifying Major Issues of Concern to Stakeholders	12	Products and Technology Applications	18	Tax Governance, Control and Risk Management	30
						Risk Management	31

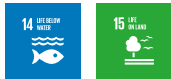


Environmental Protection	36	Supply Chain Management	41	Employee Commitment	46	Social Engagement	61
Green Manufacturing	37	Supply Chain Sustainability	42	Building Employee Commitment in an Ever-changing Workplace	47	Appendix	67
Environmental Protection and Energy-consuming Measures	40	Supplier Management and Assessment	43	The Protection of Labor Relations	53	Membership of Associations	68
		Product Safety	44	Occupational Safety and Health	55	GRI Standards Index	68
		Client Satisfaction and Service	44			UN SDGs Core Indicators Index	72
		Customer Satisfaction Survey	45				

PixArt Imaging | Social Care

2019

- 08 PixArt Volunteer Group invited Jinashi residents for a river cleaning initiative.



- 09 Expanded the reach of the beach cleanup to Evergreen's Forest in Zhunan Township, Miaoli County



- 11 Collected and sold second-hand home items and donated all proceeds to the Taiwan Fund Children and Families-Miaoli.



- 12 Through a collaboration between the World Peace Organization and rural primary schools, the "Christmas PixArt's Dream" event was held to fulfill the Christmas wishes of children in need. Colleagues sent their love and support to rural areas.



2020

- 05 Donated epidemic prevention resources to St. Joseph's Home in Hukou Township, Hsinchu County.



- 06 The company orders egg rolls made by mentally handicapped angels of the Saint Joseph Social Welfare Foundation in Hsinchu every month to assist with their development, independence, and encourage them to selfsupport, find dignity through work, and enrich their lives.



- 09 Joined the ASUS Foundation's "Recycling Computers for Hope" program.



- 10 For the fourth consecutive year, colleagues and their families were invited to assist in a beach cleanup and expand our green footprint.



- 11 Continued to help St. Joseph's Home by donating healthcare equipment and epidemic prevention resources needed by the nursing home.



- 12 For the second consecutive year, the "Christmas PixArt's Dream" event was held to fulfill the Christmas wishes of children in need. Colleagues sent their love and support to the countryside.



2021

- 01 The "Recycling Computers for Hope" program initiated by the ASUS Foundation continues.



- 02 A year of free breakfast for the disadvantaged children of FHES, Hsinchu, courtesy of colleagues, weight-loss-converted funds and independent donations.



- 03 Fundraising among colleagues continued to supply breakfast to students from low-income families in Wufeng Elementary School in Hsinchu County.



- 11 The beach cleaning event has been held for five years in a row,, and This year we invited village chiefs and neighborhood support teams to join us. More people than ever before participated in the event and more rubbish from the beach was cleared.



- 12 This was the third consecutive year of "Christmas PixArt's Dream". This Christmas cookies made by the Saint Joseph Social Welfare Foundation were given to children, making their wishes come true and instilling confidence in children with mental disabilities.



2022

- 03 We converted PixArt Healthy Walk step counts to donations alongside the employees' charity. The funds were donated to Yuandong JH sports students from single-parent or low-income families to cover their expense for one school year.



- 09 To celebrate Father's Day, we asked employees for photos with their fathers. To give back, PixArt supported Ningyuan Home of Hsinchu by donating cartons of diapers, and remote temperature sensors to assist with access control, and to determine whether masks should be worn.



- 10 Employees, families, village chiefs, and the wider neighborhood joined the sixth beach cleaning event, inviting people to save and protect ocean ecology. The event saw more participants this year than any year prior.



- 12 For four years in a row, Christmas gifts have been given to children in elementary schools, kindergartens, and junior high schools, making their dreams come true through kind action.



A Letter from the Chairman of the Committee



Amidst the impact of the Covid-19 pandemic, the ongoing conflict in Ukraine and geopolitical tensions and the devastating effects of extreme weather events, the global economy experienced a multitude of uncertainties and fluctuations in 2022. All these combined with the ambitious carbon reduction goal set by the 27th United Nations Climate Change conference (COP27), are testing business's ability to adopt to operational challenges. PixArt Imaging Inc., guided by the corporate sustainability, has set forth an ambitious goal of achieving net-zero emission by 2050. We remain focused on issue such as corporate governance, research and development, inclusive prosperity, corporate commitments and environmental sustainability. We strive to create a healthy, safe, and friendly workplace environment for our employees. We aspire to leverage our influence and actively engaging in action in response to societal and environmental expectations, thereby fostering shared prosperity and wellbeing in society.

In 2022, our organization was impacted by various of factors such as inflation, interest rate hikes, the ongoing pandemic, and geopolitical conflicts. These circumstances significantly impacted market demand for PC/NB, consumer electronics, and related products, resulting in a subdued performance. Furthermore, the semiconductor supply chain underwent inventory adjustments due to elevated stock levels. As a result, our consolidated revenue declined compared to the previous fiscal year, amounting to NT\$5.26 billion, with a gross profit margin of 54.0%. Despite the market demand downturn and inventory adjustments to our product lines, we have introduced several new products that hold great promise for the future. Simultaneously, we have intensified our research and development efforts to develop new products and technologies, achieving significant progress in this space. In the coming year, we anticipate sustained growth in areas such as Global Shutter Image Sensors, FIR (Far-Infrared) technology, industrial control sensors, and automotive sensors. These segments are expected to serve as vital drivers for the company's revenue and profit growth, providing users worldwide with enjoyable and convenient life experiences.

In 2022, we successfully completed the RBAVAP third-party certification audit. Furthermore, we aligned our company with the 17 Sustainable Development Goals (SDGs) set by the United Nations. We collectively defined ESG (Environmental, Social, and Governance) priorities in response to the concerns of our stakeholders. Our Corporate Sustainability Committee conducts annual internal reviews and establishes sustainable goals and management policies for each priority. We provide project reports to the Board of Directors, specifically addressing climate change-related issues and progress. This collaborative approach involves the active participation of colleagues from various departments, working together to promote ESG-related initiatives throughout the company. Through this report, we aim to provide a comprehensive understanding of our actions and strategies regarding ESG and related efforts.

In terms of corporate governance, we place great emphasis on the independence and diversity of directors (with more than half of the board being independent directors). We also continuously strengthen the performance of the board of directors and other functional committees, remained committed to jointly building a responsible supply chain with upstream customers and downstream suppliers. We also require all employees to undergo educational training to adhere to ethical business practices, prevent insider trading, protect information security, and fulfill corporate social responsibility. Regarding our corporate commitments, we have implemented comprehensive salary adjustments and taken measures such as "Paid Vaccination Leave", free flu vaccinations, and online exercise programs during the pandemic to ensure employee wellbeing. By the end of 2022, we were recognized as a Silver Award winner in Corporate Health Responsibility by CommonHealth Magazine.

Regarding social engagement, our goal has always been environmental sustainability and caring for local underprivileged communities. Combining the company's long-term resources with voluntary services from suppliers and colleagues, we make a tangible impact through practical action. In 2022, we expanded our sponsorship of nutritious breakfasts

for children in remote rural areas and continued our long-term commitment to granting Christmas wishes for children in surrounding regions, delivering love and encouragement to them and fostering mutual prosperity and wellbeing among the local community.

With regards to environmental sustainability, we have engaged in international beach cleaning campaigns by organizing beach cleaning activities for six consecutive years. The participation of employees and their families in this event reached a new high, reflecting our collective determination to protect the ocean. We also continue to allocate resources each year to greenhouse gas inventory and reduction, as well as implementing energy-saving plans to mitigate the speed and scale of climate change.

Over the past year, we have been on the path of practicing ESG principles. I would like to express my gratitude to all employees. Despite the slowdown due to the global pandemic, the management team and I will embody our corporate commitments by creating a diverse, inclusive, and healthy workplace. We remain dedicated to technological research and development while caring for vulnerable groups in society and promoting environmental sustainability. We do not overlook issues such as climate change and achieving net-zero carbon emissions. Furthermore, we will live up to our company's business philosophy of "sharing business achievements with shareholders and employees, and making every effort to give back to society." As we strive to create value for all stakeholders, we will continue to contribute to the path of sustainable business operations, fulfilling our corporate responsibility, and creating a society of shared prosperity and wellbeing.

Huang, Sen-Huang

Chairman and ESG Committee Chairman



Contents of the Report

Report Overview & Publication Frequency

Reporting Boundary and Scope

Compilation Guidelines

External Assurance

External Initiatives

Business Location

Contact Information

Award-winning Record

Report Overview & Publication Frequency

PixArt Imaging Inc is publicly releasing its CSR report for the third time. In the future we will continue to release a report covering our business performance, excluding financials, and demonstrate our sustainable practices and management. The first edition will be released in July 2023 and we expect the next to follow in July 2024. The information provided in this report is according to previous report and not remade.

Reporting Boundary and Scope

The information revealed in this report dates from January 1 to December 31 2022, and includes the PixArt Imaging Inc headquarters. Foreign branches are not included. The performance statistics of the economics section in this report stems from PixArt's consolidated 2022 annual report financial statements. The primary scope of disclosure is the headquarters and its subsidiary. Environmental information relates to the headquarters only. The information section in the society category, and more specific information about affiliated companies, can be found in the PixArt 2022 annual report. There were no important changes regarding the organization scale, structure, ownership, or supply chains to note in the period covered in this report.

Compilation Guidelines

This report is compiled according to the GRI Sustainability Reporting Standards, GRI Standards 2016 (GRI 303, GRI 403 cross refers to the 2018 version, GRI 207 cross refers to the 2019 version, GRI 306 cross refers to the 2020 version) and is based on the core GRI Standards options. The GRI content index is attached in the appendix.

External Guarantee / Assurance

The financial statistics revealed in this report are provided by Ernst & Young Global Limited and made in accordance with consolidated financial statements verified and issued by the International Financial Reporting Standards (IFRS). The amounts shown are in NTD. The scope of the environmental and social information in the report is the PixArt headquarters.

External Initiatives

In addition to following the GRI Sustainability Reporting Standards, GRI Standards, to publish the CSR report, PixArt also promotes sustainable cooperate governance in accordance with the 17 Sustainable Development Goals advocated by United Nations. We follow and support human rights conventions including the Universal Declaration of Human Rights, The United Nations Global Compact, UNGC, the ILO Convention, and fulfill goals within the remit of the Responsible Business Alliance (RBA), working on the protection of employee's basic rights. We also implement a human rights policy to ensure that every employee is treated equally. Regarding supply chains, we respond to the Responsible Minerals Initiative (RMI) and request our upstream and downstream suppliers to avoid conflict minerals.

PixArt Follows the RBA Method

PixArt is a leading supplier of CMOS image sensors around the globe. We are a fabless company. However, we hold our manufacturers a very to high standards. As a corporate citizen, we always follow the regulations and laws of the Responsible Business Alliance (RBA) and business operations. PixArt is RBA VAP third party certified company, and we are committed to sustainable development and proactively respond to clients' requests.



勞工

- 1.公司訂定人權政策，平等對待所有員工
- 2.過往未曾有任何違反勞動法令或裁罰紀錄
- 3.要求全體同仁遵循勞動法令相關規定
- 4.訂有招募政策(禁用童工)、性騷擾防治辦法



環境

- 1.取得IECQ QC-080000無有害物質管理系統(SGS認證)
- 2.建立品質與無有害物質政策，確保產品綠色設計及生產
- 3.產品皆符合環保相關法令，符合或超越歐盟國際規定標準
- 4.積極推動節能減碳、垃圾減量、減塑與環境保護等活動



管理體系

- 1.定期召開管理審查會，並進行RBA內部稽核
- 2.通過ISO 9001認證，確保顧客滿意與持續改善
- 3.全體員工每年必修RBA與CSR相關課程
- 4.RBA On-line主動揭露風險等級狀況
- 5.CSR小組訂定階段目標，定期檢視執行狀況與RBA條文



健康與安全

- 1.公司無危險作業環境，每年安排體檢及規畫健康促進活動
- 2.訂定緊急事故處理、母性保護與工作異常負荷預防等辦法
- 3.配有專業護理師，亦辦理醫師駐診、各項健康諮詢或講座



道德規範

- 1.訂定誠信經營守則、道德行為準則、無衝突礦產辦法等
- 2.每年員工進行利益衝突申報，並進行Ethics教育訓練
- 3.重視資安系統，妥善保護客戶機密資訊

▲ Current methods & measures (in correspondence with the five parts of the RBA)

SAQ Version	Status	Last Modification Date	% of Completion	Score	Risk Rating
Corporate SAQ-2022	Released	02/11/2022	100	91.5	Low
Corporate SAQ-2021	Archived	10/25/2021	100	88.1	Low

▲ Risk rating conditions are released online via the RBA. The SAQ of PixArt's RBA is low risk.

Method in Accordance with Non-conflict Minerals Use

PixArt works with suppliers that have enhanced supply chain management and all are requested to use, verify and guarantee that the direct and indirect materials used for products are non-conflict minerals. In addition, suppliers are required to provide the origin of material documents and trace documents in accordance with the Conflict Minerals Reporting Template to ensure the legitimacy of material origin and prevent conflict minerals from being used. All suppliers we use qualify for this standard (100%).

Contact Information

If you have any comments or questions regarding PixArt Imaging Inc.'s CSR report, please contact us. To fulfill our responsibility in disclosing cooperate information, we will also publish the report on PixArt's official website.

PixArt Imaging Inc.

No.5, Innovation Road 1, Hsinchu Science Park, Hsinchu 30076, Taiwan, R.O.C.

<https://www.pixart.com/>

Mr. Kuo

03-5795317 #1666

csr@pixart.com



Business Location

Headquarter

+886-3-5795317

No.5, Innovation Road 1, Hsinchu Science Park, Hsinchu 30076, Taiwan, R.O.C.

Penang Branch

+604-6136300

Ground and First Floor, Kompleks Eureka, Universiti Sains Malaysia, 11800 Penang, Malaysia

Shenzhen Branch

+86-755-8981-2394

518040, Room 808, Block A, Hailrun Complex, No.6021, ShenNan Blvd., Futian District, Shenzhen, P.R.C.

Tokyo Branch

+81-75-778-5068

〒 604-8006 京都府京都市中京区河原町通二条下る 2 丁目下丸屋町 403 FIS ビル 2F

North America Branch

+1-408-501-6008

1263 Oakmead Parkway, Suite #200 Sunnyvale, CA 94085, U.S.A

Europe Branch

+45-2511-0342

Drewsensvej 1c, 8600 Silkeborg, Denmark



■ Award-winning Record

2018

- Assessed as a Top 20 OTC-listed company in the Fifth Corporate Governance Evaluation System by the Taiwan Stock Exchange.
- Received the Excellent Workplace - Health Management Prize from the Health Promotion Administration, MOHW.
- Received the Absolute Anti-pandemic Prize and Enterprise Role Model Prize from the Taiwan Immunization Vision & Strategy Association (instructed by the Taiwan Center for Disease Control).
- Acquired the Healthy Working Place certification by the Health Promotion Administration, MOHW.

2020

- Assessed as a Top 20 OTC-listed company in the Seventh Corporate Governance Evaluation System by the Taiwan Stock Exchange.
- Received the Excellence in Corporate Social Responsibility Award (New Star of the Year) from Common Wealth Magazine.
- Acquired the 2020 Corporate Health Responsibility Commitment symbol.
- Received the Anti-pandemic Hero Award from the Taiwan Immunization Vision & Strategy Association.

2022

- Top 20% OTC-listed companies in the 8th Corporate Governance Evaluation System by the TWSE.
- Excellence in Corporate Social Responsibility Award (ranked 6th of Medium-sized Enterprises) by CommonWealth Magazine.
- CHR – Corporate Health Responsibility silver award winner 2022.
- Anti-pandemic Hero Award, by the Taiwan Immunization Vision & Strategy Association.

2018

2019

2020

2021

2022

2019

- Assessed as a Top 20 OTC-listed company in the Sixth Corporate Governance Evaluation System by the Taiwan Stock Exchange.
- Acquired the nursing-friendly breastfeeding room certification from the Public Health Bureau of Hsinchu County Government.
- Received the Anti-pandemic Hero Award from the Taiwan Immunization Vision & Strategy Association (instructed by the Taiwan Center for Disease Control).

2021

- Top 20% OTC-listed companies in the 8th Corporate Governance Evaluation System by the TWSE.
- Excellence in Corporate Social Responsibility Award (ranked 11th of Medium-sized Enterprises) by CommonWealth Magazine.
- Anti-pandemic Hero Award, by the Taiwan Immunization Vision & Strategy Association.

Stakeholder Engagement

The Identification & Selection of Stakeholders

The Response to Stakeholders' Matters of Concern

Identifying Major Issues of Concern to Stakeholders



■ The Identification & Selection of Stakeholders

We plan a rigorous identification and selection method for stakeholder engagement. Firstly, CSR committee members hold internal meetings to brainstorm about all stakeholders under the 5 principles of the Stakeholder Engagement Standard, AA1000 SES 2015, to identify the 6 stakeholders for the year. This includes (1) Employees, (2) Clients, (3) Stakeholders/Investors, (4) Suppliers and Vendors, (5) Government Authority, and (6) Community/Non-Profit Organizations according to the stakeholders' (1) Dependency, (2) Responsibility, (3) Tension, (4) Influence, (5) and Diverse Perspective to the company.

■ The Response to Stakeholders' Matters of Concern

PixArt collects stakeholders' opinions through the department heads who have meetings to discuss and integrate company opinions and matters of concern that stakeholders have. Next, we request CSR lecturers from the National Sun Yat-sen University and Leadership Consulting Group to review GRI Standards for congruency. Lastly, the major issues from 2022 are determined during an internal meeting. PixArt will respond to each stakeholder's matters of concern in the report.

Apart from the above standard process, we also established a stakeholder section on the company website and provide a direct email inbox at csr@pixart.com.tw to communicate and connect with stakeholders. If there are any questions, suggestions, or complaints regarding major issues, stakeholders can easily communicate and interact with PixArt via email.

▼ Stakeholders' Matters of Concern, Methods, and Frequency of Communication, and Specific Procedure Form

Stakeholder	Matters of Concern	Methods and Frequency of Communication	PixArt's Response & Action
 Employees	1. Compensation package and benefit 2. Career development 3. Occupational safety and health 4. Human rights policy and friendly workplace 5. Business performance 6. Corporate Governance 7. Research and innovation 8. Operational integrity and obeying the law 9. Information security	1. Performane interview (Every 6 months) 2. Educational training (Irregular) 3. Employee satisfaction survey (Regular) 4. Employee Welfare Committee (Irregular) 5. Various events (Irregular) 6. Electronic Bulletin board (24 hours) 7. Employee's feedback zone (Anytime) 8. Employee communication hotline / email inbox (Anytime)	1. Implement performance interviews at least once every 6 months. 2. 3,883 employees attended in-person classes and online training on scheduled dates. 3. Complete the new employee questionnaire and execute improvement work mentioned in the satisfaction survey. 4. Hold Employee Welfare Committee 4 times 5. Organize various kinds of ball activities and sports programs. 6. Included 57 various events and 199 company advocacy and explanation sessions were held. 7. Employees can give feedback at any time. 41 feedback cases received in 2022 werw resolved and closed. 8. Email inbox and contact information are provided on the company website: hr@pixart.com
 Clients	1. Customer relationship management 2. Research and innovation 3. Green products 4. Operational integrity and obeying the law 5. Information security 6. Sustainable management of supply chain	1. Phone call / email (Daily) 2. Client visits / meetings / audits (Irregular) 3. Customer satisfaction survey (Annually) 4. Voice of Customer (VOC) (Anytime) 5. Product exhibition (Irregular) 6. Contact information for client queries is provided on the company website (24 hours)	1. Respond immediately and contact clients daily. 2. Visit and contact clients irregularly to realize clients' demands. 3. Conducted a satisfaction survey for 17 clients in 2022 and acquired a satisfaction rate of 94.8%. 4. Real-time online client service is provided on the company website and established interactive MSS. 5. International product exhibition was canceled due to the pandemic. 6. Email inbox and contact information are provided on the company website: customer@pixart.com



Stakeholders / Investors

1. Business performance
2. Cooperate governance
3. Operational integrity and obeying the law
4. Research and innovation
5. Information security

1. Revenue report (Monthly)
2. Financial report (Quarterly)
3. Institutional investor's conference (Quarterly)
4. Stakeholder meeting (Annually)
5. Stakeholder service section is established on the official website and a contact person is provided (Anytime)

1. Announce on public information station and company website before the 10th of every month.
2. Before announce on public information station and company website according to the announcement period of competent authority.
3. After each quarter is finished, a meeting will be held in the second month of next quarter. Four meetings were held in 2022. The PowerPoint and video files are also released on the same day of the meeting on the public information station and company website.
4. Meeting is held before the end of June. Meeting notice/Handbook/Annual report, etc. will be published according to the announced period of the competent authority on a public information station and company website.
5. Stakeholder service section is established on the company website and contact information is provided for stakeholder queries (including contact person, number, and email: ir@pixart.com)



Suppliers & Vendors

1. Sustainable management of supply chain
2. Business performance
3. Research and innovation
4. Green products
5. Operational integrity and obeying the law
6. Cooperate governance
7. Environmental protection
8. Information security

1. Phone call / email (Daily)
2. Supplier evaluation (Annual)
3. Questionnaire survey and audit (Regular)
4. Contact information is provided on the company website (24 hours)

1. Immediate response and contacting clients daily.
2. Evaluated 38 suppliers in 2022.
3. On-site audit of 17 suppliers and written document audit of 23 suppliers.
4. Email address and contact information are provided on the company website: supplier@pixart.com



Government Authority

1. Operational integrity and obeying the law
2. Occupational safety and health
3. Effluents and Waste management
4. Environmental protection
5. Energy saving and carbon reduction
6. Research and innovation
7. Climate change

1. Announce on public information station (according to the regulation)
2. Corporate governance assessment work (Annual)
3. Official document communication (Irregular)
4. Meetings (Irregular)
5. Company website (24 hours)

1. Process announcement and declaration required for OTC-listed company according to the regulations of competent authority. No violation or punishment is recorded.
2. Execute corporate governance selfassessment work according to the regulations of the competent authority, ranked in the top 6% to 20% in 2022, and was chosen for the TWSE CG Index.
3. Immediately cooperate with regulation work or application plans.
4. Hold meetings irregularly.
5. If the released information of the required announcements and declarations for an OTC-listed company on company website is updated (such as finance/ cooperate governance/ stakeholder information, etc.), this will be published on public information station and released on the company website. If it is not required to be announced or declared, the information will be approved by the company before being released publicly.

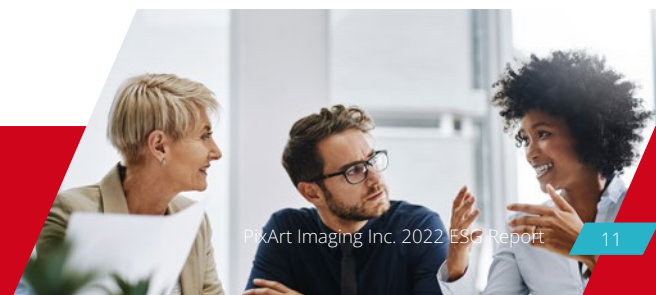


Community / non-profit organizations

1. Social participation

1. Charity events participation and volunteer services (Irregular)
2. Donation and sponsorship (Irregular)
3. Industry- academic collaboration (Irregular)
4. Skills and experience sharing meeting (Irregular)

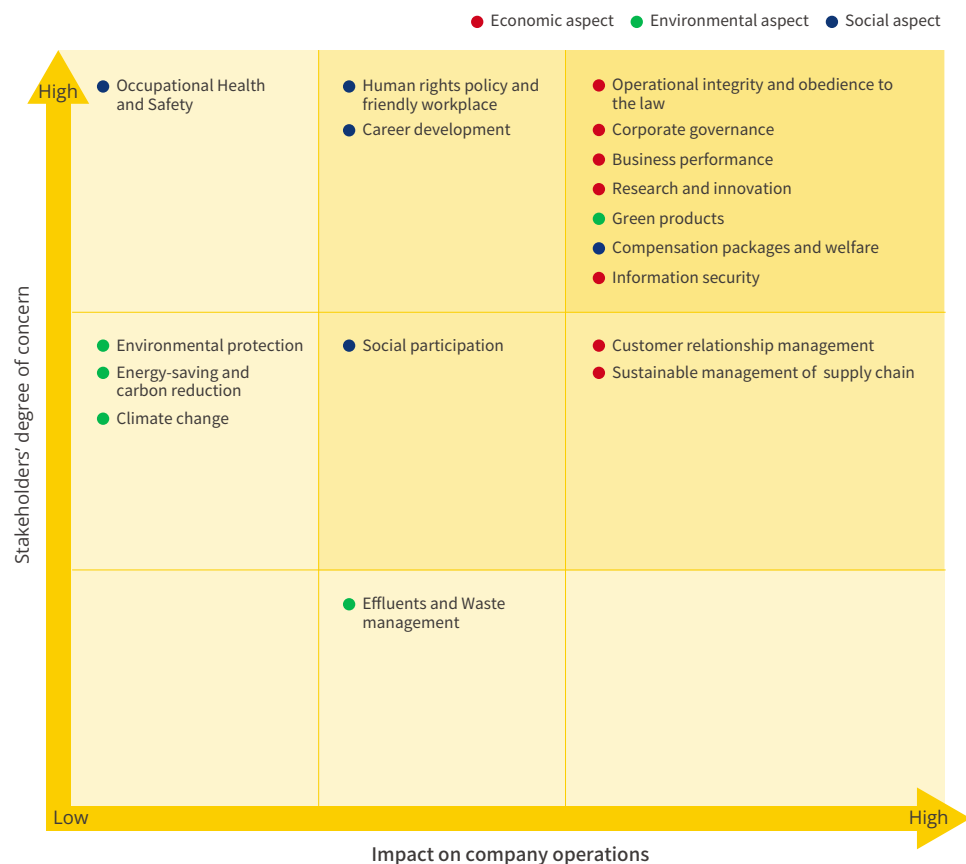
1. Participated in 5 different charity events with the participation of 1068 staff.
2. Irregular charity donation or sponsorship of empowerment activities.
3. Industry-academic collaborations with the National Yang Ming Chiao Tung University.
4. Participated in 2 events organized by the NTU System-on-Chip Center.



Identifying Major Issues of Concern to Stakeholders

After communicating with stakeholders, PixArt collects the issues that concern stakeholders, processes the identification of the concerns, arranges the order, confirms evidence, and inspects according to sustainability, importance, completeness, and stakeholder tolerance. This is done to ensure that major issues, the impact to the organization, and stakeholders are included in the report. The major issues and topics included in this year's annual report have not changed much compared to the previous year's report.

Matrix Diagram of Major Issues



Major Issues, Impact Range, and Degree of Involvement

● Direct Impact ○ Indirect Impact

Dimensions	Major Issues	Importance to Operations	Stakeholders					
			Employees	Clients	Stakeholder / Investor	Suppliers and Vendors	Government Authority	Society / non-profit organization
Economic sphere	Operational integrity and obedience to the law	Operational integrity and obeying the law are the basic rules of the company's operation.	●	●	●	●	●	
	Corporate governance	Know and control the changes in the internal and external environment, establish a good corporate governance system to achieve sustainable development goals and fulfill our corporate social responsibility.	●		●	○		
	Business performance	Stable revenue is the main reason the company can operate well in the long term.	●		●	○		
	Research and innovation	Develop products with growth potential. Continue to raise product competitiveness. Continue innovation to ensure company growth.	●	●	○	○	○	○
	Information security	Protect company information, confidentiality, integrity, and availability. Ensure stakeholder's rights.	●	●		●		
Environment sphere	Green products	Obey environmental laws and meet international standards. Ensure corporate's responsibility to society and its environmental responsibility.		●		●	●	
Social sphere	Compensation package and welfare	One of the company's important duties is to provide a competitive compensation package and welfare to ensure excellent talent to maintain motivation for company growth.	●		○		●	

▼ Management Policy Elements and Evaluation of Major Issues

Dimensions	Major Issues	Management policy (brief) and goals (short, mid, long term)	The evaluation and performance of management policy	Correspondence to GRI Standard				
Economic sphere	Operational integrity and obeying the law	- Obey government regulations and conducting business activities with fairness and transparency. - Implement operational integrity, create regulations, and arrange for employees to take related educational training courses.	Goal: implement obeying laws. Assure no major violations are made. No major violations in environmental, social, economic areas this year.	206-1 307-1 406-1 416-2 417-2 417-3 418-1 419-1				
	Corporate Governance	- Establish healthy governance structures for the company. Enhance the functions and operation of the Board of Directors. - Maintain stockholders' rights and treat them equally.	Goal: Complete the functions of the Board of Directors. Assure every different committee operates normally. 1. Ranked in the Top 20% of OTC Companies by the Corporate Governance Evaluation System 2. Accountant Supervisor appointed Head of Corporate Governance with the approval of the Board of Directors and attended an 12 hours advanced course in 2022.	102-18 102-27				
	Business Performance	Capture market trends and be client-oriented to provide clients with the most complete system design, support, and service while pursuing sustainable management for the company.	Goal: Increase revenue while capturing market dynamics. Keep high gross margins in revenue. NT\$5,226 m consolidated revenue; gross profit margin of 54.0%	102-7				
	Research and innovation	- Accurately grasp market trends. Develop the placement of CIS derivative products in the market proactively. - Achieve the goal to make high-quality, low power consumption, microminiaturized products, and the integration of system on a chip.	Goal: Contribute at least 20% of the revenue, equal to 19.1 billion dollars, as research funds every year. (accounted for 36.6% of the revenue).	Topic can be self-chosen				
Environmental sphere	Information security					Short-term: Regulate information security policy. Mid-term: Promote employees' information security awareness. Long-term: Establish information security management system.	All new members receive information security reminders: 10 information security reminders were announced on the bulletin and via e-mail in 2022. Business Continuity Plans with 1 drill every year. Instant system recovery in 12 hours.	418-1
	Green products	- Devote energy to the design, research, manufacturing, production, and sales of green products. - Obey regulations and meet client's demands. Expected to exceed international standards.					Goal: Products and materials meet environmental regulations and international standards. 1. Completed and acquired IECQ QC-080000 Hazardous Substance Free management system certification. 2. Products and materials are qualified for RoHS, REACH, and Halogen Free standards.	302-5
	Compensation package and welfare	- Provide competitive compensation packages. - Offer salaries that are better than the average salary of IC design competitors to maintain excellent talents.					Goal: Provide competitive compensation packages. 1. Top 5 average and median salary of non-executives, full-time employees among 2022 OTC companies. 2. Provide leave benefits that are better than that of the Labor Standards Act.	202-1 401-2
Social sphere								



About PixArt

About PixArt

Economic Performance

Products and Technology Applications



About PixArt

Brand Introduction

Based on the Company Act, the Chinese name of the Company is 原相科技股份有限公司, and PixArt Imaging Inc. is the name in English.

Established in July 1998, PixArt Imaging Inc. is headquartered in Hsinchu, Taiwan. PixArt Imaging Inc. currently has excellent cross-national R&D teams in offices spread across the Silicon Valley, Denmark, Malaysia, Japan, Korea, and China. PixArt specializes in CMOS imaging sensors (CIS), capacitive touch controllers, and related imaging applications such as IC design, R&D, production, and sales. In addition to this, the company is involved in extensive innovative design and development of sensor technology and human-machine interface. PixArt also has considerable experience in analog IC design and image sensors, particularly for system management. Besides using new technology and applications to shorten the distance between humans and machines, we also provide the most comprehensive support and services for customized system design. We are currently one of the world-leading suppliers in CMOS image sensor application IC; through our comprehensive SoC solutions, we offer the best image analytics optimization functions to our customers.

Pixar's core technology utilizes CMOS image sensors as its vision for image analytics. In addition to standard sensors, we continuously develop image sensor-related applications

including Optical Navigation, Object Motion Sensing, Touching, CMOS Image Sensor, Health Management Heart Rate Monitor Sensor, and Customized ASICs. We are the largest supplier of optical mouse sensor chips and we also lead in mouse sensor chips for conventional PC and high-end gaming applications.

As an insider with keen insight into market trends, we actively contribute to the CIS-derived application market while remaining committed to providing value-adding products with top quality, low power architectures, effective costs, and minimized form factors aimed at SoC integration. Besides offering One-Stop-Shop services to fulfill a comprehensive list of project and application needs, we are also able to shorten the design cycle thanks to our trustworthy relationships with global leaders in wafer fabrication, testing, packaging, and optical lens manufacturing.

In recent years, PixArt has actively been driving collaborations with various industry-leading companies worldwide to develop new applications for Human-Machine-Interaction (HMI). The encouraging response and recognition that we have received inspires and motivates us to accelerate our design pace to offer better and more powerful sensor technologies. Until May 31, 2023, the total capital paid was NT\$ 1,461,218,910. Net Sales.

▼ Net Sales

Annual Products	2021		2022	
	Amount (Thousands of New Taiwan Dollars)	%	Amount (Thousands of New Taiwan Dollars)	%
CMOS Image Sensor Accessories	8,695,262	98.80	5,129,298	98.15
Others	105,380	1.20	96,609	1.85
Total	8,800,642	100.00	5,225,907	100.00

» Note: The above amounts are expressed as the consolidated net operating revenue.



Management Philosophy



As insiders with a keen insight into market trends, PixArt is dedicated to developing image sensors and relevant product applications with high resolution, integration, and minimized system-on-a-chip (SoC).

Inspire innovation by providing a challenging and efficient working environment to unleash one's potential and strengths.



Understand our affiliations with customers and partners to pursue the best interests of both parties.

Remain respectful of intellectual property rights and reward inventions through strategies like global patenting.



Share the successes of operating results with shareholders and employees as well as contribute fully to the community.

R&D Expenses Ratio

▼ R&D annual expenses for the past 5 years

Unit: NT\$1,000

Year/Item	2018	2019	2020	2021	2022
R&D Expenses (A)	1,480,033	1,637,598	1,922,977	2,170,274	1,911,664
Net Revenue (B)	5,513,179	6,075,020	8,148,017	8,800,642	5,225,907
(A) / (B)	26.85 %	26.96 %	23.60 %	24.66 %	36.58 %

» Note: The above amounts are consolidated financial figures.

■ Economic Performance

Due to inflation, increased interest rates, the pandemic, and war, in 2022 the decreasing market demand for PC/ NB and consumer electronic devices has led to high stock and inventory adjustments spanning several seasons. As a result, the Company calculated NT\$5,226 m in consolidated revenue, a drastic reduction of 40.6% from 2021, and a reduced gross margin from 57.1% to 54.0%

due to the rise in production costs, change of product combinations, and allowance for inventory obsolescence loss. The EPS was NT\$7.41 and ROE 10.7%. In the coming years, we look to satisfy increasing future needs for image sensor and other sensor technologies in consumer e-products, smart homes, security surveillance, industrial automation, and electronic car devices in the areas of 5G,

AIOT. Our steady, practical development and advancement in sensor technology enhances product value. Precise marketing skills for product and technology further match customers with the best sensor solutions and a win-win future.

▼ Concise Statement of Profit or Loss- International Financial Reporting Standard (Consolidated Financial Statement)

Unit: NT\$1,000

Year/Item	Financial information of the past 5 years				
	2018	2019	2020	2021	2022
Operating Revenue	5,513,179	6,075,020	8,148,017	8,800,642	5,225,907
Operating Profit	3,178,293	3,514,759	4,718,360	5,022,642	2,820,222
Operating Gains (loss)	921,804	961,454	1,838,500	1,832,358	14,395
Non-operating Income and Expenses	116,699	77,576	(61,772)	93,376	1,080,354
Income before Income Tax	1,038,503	1,039,030	1,776,728	1,925,734	1,094,749
Earnings from Continued Operations	817,216	830,321	1,438,645	1,576,102	1,037,968
Profit or Loss of Discontinued Operations	-	-	-	-	-
Net Income	817,216	830,321	1,438,645	1,576,102	1,037,968
Other Comprehensive Income	(69,771)	279,425	941,793	596,679	(1,059,979)
Total Comprehensive Income	747,445	1,109,746	2,380,438	2,172,781	(22,011)

Year/Item		Financial information of the past 5 years				
		2018	2019	2020	2021	2022
Net Income Attributable to Owners of the Parent		858,358	835,586	1,456,606	1,575,935	1,050,768
Net Income Attributable to Non-controlling Interest		(41,142)	(5,265)	(17,961)	167	(12,800)
Total Comprehensive Income Attributable to Owners of the Parent		788,587	1,115,011	2,398,399	2,172,614	(9,211)
Total Comprehensive Income Attributable to Non-controlling Interest		(41,142)	(5,265)	(17,961)	167	(12,800)
EPS (Note 1)	Before Retroactive Adjustment (NT\$)	6.23	10.60	11.32	11.32	7.41
	After Retroactive Adjustment (NT\$)	6.23	10.60	11.32	11.32	7.41

» Note 1: Basic earnings per share.

» Note 2: Source: 2018-2022 audited financial statements.

Products and Technology Applications

The applications of CIS (CMOS Image Sensor) have grown significantly through the improvement of semiconductor production techniques and image sensor technology. This has an impact on products commonly seen in daily life such as smartphone, advanced Autonomous Driving Assistance System (ADAS), surveillance and security camera systems, digital cameras, mice, game consoles, and wearable/hearable devices. In addition to deliver more convenient, safer, and smarter solutions, these products also enrich our lives.

The CIS industries are divided into two categories—Standard CIS and application-specific CIS. For standard CIS, particular in smart phone market, the resolution of CIS continues to increase and reaches the level of tens of millions. Application for standard CIS on cars and security are also continue to grow. According to marketing reach firm TRS, standard CIS marker was US\$19.7 billions in 2020 and will reach 27 billions in 2024. This is a huge growth potential.

For application-specific CIS market, due to the huge difference from standard CIS and focus on utilizing the image captured by CIS for different applications, it's a small quantity but lost of varity market. The competition is less intensive compared to standard CIS market and has higher profit margin.

PixArt had an excellent performance in product development and market expansion During pandemic in 2021 because of stay-at-home economics. The Optical Mouse Sensor series provided the necessary support for people during home isolation and remote working throughout the pandemic. Gaming Sensor products were also popular as fun entertainment tools to release stress following the chaotic circumstances caused by COVID-19. Other new products such as TWS, OFN, Heart Rate sensors, Gesture Recognition and OTS also received recognition from international enterprises and successfully entered first-class ranks in the global market.



R&D and Innovation

PixArt has always recognized the importance of patent rights to protect research outcomes. There were more than 2350 valid patents across the world in April 2023. For example, from January 1, 2016, until December 31, 2020, patents applied for in the United States were up to 605. This was a patent per capita of 1.30; much higher than the industry patent per capita of 0.16 (Source: www.freepatentsonline.com). For the scale of the company, PixArt is relatively active in patent strategy investment and has long-term and committed contributions, particularly in the technological field such as Optical Navigation and Measurement.

Successfully Developed Technologies and Products

- (1.) Low-power/high efficiency wireless mouse
- (2.) TOG and Gaming mouse
- (3.) OFN (Optical Finger Navigation) Sensor
- (4.) Game console/Smart TV using MOT Sensor
- (5.) Optical and Capacitive touch solutions
- (6.) DMS (Distance Measure Sensor) relevant technologies and products
- (7.) Human Sensing Device/Face recognition
- (8.) Minimal gesture sensor IC
- (9.) Low-power-consuming Heartrate sensors suitable for hand-carrying or wearable devices (PPG Sensor).
- (10.) HD/2M/5M CMOS Image Sensor
- (11.) OTS (Optical Track Sensor)
- (12.) 2.4G wireless HID Controller Chips
- (13.) Bluetooth 4.2 BLE Controller Chips
- (14.) Optical Motion Tracking Sensor
- (15.) LOD (Linear Optical Detection) Sensor
- (16.) BT5.0 Low-power Bluetooth Audio SoC
- (17.) Array Photoplethysmograph

PixArt Products Development Trends



Low-Power Consumption

As mobile devices, wearable devices, and battery-powered applications become universal, public calls for low-power consuming electronics have significantly increased. Electronic products are now designed to consume as little power as possible to serve these needs.



Highly Integrated

Products today are valued for their lightweight, ultra-thin, small-size, and multifunctional designs. In addition to the continuous improvement of semiconductor production techniques, CIS will continue to reflect the market's demand for small-form-factor and highly integrated products.



Intellectualization

Following the development of artificial intelligence (AI), a growing number of products utilize AI to add value and differentiate themselves from competitors. A similar adoption of AI technology is emerging for CIS products.

Corporate Governance

Corporate Governance Policy and Guidelines

Legal Compliance

Tax Governance, Control and Risk Management

Risk Management



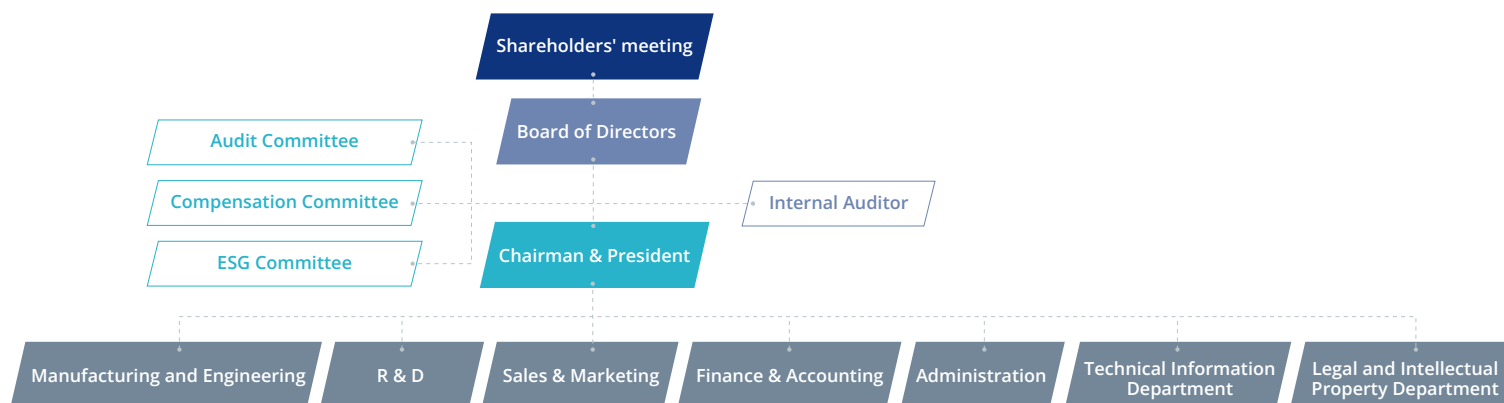
Corporate Governance Policy and Guidelines

To ensure that relevant institutes are aligned with individual duties, we understand the importance of transparency of corporate governance and the organizational structure. The ultimate goal of the Company's corporate governance is to ensure shareholders' and stakeholders' maximum interest. Through the supervision of the management team and checks and balances of the system, we can reasonably define and allocate the rights and responsibilities of all shareholders, the management team and stakeholders.

Our disclosure of the establishment and composition of the Company's highest governance body ensures that decision-making of the highest management team is conducted in accordance with PixArt's operational purposes, including economic, environmental, and social issues. We are among the Top 6~20% of OTC companies in the 5th, to 9th Corporate Governance Review, as well as in the Taiwan Corporate Governance 100 Index of the over-the-counter trading center.

Governance Structure

PixArt continues to enhance its information transparency, considers shareholder rights and equal treatment of shareholders, and believes that a sound and efficient board of directors is the basis of good corporate governance. Under this principle, we continue to strengthen the structure and operation of the board of directors and have set up an audit committee, remuneration committee and other functional committees to assist the board of directors to carry out its supervisory and management responsibilities. The organizational charters of the committees are approved by the board of directors, and chairpersons of each committee regularly report to the board on their activities and resolutions.



Diverse Board Members

Among the seven directors of the Company, over half are independent directors with four seats. Independent directors are subject to the Independent Director regulations and shall possess a professional background, be recognized for their independence and conduct their duties part-time. We wish to reach our objective of planning an appropriate corporate innovation development strategy, monitor it effectively, and maintain shareholders' rights and strengthen corporate governance. The boards of directors have held six meetings with an attendance rate of 100%.

The board of directors must possess professional knowledge and rich corporate governance experience, and make extensive reference to international trends and reports to continuously enhance their collective knowledge in environmental, social, and economic fields. To grasp the global risk outlook and increase crisis management capabilities, the board of PixArt actively participates in advanced trainings, totaling 42 hours among the seven directors in 2022.

The independent directors also formed an audit committee and a remuneration committee. All members of the board are selected based on a nomination system. Besides their professional skills, we take into account the conduct and ethical reputation of board members. We also care about diversity and equality of the board, therefore we openly embrace the voice of different genders, ages and ethnic groups. There are four out of the seven directors who serve as independent directors; 57% of the board. The seniority of the independent directors of the Company ranges from 2 to 11 years. Female directors of the Company account for 14%. Five directors are aged 60-69, and two directors are aged 50-59. One director has employee status, accounting for 14%.

Candidates for independent directors are also required to comply with the requirements of the "Regulations Governing the Establishment and Related Matters of Special Committees of Public Companies", including professional qualifications, independence, and part-time work restrictions.

All these matters aim to properly plan the corporate innovation and development strategy and effectively supervise the company, safeguard shareholders' rights and strengthen corporate governance.

▼ Diverse Board Members

Title	Name	Gender	Age	Nationality or Place of Registration	Education & Key Previous Positions	Attendance in 2022
Chairman	Huang, Sen-Huang	Male	60~69	Taiwan	- BS, Electronic Engineering, National Taiwan University - President of Chino-excel Technology Corp - Plant director, Hualon Microelectronics Corp. - Director of Process Integration Div., United Microelectronics Corp.	6
Director	Huang, Yu-Tsung	Male	60~69	Taiwan	- BS, Dept. of Accounting, Tamkang University - Independent Director, ITE Tech - Independent Director, eCloudvalley Digital Technology - Independent Director, Aethertek - Independent Director, TOPBI International Holdings Director of Power Quotient International Co., Ltd. - Senior Specialist of the Listing Department of Taiwan Stock Exchange Corp.	6
Representative of	Hsun Chieh Investment Co., Ltd.	-	-	Taiwan	-	6
Director	Shih, Li-Jen	Male	60~69	Taiwan	- Ph.D. Electronic Engineering, University of California, Irvine - Chairman of Advanced Analog Technology, Inc. - General Manager of Ali Corporation North America Branch - Senior Analyst, Burroughs Corp. - Senior Engineer, Rockwell, USA	6
Representative of	Yuan Ding Investment Corp.	-	-	Taiwan	-	6

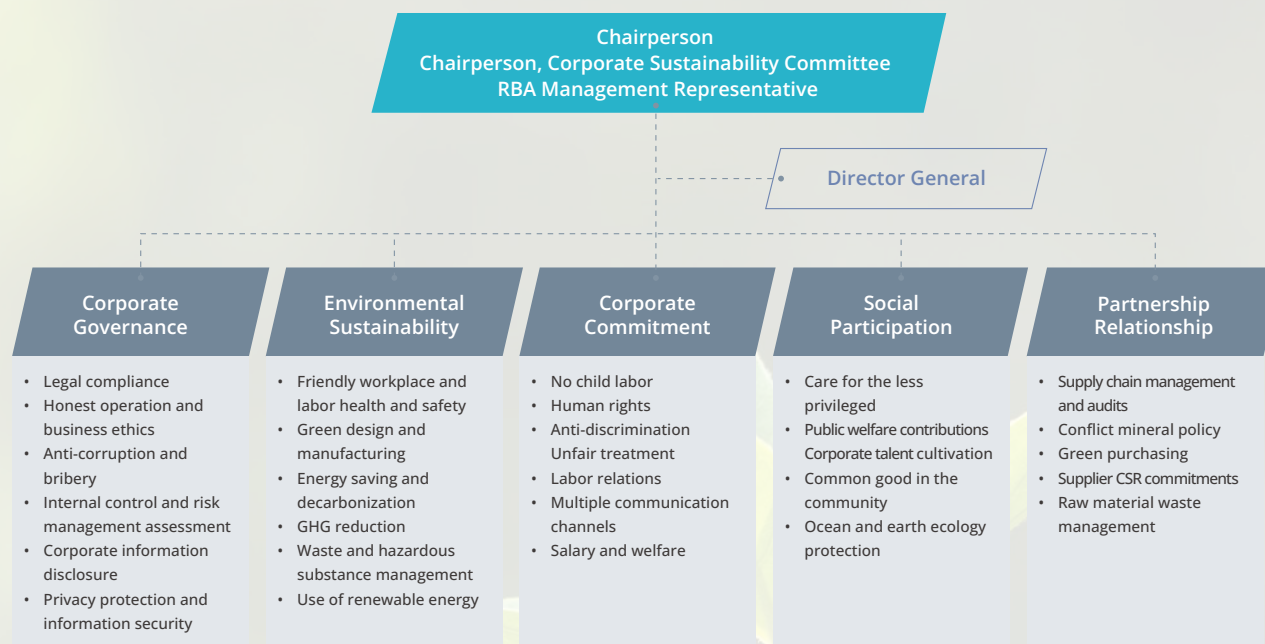
Independent Director	Cheng, Wen-Chin (Note 2)	Male	60~69	Taiwan	- MS, Electronic Engineering, National Taiwan University - LUMENS DIGITAL OPTICS INC. Technical officer & Director - Manager, Umax Data Systems Inc. - ITRI Information and Communications Research Laboratories - Project Manager, Aitech International Corporation - ITRI Electronic and Optoelectronic System Research Laboratories	6
Independent Director	Lin, Jung-Lu	Male	60~69	Taiwan	- BS, School of Medicine - Senior Attending, Pulmonary Medicine, Mackey Memorial Hospital - Adjunct Clinical Professor, Mackay Medical College Department of Medicine - Taipei Medical University Specialist doctor, Taiwan Society of Pulmonary and Critical Care Medicine - Taipei Medical University Specialist doctor, Taiwan Society of Tuberculosis and Lung Diseases	6
Independent Director	Liu, Jo-Lan	Female	50~59	Taiwan	- BS, Department of Accounting, Tunghai University - Independent Director of Uniflex Technology Inc - Supervisor of Cirocomm - Supervisor of PixArt Imaging Inc. - Senior Department Manager of the Finance & Accounting Dept. PixArt Imaging Inc. - Manager of the Finance Div., Davicom Semiconductor, Inc.	6
Independent Director	Hsing-Yuan Hsu	Male	50~59	Taiwan	- MBA, University of the City of New York, USA - Deputy Head of the Financial Department, Unimicron - Director, Legal Representative of Yan Yuan Investment - Director of PixArt Imaging Inc. - Manager of the Finance Div., United Microelectronics Corp. - Forex Trader in Taishin International Bank.	6

ESG Committee

PixArt has been dedicated to implementing corporate social responsibility for years, supporting business ethics, employees' rights, health, and a safe environment to embody its corporate values and commitment, as well as following the RBA, committing to honest corporate management and codes of conduct. We have also actively participated in subjects such as environmental protection and sustainability, social welfare, and community pride.

We established the corporate social responsibility management system according to "Corporate Social Responsibility Best Practice Principles", and the CSR Committee (Reformed in 2021 as the Corporate Sustainability Committee), composed of employees from various units of the company. The general manager is appointed as chair of the ESG Committee, formulating strategies with all units to drive the Company's CSR activities.

PixArt upholds the philosophy of "taking from the community and giving back to society" to fulfill our social responsibility and promote a balance of sustainability of the economy, society, and the environment. We published the "PixArt Social Responsibility Best Practice Principles" in accordance with "Corporate Social Responsibility Best Practice for TWSE/GTSM Listed Companies" and the "Responsible Business Alliance Code of Conduct" for all staff as a guideline for longterm CSR activities. (Renamed as 2021 as the Corporate Sustainability Committee)



ESG Committee Policy



Code of Conduct



Sustainability



Give Back to Society

- Management with honesty is our principle. We are against any form of corruption and bribery, and request all employees to abide by the code of conduct and code of ethics.
- We implement corporate governance, comply with laws and regulations, enhance the transparency of operational information, and fully take into account the interests of and impact on stakeholders (including employees, customers, suppliers, communities and the environment).
- We strengthen customer partnerships, provide highly valued services to customers, and are committed to the company's sustainability and development.
- We pursue environmental sustainability, have established a quality and nonhazard substance policy, and ensure the embodiment of green product design and production. We promote an energy-saving and carbon reduction policy and have implemented all kinds of management measures to reduce the impact of our operations on the environment.
- We have implemented all kinds of management measures to reduce the impact of our operations on the environment.
- We sponsor industrial talent, collaborate with colleges, universities and other organizations, and provide a diversified and long-term collaboration model to cultivate young students to integrate knowledge and practice.
- We collaborate with volunteer groups and use our company resources to actively care for disadvantaged groups, participate in social welfare activities, and create a mutually beneficial situation for local communities and society.
- We share our results with all shareholders and employees and take advantage of many opportunities to give back to society.



Audit Committee

Four independent directors were elected in the general shareholders' meeting of the Company, and the Audit Committee is composed of all independent directors. The Audit Committee meets at least once per quarter, and proposals that are subject to the approval of the Audit Committee in accordance with Article 14-5 of the Securities and Exchange Act are submitted to the Audit Committee for discussion in accordance with the regulations. The internal auditors of the Company also regularly report on audits to the Audit Committee to facilitate the Audit Committee's understanding of the internal control operations of the Company.

The Audit Committee aims to assist the Board of Director in supervising the Company's execution of quality and integrity regarding accounting, auditing, financial report flowcharts and financial control. The Audit Committee held six meetings in 2022 with a total attendance rate of 100%, and discussed issues such as the following:

- Proper presentation of financial reports
- Material transactions of assets or derivatives
- Loaning major funds and endorsements and guarantees
- Public offering or issuance of securities
- Compliance with laws, regulations and rules.
- Experiences, competence, independence, and performance measure of certified public accountants
- Appointment, dismissal and remuneration of certified public accountants of the Company.
- Assessment of performance evaluations by the Audit Committee
- Control and management of existing or potential risks of the Company
- Policies, procedures and effective implementation of internal control systems.

Remuneration Committee

The function of the Company's Remuneration Committee is to assess the salary and compensation policies and systems of the directors and managers of the Company from a professional and objective position. The Committee provides proper evaluations and audits of the salaries of the upper management team and the remuneration ratio of employees, as well as assesses and audits the rationality of salaries and remuneration according to the personal

capabilities of the management team and the corresponding contribution to and performance within the company, to motivate talent and the enhance company's operation performance. The Committee convenes meetings at least three times a year and may convene meetings at any time as necessary to make recommendations to the Board of Directors for reference when making decisions.



Advanced Governing Team

▼ Board of directors advanced training and total training hours in 2022

(1.) Directors and supervisors advanced trainings: All directors in the company have a professional background, and the Company provides relevant advanced training on an ad-hoc basis. Training of the directors in 2022 was as follows:

Title	Name	Training Date	Organized by	Course Title	Training Time
Director	Huang, Sen-Huang	2022/08/02	Taiwan Corporate Governance Association	The Securities and Exchange Act on the obligation and responsibilities of the Company and supervisory board.	3 hours
		2022/11/04		Corporate merger and international tax trends	3 hours
Director	Huang, YuTsung	2022/08/02	Taiwan Corporate Governance Association	The Securities and Exchange Act on the obligation and responsibilities of the Company and supervisory board.	3 hours
		2022/11/04		Corporate merger and international tax trends	3 hours
Director	Shih, Li-Jen	2022/08/02	Taiwan Corporate Governance Association	The Securities and Exchange Act on the obligation and responsibilities of the Company and supervisory board.	3 hours
		2022/11/04		Corporate merger and international tax trends	3 hours
Independent Director	Cheng, Wen-Chin	2022/08/02	Taiwan Corporate Governance Association	The Securities and Exchange Act on the obligation and responsibilities of the Company and supervisory board.	3 hours
		2022/11/04		Corporate merger and international tax trends	3 hours
Independent Director	Lin, JungLu	2022/08/02	Taiwan Corporate Governance Association	The Securities and Exchange Act on the obligation and responsibilities of the Company and supervisory board.	3 hours
		2022/11/04		Corporate merger and international tax trends	3 hours
Independent Director	Liu, Jo-Lan	2022/08/02	Taiwan Corporate Governance Association	The Securities and Exchange Act on the obligation and responsibilities of the Company and supervisory board.	3 hours
		2022/11/04		Corporate merger and international tax trends	3 hours
Independent Director	Hsu, Hsin-Yuan	2022/08/02	Taiwan Corporate Governance Association	The Securities and Exchange Act on the obligation and responsibilities of the Company and supervisory board.	3 hours
		2022/11/04		Corporate merger and international tax trends	3 hours

(2.) Accounting directors and internal audit advanced training of the company:

Title	Name	Training Date	Organized by	Course Title	Training Time
Accounting Director	Luo, MeiWei	2022/8/29-2022/8/30	Accounting Research and Development Foundation	Professional Development Classes for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12 hours
		2022/09/28	The Internal Audit Association of the Republic of China	Common internal control shortages under operational circulation	6 hours
		2022/10/12		Audit and remuneration law analysis and key audit points of board and functional committees	6 hours
Internal Audit	Hong, Ying-Hui	2022/08/02	Taiwan Corporate Governance Association	The Securities and Exchange Act on the obligation and responsibilities of the Company and supervisory board.	3 hours
		2022/11/04		Corporate merger and international tax trends	3 hours
		2022/10/07	Accounting Research and Development Foundation	Update to the Regulations Governing the Establishment of Internal Control Systems, also known as information security compliance and anti-fraud practice	6 hours

(3.) Advanced training of corporate governance directors of the company in 2022:

Training Date	Organized by	Course Title	Training Time
2022/08/25	Taipei Exchange	Equity briefing for insiders of OTC and emerging stock companies	3 hours
2022/08/02	The Taiwan Corporate Governance Association	The Securities and Exchange Act on the obligation and responsibilities of the Company and supervisory board.	3 hours
2022/11/04		Corporate merger and international tax trends	3 hours
2022/12/09	The Accounting Research and Development Foundation in Taiwan	Legal responsibilities and a case study of takeover contests	3 hours

Legal Compliance

Ethical Corporate Management

According to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX listed Companies", the Company has set up "Ethical Management Rules", "Moral Behavior Rules", "Moral Operations Rules", "Moral Behavior Operation Procedures and Conduct Guidelines" and "Report Measures" for employees to follow and to promote integrity and ethical operational behavior. Our directors, managers and colleagues are all highly disciplined, which reflects their professional behavior and ethics. The finance department oversees the revision, implementation, interpretation, advisory services and communication content log and other related operational and supervisory execution of the guidelines.

In addition, the Company set up a corporate social responsibility area on its website to disclose relevant ethical management measures and report channels and establish a concrete report and investigation mechanism of the company so the "Ethical Management Rules" and "Moral Behavior Rules" can be implemented, and the legal rights of whistleblowers can be protected. For more details, please refer to the company : <https://www.pixart.com/corporate-stakeholder-engagement/tw/>.

We request not only our employees, but also our suppliers and customers to comply with codes of conduct. In addition to the published codes of conduct and codes of ethics on the company website "Corporate Governance" section, we also set up complaint/appeal channels for matters regarding violations of our codes of conduct

or ethics. These channels can also be used for external business behavior or regarding suppliers and customers. Moreover, we are dedicated to ensuring our cooperation with suppliers is carried out in accordance with the RBA Code of Conduct published by the RBA (Responsible Business Alliance).

In 2022, PixArt carried out corruption-related risk assessments in all its operating locations, including PixArt, Audiwise Technology and Penang. The risk assessment identification process determined that the likelihood of corruption occurring in these locations is low.



Telephone

(886) -3-5795317#1186 Audit Supervisor



E-mail

whistleblower@pixart.com



Mail

5F, No.5, Innovation Road I, Hsinchu Science Park, Taiwan PixArt
Audit Supervisor



[DATA PROTECTION]

Trade Secrets

Trade secrets are key to the existence of a company. The protection and management of trade secrets are reinforced through employee training, campaigns, and measures, including document classification, confidentiality labeling, and information-security re-enforcement. To ensure trade secret protection is implemented from the top-down, our legal and IP colleagues run regular checks of the current management approach to confidential information, and attend courses on measures to ensure trade secret protection so we implement up-to-date, sufficient and feasible practice.

Trade secret infringement prevention is categorized as no infringement of trade secrets of other companies by Company employees, and no disclosure of Company trade secrets by Company employees.

Besides requesting employees not to violate anyone's trade secrets (including those of a previous company or workplace) when signing employment contracts, we also hire experts and give lectures to new hires on the subject of "respecting others' trade secrets" and "being liable to the Company and related legislative responsibility should an employee violate trade secret confidentiality".

To ensure that the Company's trade secrets are not breached, in addition to relevant clauses and conditions of not disclosing trade secrets of the Company in employment contracts, the Company also provides lectures to new employees on "the scope of business secrets" and "non-disclosure of the company's trade secrets". Moreover, the Company also takes the following measures to protect its trade secrets: (1) regularly publishes the "PixArt Legal & Intellectual Rights Monthly Newsletter" to reiterate the definition, scope, and protection of trade secrets and latest developments; and (2) Information Technology Department colleagues shall detect the company's internal computers and restrict access to information, output and other means to ensure that the company's trade secrets are not intentionally or negligently disclosed at any time.

Communication and Training about Anti-corruption Policies and Procedures

The execution of anti-corruption and integrity policy in 2022 is as follows:

- **Ethical Management Code:** The Company has formulated the “Ethical Corporate Management Operating Procedures and Code of Conduct”, “Ethical Management Principles” and “Code of Ethical Conduct” for staff and promotes them via bulletin boards or emails, and discloses relevant measures on the Company’s website and internal sites.
- **Training:** quarterly trainings on trade secret protection, IPR, information security, and insider trading prevention. Twelve in-person classes for 200 people, 2 hours each person, and five online courses. Insider trading regulation, material information process, CSR, intellectual property, and information security reminders, use of legal software, ethical operations - 2,403 people have received and passed the training.
- **New employee orientation:** We promote the ethical management policy and information safety each time a new employee joins the Company.
- **Appeal status report:** The company start investigations immediately after receiving a report or appeal, and notifies related units depending on the individual case. The investigation results are reported to supervisors. No reports or corruption matters occurred in 2022.
- **Identifying potential un-ethical risks in operational activities:** The Company interviews units that have a higher risk of unethical conduct in their business scope and evaluate the risk level of business activities.
- **Upper management routinely issue statements reminding all employees to abide by the ethical management policy.**

Conflict of Interest Declaration

According to the “PixArt Imaging Inc. Codes of Ethical Conduct”, employees, nor a close relative or other person, may profit from their employment, and they shall avoid any conflict of interest with the Company. PixArt regulates staff at supervisory level and other specific positions to declare any conflict of interest periodically. If any violation is detected, the Company will handle the case according to these codes or related regulations. Conflict of interest declarations in 2022 were 100% completed, all interviews were completed, and there were no cases of conflicts of interest.

Compliance Performance

To keep all employees informed of compliance issues, the Company provides relevant educational training and advocacy resources. Our management team continues to pay close attention to domestic and foreign policies and decrees that affect the Company’s finances and operations, and establish legal and regulation operation procedures. The legal unit is responsible for the integration and review of compliance measures. The audit unit also reviews compliance performance according to laws and regulations and updates the relevant rules accordingly. In 2022, PixArt did not receive any significant financial nor non-monetary penalties due to non-compliance.



Environmental Compliance

In 2022, the Company did not violate any environmental laws or regulations, nor has it been punished or fined. There were also no complaints/ appeals regarding the filing, dealing, and solving of environmental impact issues through the official complaint mechanism.



Social Compliance

In 2022, there were no punishments or fines imposed due to violations of laws or regulations regarding discrimination or corruption. There no complaints/appeals regarding the filing, dealing, and solving of human rights issues through the official complaint mechanism.



Economic Compliance

In response to the product sales process, there were no significant fines due to violation of laws and regulations related to the provision and use of products and services in 2022. The company was not involved in any lawsuit regarding anticompetitive, antitrust or monopoly practices and it complies with the Fair Trade Act.

- In 2022, there were no fines or warnings due to violations of health and safety laws of products and services and voluntary policies.
- In 2022, there were no fines or warnings regarding violations of laws on information and labeling of products and services.
- In 2022, there were no fines or warnings regarding violations of relevant marketing and broadcasting laws (including advertisement, promotion and sponsorship).
- In 2022, there were no complaints regarding violations of customer privacy or loss of customer information.

■ Tax Governance, Control and Risk Management

The Company upholds the implementation of tax compliance and fulfilling its corporate social responsibility, focusing on creating corporate value and improving tax risk management by formulating tax governance and transfer pricing policies, as well as establishing a sound tax management system and tax governance culture. Furthermore, the Company can enhance its corporate value, fulfill its social responsibility and corporate citizen duties and implement corporate sustainability.

We fully understand the management measures of tax operations and optimization that can bring significant benefits in the short term. However, if we take excessive tax optimization as the operational strategy, it may have a strong impact and carry risk. From the perspective of the company's pursuit of sustainability, the policy aims to manage tax issues steadily.

The Company's main stakeholders are the tax authorities of governments, and tax declarations and payments are conducted in accordance with the relevant laws and regulations in different countries. We contact government agencies to enquire about proper solutions if there are any

unclear legal matters during daily operations. During tax inspections, the Company prepares relevant documents to accommodate the tax authority's inspection immediately following notification.

To demonstrate the transparency of the Company's tax governance policies, the Company responds to stakeholders, such as shareholders and investors, with tax-related information of concern in the "Investor Relationship" section of the company's website and in annual reports, and during shareholders' meetings.

The Company follows the following principles for tax governance:

1. Follow local tax laws in accordance with international tax standards and declare and pay taxes with honesty.
2. Prior tax assessment to avoid double taxation, lower tax expenses and create shareholder value.
3. Maintain continuous and effective communications with local tax authorities, as well as an open and appropriate relationship.
4. Tax disclosure must follow relevant rules and regulations and enhance tax information transparency.
5. Strengthen the tax profession through continuously cultivating talent.
6. Execute effective risk management.



Risk Management

PixArt defines all kinds of risks in accordance with the company's overall operating policy to establish early identification, accurate measurement, effective supervision and strict control of risks so we can prevent possible losses within the scope of acceptable risks, and continuously adjust and improve on risk management practices according to internal and external environmental changes, protect the interests of employees, shareholders, partners and customers, increase the company's value, and achieve the optimization principles of resource allocation of the Company.

Strategy and Operation Risks

The Group is a professional IC design company; our customers, suppliers and competitors are scattered around the world. Any changes to important policy and laws in different countries may influence the industry, and thus have an impact on the Group. The Group therefore pays close attention to policy and law changes that may affect business and operations so we may respond effectively.

Supply Chain Management Risk

PixArt is a professional IC design company and is dedicated to providing consistent services. We formulate supply chain management regulations and measures, including supplier management, new supplier assessment, and supplier contingency plans, to lower the risk of supply and demand. We also collaborate with suppliers, aiming at protecting quality, delivery, cost and safety of products to optimize the supplier collaboration model, guide suppliers to grow together, elevate technological capabilities, and fulfill our corporate social responsibility and sustainability goals.

Market Risks

Changes to interest rates, exchange rates and inflation may affect the Company's profits and losses. Fluctuations in interest rates affect the Company's interest income, and inflation may also cause an increase in costs and expenses. As the major income of the company is denominated in US dollars, fluctuations in exchange rates can cause profits and losses to fluctuate and impacts the Company's profit margin. As a consequence, the Company adopts a natural hedging policy to avoid exchange rate risk and decreases the influence of the exchange rate fluctuation on the Company's gains and losses through the trading of forward exchange agreement (FXA) or loans. The gains and losses of hedge contracts caused by exchange rate fluctuations are mainly offset by the gains and losses of the hedged items. No derivatives transactions took place in 2022. Moreover, the financial department of the Company also collects data on exchange rates, interest rates, and inflation to understand various economic variables and trends so we can to respond accordingly.



Financial Risk

The Company upholds a sound and conservative financial policy and did not engage in any high-risk and high-leveraged investment. The Company set up the "Acquisition or Disposition of Asset Processing Procedures", "Endorsement and Guarantee Processing Procedures", and "Management of Loans to Others Procedures" for capital loans, endorsement guarantees and engagement in derivative transactions matters. These procedures were approved in shareholder meetings. Any related operations of the Company are subject to relevant regulations. Discreet risk evaluations to seek proper approvals and decisions. No derivatives transactions had taken place as of December 31, 2022. Loans for subsidiary operations and transactions with endorsements for subsidiaries have been retrieved or terminated.

Liquidity Risk

The Group maintains its financial flexibility through contracts in cash, cash equivalents, high liquidity securities and bank loans. The following table is a summary of the maturity of payments listed in the Group's financial liability contracts. Data is based on the earliest

▼ Non-derivative financial liability overview

	Shorter than one year	From two to three years	From four to five years	From four to five years	Total
2022.12.31					
Short-term loan					
Accounts payable	1,433,231	-	-	-	1,433,231
Lease liabilities (Note)	26,643	30,296	12,865	149,920	219,724
Deposit received	-	4,221	-	-	4,221
2020.12.31					
Short-term loan					
Accounts payable	2,096,166	-	-	-	2,096,166
Lease liabilities (Note)	28,908	30,807	13,586	154,946	228,247
Deposit received	-	4,310	-	-	4,310

» Note: The calculation period of this table is from 2022.01.0.1-2022.12.31.

Credit Risk

Credit risk is the risk of financial loss if counterparty fails to fulfill its obligations listed in a contract. The credit risk of the Group is mainly due to operations (mostly accounts receivable) and financial activities (mostly bank deposits and all kinds of financial instruments).

All units of the Group manage their credit risk according to the credit risk policy, procedure, and control. The credit risk assessment of all counterparties is based on overall considerations of their financial status, ratings of credit rating agencies, past trading experience, the current economic environment and the internal evaluation criteria of the Group. The Group uses some credit enhancement instruments (such as advance payments) at the right time to reduce specific counterparties' credit risk.

Until the end of December 31, 2021 and 2022, the account receivables of the Group's top 10 customers accounted for 92% and 87% of the remaining of the account receivables respectively, and the credit concentration of credit risk of the remaining account receivables was relatively moderate.

The Group's Finance Department manages credit risk for bank deposits, fixed income securities and other financial instruments in accordance with the policies of the Group. As the counterparties of the Group are decided based on internal control procedures, banks and enterprises have with excellent credit and are without major default concern. Hence, there is no major credit risk.

Legal Risk

The Group is a professional IC design company; our customers, suppliers and competitors are scattered around the world. Any changes to important policy and laws in different countries may influence the industry, and thus have an impact on the Group. The Group therefore pays close attention to policies and laws that may affect the Group's business and operations so it can effectively respond to any influences.

The legal, and financial and accounting departments are responsible for risk management and execution.

Risk and Opportunity of Climate Change

The administration department of PixArt is responsible for convening relevant units to manage the operation risk of the industry caused by climate change. The department refers to the "Task Force on Climate-related Financial Disclosures (TCFD)" structure to identify risks and opportunities of climate change through four core elements – governance, strategy, risk management, and index objectives – to control the impact on the company's operations, and construct a corresponding strategy and measures` in advance. In the future, we plan to incorporate ISO 14064-1 to avoid the risk and damage caused by climate change.

▼ TCFD Core Elements and Financial Disclosure



Governance

Operational Plans

ESG Committee is responsible for convening relevant units to discuss and identify the internal and external potential impact of various risks, including the rating evaluation of climate change risk and the corresponding climate impact. The Committee convenes meetings that prioritize discussions on corporate sustainability, including relevant issues of climate change, so we can fulfill our corporate social responsibility with actions.



Strategy

Operational Plans

The Company identifies physical and transitional risks and opportunities according to the business and operational conditions, and actively promotes the green energy policy. To manage the influence of global climate change and the greenhouse effect on the environment, we formulate energy saving and carbon reduction measures, promote energy saving management in offices and public areas, reduce waste and implement a green shopping strategy, and purchase products with energy saving labels.



Risk Management

Operational Plans

To identify and evaluate current and future activities relevant to sustainable operations where products and services may cause significant impact or risks, the committee periodically assesses organizational risks, including climate change, as the foundation of policy and objective setting. The assessed outcome is as follows: we will incorporate the risk assessment mechanism proposed by the TCFD, aim to assess specific issues regarding climate change to understand the tangible impact financially and come up with strategies accordingly.



Index and Objectives

Operational Plans

To reduce the impact and risk caused by climate change, achieve related objectives of implementing green energy and carbon reduction, and use indexes to manage relevant risks and opportunities of climate change:

Electronic Equipment

Goal: 3% reduction of annual electricity usage each year (per capita)

1. Use products with energy-saving labels for illuminating equipment.
2. Gradually replace old and high energy consumption air conditioning equipment, and purchase new high efficiency energy-saving air conditioning models.
3. Adjust air conditioning temperature based on room temperature and demand to reduce electricity usage.
4. Advocate the policy of turning off unused PC and laboratory equipment power after working hours.

Water Resources

Goal: 3% reduction of annual water usage (per capita)

1. Circulate water conservation reminders and everyday practice.
2. Adjust water output of faucets in toilets and pantry rooms to reduce unnecessary waste through splashing.
3. Purchase products with water-saving labels.
4. Regular inspection of water-consuming equipment and pipes, and ensure immediate repairs.

Waste

Goal: 3% reduction of annual business waste (per capita)

1. Reminders and practice help ensure waste sorting and reduction.
2. Classification and reuse to reduce waste.

Greenhouse Gases

Emission of greenhouse gases scope 1 is 35.76 (tonCO₂e/year), scope 2 is 1982.85 (tonCO₂e/year). We believe we will participate in the Carbon Disclosure Project (CDP) in the future.

▼ Risk and Financial Impact Relevant to Climate

Category	Risk Relevant to Climate	Corresponding Measures	Financial Impact
Water Limitation	Water sources are insufficient due to extreme climate; the chilled water provision for stopped air conditioning operators would cause the termination of air conditioners, overheating in the computer room, and interruption to company operations.	1. Air cooling system for the office A/C and server rooms to ensure service during water outages. 2. Switch to servers with small RT (Refrigeration Ton) A/C during water restricted times, and suspend large RT A/C to save water usage. 3. Set up a special quick connector water supply valve for the water pump. 4. Multiple operation locations, remote working, and backup system	Expenses on water pumps during water outages.
Power Limitation and Power Cuts	Abnormal climate causes an increase of temperature, so power demand of air conditioning increases, which may cause an insufficient power supply. Power limits or cuts then need to be carried out. Factory equipment and computer rooms cannot operate during a power cut, which causes interruption to company operations.	1. UPS provides an immediate supply during unexpected and scheduled power outages. 2. Minimum of eight hours of server room operation with generators. 3. Use diesel tanks for generators so the power supply for operations can last for days.	1. Maintenance and repair expenses for generators and UPS. 2. Expenses of diesel tank transportation during power cuts.
Typhoons and Floods	If the scale of the typhoon or flood is large and the time of influence is too long, leakages may occur in offices and equipment may be damaged, which influences normal company operations.	1. Plant equipment inspection should be carried out according to the emergency plan prior to the typhoon, and all supporting maintenance manufacturers shall be notified to standby. 2. Determine the frequency and interval of inspection of the plant according to the wind and rainfall scale after a typhoon lands. Strengthen inspections in key areas. 3. Recovery operations shall be carried out to ensure the proper functioning of office equipment and the environment after a typhoon.	1. Expenses on staff in the plant. 2. Expenses on supplier repairs.

▼ Risk and Financial Impact Relevant to Climate

Category	Risk Relevant to Climate	Corresponding Measures	Financial Impact
Energy Sources	In response to Taiwan's greenhouse gas reduction and regulations, it is necessary to improve operational energy efficiency, increase the cost of renewable energy plant capacity construction and green power certification purchases.	1. Solar panels for self-use in factories. 2. Plan to purchase renewable energy certifications.	1. Power expenses reduced from outsourcing/self-provision. 2. Reduction of greenhouse gas emission. 3. While expense increases in the short term, in the long run we are on the path to world standards, and managed operational risks.
Resource Efficiency	Improve energy efficiency to reduce carbon emissions and save energy, thus reducing energy procurement costs.	1. Implement equipment inspection and maintenance of the plant to ensure operational efficiency, and accelerate the removal of poor efficiency equipment. Replace with more efficient equipment. 2. Through continuous monitoring of the use of resources (water, electricity, fuel, etc.), to reduce environmental impact and operating costs with timely and effective measures.	Reduce operating costs.

Occupational Hazard Identification, Risk Assessment and Incident Investigation

PixArt executes occupational hazard identification and risk assessment annually to implement vocational safety management, including annual physical classifications to control and monitor health, as well as regular workplace inspections and risk assessments.

1. Inspect buildings to ensure they are meet relevant regulations.
2. During the annual firefighting equipment inspection, we carry out maintenance and replacement of all listed flaws, complete inspections on all firefighting equipment and then file to ensure all equipment flaws are fully improved.
3. During the workplace inspection every half a year, we carry out comprehensive CO2 inspection on office environment quality. If we discover any irregularities, we notify maintenance personnel to repair outer air-flow air conditioners to ensure indoor air quality.

We also use classification management to eliminate hazards and minimize all risks through the PDCA (Plan-Do-Check-Act) quality control cycle to continuously improve our occupational safety and hygiene management system.



According to the aforementioned flow chart, we can identify that most of the operations of the Company are in the office. Frequently occurred diseases that staff experience are mainly occupational diseases such as joint and muscle fatigue, inflammation, and strain, etc. Supervisors understand that employees spend long hours at their desks; therefore, we implemented an ergonomics improvement plan by replacing office chairs with ergonomic chairs for all employees to reduce and prevent back pains. During the preventive repetitive operations that cause muscle and joint fatigue, occupational health caretakers carry out a questionnaire assessment on all staff asking them to determine where they experience body pain and identity groups at high risk accordingly. In 2022, we arranged interviews with 14 staff members. After a doctor assessment, it was confirmed that their problems are not related to their work. We also provide health education regarding correct sitting positions. If joint and muscle pains are caused by old injuries, the company provides treatment recommendations for its staff.

Furthermore, considering the working environment of the company is mainly office-based and windows are closed when air conditioners are on during working hours, the company set up an outer air exchange equipment with timers that exchanges the air every six hours so fresh air enters the office, reducing the CO2 concentration in the offices as well, to decrease the impact on staff's health. The company also conducts a CO2 monitoring project every six months for continuous improvement.

Information Security Risk

Information security risk: To reduce information security risk and breach of the Company's confidential information, we adopt diverse management measures including information system backup mechanism, internet firewall setup, email management control, anti-virus software installation, file and equipment safety control and so on. Information security management operations form one of the annual audit items. The audit unit carries out regular inspections annually; meanwhile, internal control self-inspections are conducted to ensure the implementation of all kinds of control measures.

Information Security Management Policy

The responsible unit for information security of the company is the Information Technology Department, with IT supervisors and IT professional specialists responsible for planning, setting, and implementing information security policies, and regularly reviewing these policies.

The audit office under the board of directors is the supervisory unit of information security monitoring, responsible for internal information security execution, and reports to the board of directors the execution of IT management. If any flaws are detected during an audit, the company requests the inspected unit to provide related improvement plans and actions, and periodically monitors improvement to reduce internal information security risk.

The organizational operation model conducts regular inspections and PDCA circular management to ensure the achievement and continuous improvement of reliability objectives.

Information Security Policy

In recent years, information security incidents occur frequently; all kinds of internal and external internet attacks, network viruses, ransomware and other threats routinely attack enterprises. Therefore, enterprises must come up with faster, more comprehensive, stricter policies, and more advanced equipment to accommodate the increasingly complicated internet environment. Consequently, the Company divides its information security policy into the following segments:

- Company staff: Must follow the company's information security policy, and cooperate with the necessary system updates, anti-virus software installation, password security and regular updates to effectively block computer viruses, Trojans, malicious programs, etc., to provide front-line security protection.
- Corporate information control center: Using new generation firewalls, effective and realtime filtering of problematic network connections, control and recording according to the types of application programs, and other measures, to provide the necessary analysis of the security management system. The information equipment center is a crucial part of the Company; therefore, it is equipped with access control and recordings of all entries.
- Important data centralized control: We use centralized management for the company's important confidential data and limit authority for data access. We also advocate protection and management to staff when storing confidential information in colleagues' computers for job purposes to comprehensively protect the company's important data assets.
- Data backup management: Establish different sequences and management plans according to the importance of information, and conduct programs for full, incremental and offsite backups. Perform important data restoration walkthroughs on an ad-hoc base to ensure restorability.

Management Plans for Information Security

PixArt refers to international and domestic security regulations to formulate relevant information security work to protect the Confidentiality, Integrity and Availability of the Company's data, as well as shareholders' and stakeholders' rights.

Staff Training

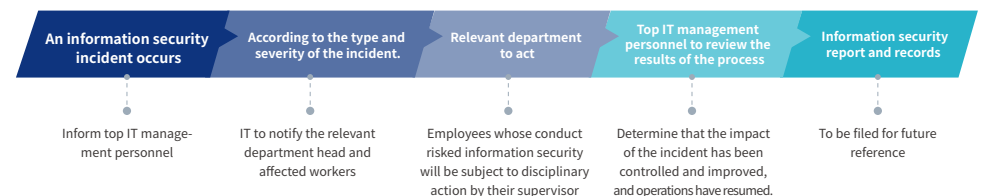
Regularly carry out information security advocacy for colleagues so colleagues develop good habits of not downloading, installing, executing unknown programs, opening unknown mail, nor selecting unknown webpages and sites. These matters are to increase awareness of colleagues' information security, as well as strengthen the protective network of the Company.

Assessment Review

We collect abnormal network traffic by means of network equipment, record abnormal operations by information security software, and classify abnormal situations based on severity as follows: general security incidents, major safety incidents, and serious safety incidents. We also inform the relevant departments and supervisors for disposal. After the problem is eliminated, this information security incident is also logged for future reference. The company implements a specific management plan for information security as follows:

Types	Description	Mechanism
Host and access password protection	Host and personal passwords; set up password protection and control of access rights.	1. Enforce the complication of passwords. 2. Enforce changing passwords regularly.
External attack protection	Protect against viruses and hackers.	Install network security equipment and anti-virus software on important hosts to counter viruses or hackers when intruding into devices that store data.
Leakage Prevention	Prevent confidential information leakage.	1. Check staff's outgoing mail on an ad-hoc basis. 2. Controls the permission of the company's computer to write data to removable devices. 3. Limit the rights of equipment connected to the company's network.
System Usability	Reduce system interruption and recovery time when equipment/parts are damaged.	1. Establish a support mechanism for important equipment. 2. Important information system hardware maintenance contract.
Data Usability	Data restoration is available due to accidental loss or damage of important information.	1. Make important offsite backups of data under security control. 2. Perform important data restoration walkthroughs.

Information Security Incident Report Procedure of the Company





Environmental Protection

Green Manufacturing

Environmental Protection and
Energy-consuming Measures



Green Manufacturing

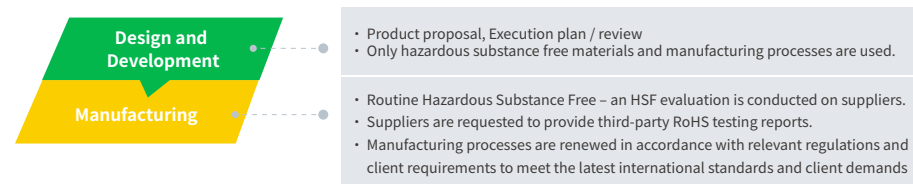
No Use of Hazardous Substances

PixArt works on the design, research, manufacturing, production, and sale of green products. All products not only comply with domestic environmental regulations, but also meet Regulation (EU) and other international standards, such as RoHS, REACH and Halogen Free products. In the future, PixArt will not only continue to comply with regulations and meet clients' needs, but will also strive to achieve its goals of exceeding international standards and our responsibility towards society and environment seriously.

HSF/RoHS/REACH Management Mechanism

PixArt has been certified by SGS since December 2014 to fulfil IECQ QC-080000 system requirements in Hazardous Substance Process Management, which meets green product design and production goals.

To respond to green trend and global environmental regulations, PixArt processes hazardous substance free management in each stage, from design and development to manufacturing, production and control, to manage our products and comply with client requests and international regulations.



Production and Packaging Materials

▼ The percentage of renewable materials PixArt used on production and packaging in 2022

	Type of Used Material	Weight or volume of usage (Unit: PCS / KG)	Percentage of total materials (Unit: %)
Renewable materials	Plastic Tray	3,439 PCS	100%
	Paper	79,536 KG	100%

» Note 1: The packaging material used for shipping boxes is 100% recycled material and are provided by suppliers, not purchased additionally.

» Note 2: The material used for Plastic Trays is also 100% recycled and reused.

Recycle Products and Its Packaging Materials

▼ The percentage of products and packaging materials PixArt recycled

Product Type	Sold products in 2022 (Unit: KG)	Recycled product and its packaging materials in 2022 (Unit: KG)	Percentage (Unit: %)
IC	6714.79 KG	651.86 KG	9.71%
Plastic	6714.79 KG	3309 KG	49.28%

Energy Management

As a professional semiconductor company in the domestic market, PixArt is fully aware of the public health risk that climate change brings. Therefore, we have been working on reducing our energy consumption and considering ways to increase the percentage of green energy in the future.

In 2022, PixArt worked on increasing energy efficiency in each business location and followed international standards, including ISO 14001/ ISO 50001 / ISO 14064-1 guidelines, as part of our annual management policy and energy and carbon saving measures. Emissions are included in Scope 2.

▼ Energy consumption amount and energy intensity of PixArt

Location	Type of Energy	2020	2021	2022	Energy Intensity in 2022 (Unit: MJ/per person)
Headquarter A (Main Building)	Scope 2 (Unit: MJ)	11,627,712	11,257,056	10,281,888	31,540
Headquarter B (Research Building)	Scope 2 (Unit: MJ)	2,857,914	3,507,382	3,742,200	18,900
Total		12,837,574	144,85,626	14,024,088	50,440

» Note 1: Emissions in scope 2 are primarily purchased power. Calculation: purchased power 1 kWh = 3,600,000 Joule

» Note 2: The conversion coefficient comes from the power coefficient 0.509 kg CO₂e kWh announced by the Environmental Protection Agency on July 22, 2022 as the discharge coefficient.

» Note 3: The calculation for energy intensity: energy consumption amount / employee numbers

» Note 4: The total numbers of employees are used as the denominator for energy intensity calculations to show energy consumption per person.

Air Quality Management

To fulfill our earth citizen's responsibility, PixArt reveals its greenhouse gas emission information. In addition, we set 2022 as the basic year and started calculating the total amount of greenhouse gas emissions. Emission types are included in Scope 1 and Scope 2. We also calculated the intensity of greenhouse gas emissions, and used "revenue" as the denominator to calculate the measuring standard of the intensity ratio.

▼ PixArt's Greenhouse gas emission amount and intensity

Location	Energy Type	2022	The Intensity of Greenhouse Gas Emissions in 2022 (Unit:tonCO ₂ e / Revenue- \$k)
Headquarter A	Scope 1	26.596	0.000005089
	Scope 2	1453.745	0.000278180
Headquarter B	Scope 1	9.149	0.000001751
	Scope 2	529.106	0.000101247
Total		2018.596	0.000386267

- » Note 1: Electricity consumption switching to CO₂ emissions is calculated according to the annual discharge coefficient announced by the Bureau of Energy that year.
- » Note 2: The conversion coefficient is derived from the power coefficient 0.509 kg CO₂e kWh announced by the Environmental Protection Agency on July 22, 2022 as the discharge coefficient.
- » Note 3: The calculation for carbon emissions is kilowatt-hour x power coefficient.
- » Note 4: The intensity of greenhouse gas emissions uses revenue as the denominator to calculate how many greenhouse gas emissions will be produced per (\$k) dollars.

Energy Saving and Reduction of Greenhouse Gas

To mitigate the negative impact on our environment, every year the administrative department inspects all electricity equipment in all sites to verify performance. Improvements are implemented accordingly. In 2022 we saw 20.292 tonCO₂e fewer emissions than in 2021.

▼ Action plan and energy-saving and carbon-reducing performance of PixArt in 2022

Energy-saving and Carbon-reducing Measures (Below are the original 2022 plans)	Reduction Scope	Reduced Energy	Reduced CO ₂ Emission Amount
Change lighting equipment deployed in HQ A for the 4,360 m ² office area	Scope 2	143518MJ	20.292 tonCO ₂ e
Adjust the temperature of water dispensers	Scope 2	158MJ	6.015 tonCO ₂ e
Carbon reducing plans	Scope 2	143676MJ	The total amount of reduced carbon emissions in 2022: 26.307 tonCO ₂ e

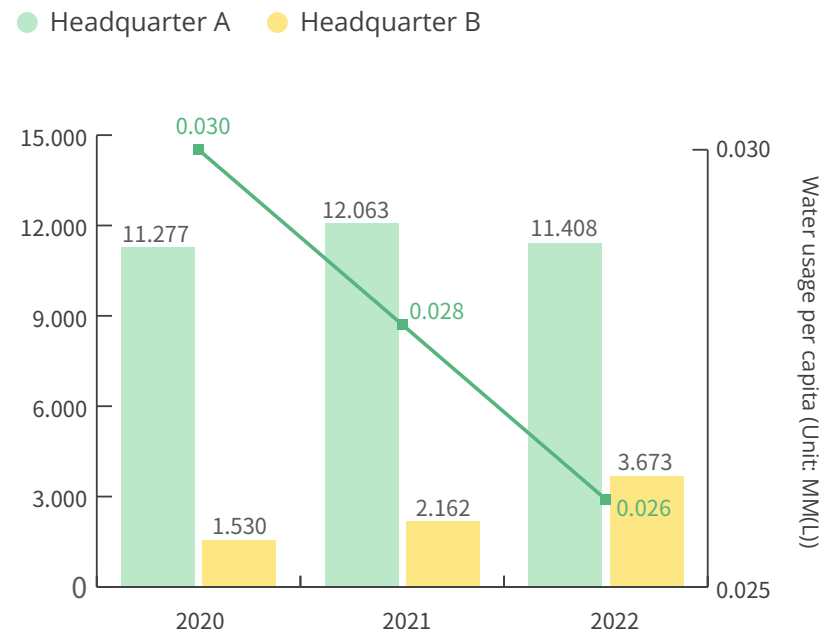
- » Note 1: Purchased electricity power 1 kWh =3,600,000 Joule
- » Note 2: Emissions in scope 2 are primarily purchased electricity power. The emission coefficient is the power coefficient 0.509 kg CO₂e kWh announced by the Environmental Protection Agency on July 22, 2022.
- » Note 3: The basis of comparison is 2021.

Water Resource Management

According to a report published by the World Resources Institute, a U.S. environmental protection foundation, in 2019, 17 countries in the globe are facing water shortage crises, accounting for one-quarter of the world population. PixArt acquires water resources from Taiwan Water Corporation. According to the Aqueduct Water Risk Atlas by the World Resources Institute, all districts of Taiwan are marked as Low – Medium (1-2), which is a non-water stress zone.

As a professional IC design company, PixArt does not have any foundries nor does it make any physical products. Therefore, there is no industrial wastewater emitted during production. In addition, all wastewater and drained water is from domestic use. As our office is in an office building, the amount of drained water cannot be calculated.

▼ The total amount of PixArt's water usage in recent years (Unit: MM(L))



- » Note: Water consumed is all from domestic use. No manufacturing or industrial wastewater is produced.

Providing High-quality Water

PixArt uses RO water dispensers in the office. We maintain the equipment every month ourselves and inspect and replace consumption materials routinely. We also comply with the regulations to inspect the water quality of water dispensers every quarter, and clean all water dispensers every year to ensure that drinking water meets hygiene standards to keep our staff healthy.



▲ Filters are replaced at regular intervals to ensure quality drinking water

Managing Sewage Effectively

To prevent vectors from breeding and causing dengue fever diseases, PixArt routinely maintains its basement sewage treatment facility, disposes of sewage, and doses chemicals to prevent mosquitoes.

Waste

As a professional IC design company, PixArt outsources most of its production to foundry companies. Only research work is conducted in the company. The main source of waste is domestic waste and printing paper. Other waste includes recycled items, and only some waste is general business waste.

1. Domestic waste is sorted and managed by government units.
2. PixArt has contracts with legal waste treatment companies to remove general business waste and recycled items:
 - 2.1. General business waste: when confirmed that waste cannot be recycled at the final waste sorting each day, it is placed in a temporary area and a waste treatment company is notified to remove it in addition to processing prereporting and post-confirming work according to the regulations.
 - 2.2. Recycling: after waste is sorted, it is removed by a waste treatment company.

Waste Sorting According to its Type and Disposal Method

PixArt follows the 4R principles (Reduce, Reuse, Recycle, Recovery) and upholds the spirit of the circular economy as the basis of waste production and control.

In the future, PixArt will continue to make efforts to reduce waste every year. Apart from reducing waste from the beginning and recycling waste for further use, PixArt also connects the whole supply chain to reduce materials consumed and the load production impact on the environment. Meanwhile, we continue to process innovative environmental technology projects to implement circular economy measures. Pixart will continue to establish strict control and audit mechanisms regarding waste and our selection of qualified waste treatment companies to ensure that waste processing is legal while strengthening environmental sustainability. In 2022, no pollution leaks occurred that caused the manufacturing process to be stopped or residents to protest. No major environmental penalties were imposed on the company either.

▼ Waste disposal details of PixArt in 2022 (Unit: ton)

Sorting	Hazardous Business Waste	Non-hazardous Business Waste						
		Classified documents (Paper)	Paper	Iron/aluminum cans	Fluorescent lamp	Metal	Waste Plastic	General business waste
Type	Waste IC							
Amount	0.92		4.21	2.80	0.04	2.55	0.02	0.8
Disposal onsite or offsite	Off-site	Off-site	Off-site	Off-site	Off-site	Off-site	Off-site	Off-site
Method of Disposal	Recycled	Recycled after pulping	Recycled	Recycled	Recycled	Recycled	Recycled	Incineration

» Note 1: Most waste is domestic waste and is removed by a qualified waste treatment company.

» Note 2: Annual revenue of NT\$ 5.23 billion in 2022 is used to calculate; an average of NT\$ 100 million revenue generated less than 15.3 kg of general business waste.

Environmental Protection and Energy-consuming Measures

▼ PixArt's environmental protection measures are as listed

Type	Environmental Protection Policy / Item	Performance and Achievements
Resource Recycling	Computer-based work to reduce paper consumption; recycle used paper	1. Paper towels used in bathrooms are made of recycled paper. 2. Place computers in conference rooms. All computers can connect to network drives to reduce usage of paper for meetings. 3. Waste paper boxes are placed in every office for staff to recycle paper. 4. Electronic applications for name cards/parking permits are used to reduce paper. 5. Normal paper as well as external letters (from the Administrative and Sales divisions who have frequent external contact) are required to be recycled to reduce the impact on the environment.
	Use stainless steel tableware	1. Reusable tableware is used in the cafeteria to reduce disposable tableware waste. 2. Reusable tableware is cleaned every day and routinely inspected for bacteria. 3. Reusable beverage carriers to reduce plastic use.
	Promote use of nonplastic straws among staff	PixArt provides staff with non-plastic straws and encourages staff to order drinks without plastic straws or disposable items.
	Implement resource Recycling	1. Resource recycling spots are spread out around the premises for staff to sort waste conveniently. 2. After garbage is all gathered, janitors confirm that there is no recycled waste and centralizes the garbage in a temporary area to reduce waste volumes.
	Waste sorting (paper, plastic, cans)	The waste area is divided into five categories: paper, iron/aluminum cans, fluorescent lamp, metal, waste plastic. Qualified waste treatment companies are required to recycle and reuse items. Waste paper (classified documents) is processed with pulp work under supervision and produced as recycled paper products by vendors.
Philosophy promotion	Beach cleanup	For six straight years we have run a beach cleaning event and will continue to expand our efforts. In October 2022, we invited employees, families, village chiefs, and the wider neighborhood to participate. Within the perimeter of the Nangang bird-watching area of Xiangshan, Hsinchu, waste was removed from the beach area, and ocean ecology knowledge was shared with children so they could learn more about protecting the planet.
Energy saving and carbon reducing	Measures and Campaign	1. Vehicle charging posts are available at the Hsinchu plant and office to support decarbonization and reduce gasoline emissions. 2. Campaign and reminders to sort waste, conserve energy and reduce carbon emissions on the internal website bulletin board and break room.



▲ Promote use of nonplastic straws, reusable beverage carriers.



▲ Resource recycling spots are spread out around the premises for staff to sort waste conveniently.



Supply Chain Management

Supply Chain Sustainability

Supplier management and assessment

Product Safety

Client Satisfaction and Service

Customer satisfaction survey

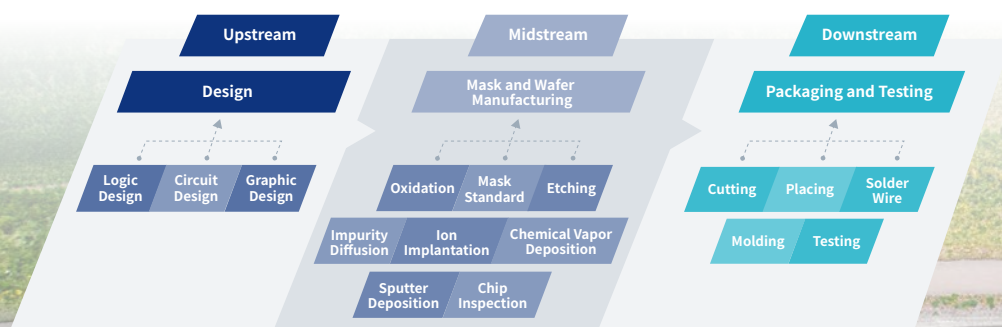
Supply Chain Sustainability

The Supply Chain

The relationships among upstream, midstream and downstream suppliers in Taiwan's Semiconductor industry are shown in the table below. Upstream is represented by fellow fabless IC design companies, midstream is represented by wafer foundry companies, and downstream is represented by various IC packaging and testing service providers. As a result of the industry boom in recent years, the verticalization approach in the semiconductor IC manufacturing industry, which involves various corporations, has created a complete ecosystem in our country and built a more comprehensive, professional and quality-driven supply chain. Note that this IC manufacturing industry is unique when comparing with competitors from other regions. Foreign top-tier companies tend to own multiple stages of production, all the way from design to manufacturing and packaging and testing services, whereas most companies in South-East Asia provide only IC packaging and testing services. PixArt is an IC design company in the upstream, and the suppliers we work with are primarily foundry companies and IC packaging and testing service providers.

PixArt does not use child labor or employ any person under 16 years old, does not use forced labor, nor is discrimination of any kind permitted. We also ask our suppliers to comply with international standards and relevant labor laws and regulations that are applicable in their relevant business locations. In 2022, no child or forced labor incidents or risks occurred in PixArt or its suppliers.

▼ Upstream, Midstream, Downstream Labor Division Table of Taiwan's Semiconductor Industry



Local Purchases

PixArt has been purchasing materials from local suppliers for a long time. In 2022, PixArt worked with more than 140 raw materials suppliers all over the world (including Taiwan branch foundries, agencies, distributors). Domestic suppliers accounted for 94.9%, demonstrating our support for local companies.

▼ Proportion of local procurement expenditure of PixArt in the past three years (Unit: NTD)



Supplier Management and Assessment

The Supplier & Contract Management Policy

To enhance supply chain sustainability management, we drafted Suppliers Control Procedures and conducted an annual evaluation to audit primary suppliers and contractors according to these Procedures. Suppliers and contractors are evaluated on-site by the audit team in accordance with the HSF Evaluation & Investigation Form.

In 2022, 43 suppliers were planning audit (evaluated on-site and audit in writing) and 43 were completed the audit. There was a 100% achievement rate. No major flaws or risks were found. In addition, suppliers are required to follow PixArt's regulations to present a correction plan within five days after the audit report is delivered.

PixArt also asks suppliers to provide a third-party testing report, material safety data sheet, or non-hazardous substance certificate to confirm the prohibited/restricted hazardous substances that are contained in raw materials, processed products, or equipment to prevent non-authorized hazardous substances being used in our products. PixArt complies with the regulations to meet clients' requirements while protecting the earth and reducing the influence of hazardous substances on the environment.

Suppliers Audits

▼ PixArt's Supplier performance audit over the Past Three Years

Audit Method		2020	2021	2022
Audit on-site	Estimated Audits	16	11	17
	Completed Audit	16	11	17
	Completion Rate	100%	100%	100%
Audit in writing	Estimated Audits	25	31	26
	Completed audit	25	31	26
	Completion Rate	100%	100%	100%

Supplier Evaluations

Through interviews and communications with suppliers, PixArt understands adherence to the law of our business partners to ensure and remind suppliers to fully comply with regulations. We also process supplier evaluations routinely. After evaluation, the results are divided into five grades: Grade A (awarded with increased orders, depending on the situation), Grade B (no commendation or punishment), Grade C (the supplier will be observed for one month. If

improvements are made, production order will continue; if not, production will be reduced, depending on the situation), Grade D (reduce production, depending on the situation), Grade E (reduce orders and supplier has to make improvements within the period indicated), Grade F (the supplier will be disqualified). PixArt does not work with suppliers who attain Grade F in evaluations.

PixArt also adjusts the proportion of supplier evaluation items based on importance to our operations. In 2022, supplier evaluation items and the proportion included: Quality & Environment Guarantee 40%, Delivery Date & Stable Cost 30% and Production & Stable Service 30%.

▼ PixArt's Supplier Evaluation Results over the Past Three Years

Supplier	Grade	2020	2021	2022
Supplier	Grade A	5	0	2
	Grade B	29	35	36
	Grade C	0	0	0
	Grade D	0	0	0

Supplier Risk Evaluation

To spread risk and continue to raise the quality of the supply chain, we maintain a stable, good relationship with our suppliers. There are 743 first-grade suppliers, 31 of them are ISO 14001 Environmental Management System certified – 72%. We expect all first-grade suppliers to sign the RBA Code of Conduct in 2022.

- On the environmental side, PixArt conducted environmental impact evaluations on 43 suppliers we traded with this year; 31 suppliers are ISO 14001 Environmental Management System certified. Furthermore, we also conducted a risk evaluation on 12 suppliers that may potentially impact the environment; as a result, none of the suppliers were evaluated to have a great or potential impact on the environment. In addition, no supplier uses conflict minerals.
- On the social side, PixArt conducted an environmental impact evaluation on 13 suppliers who use mineral materials. Suppliers were also requested to provide a Conflict Minerals Reporting Template (CMRT) regarding the origin of their products' raw materials and tracing information for us to ensure the legitimacy of raw materials and to eradicate the use of conflict minerals in products. All suppliers meet these standards in full.
- With respect to society, as a RBA Online and Sedex member, we have completed the SAQ and disclose the company risk rating. The RBA certification acquired in 2022 received a score of 188.7/200. We will continue to ensure the RBA VAP is observed by suppliers.

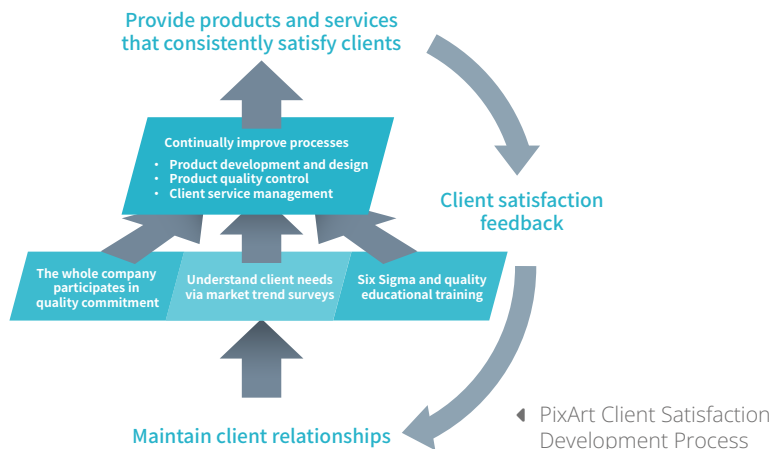
Product Safety

All products of PixArt emphasize users' health and safety. We establish related regulations based on product safety laws and the requirements of various countries and districts. Staffs are required to conduct a high-standard evaluation and testing on products in accordance with relative certifications and regulations, and process product safety and electromagnetic compatibility testing and certification. In addition, suppliers are required to process manufacturing work in accordance with safety regulations and requirements. In 2022, PixArt did not violate any safety laws. We also review international regulations regarding product safety in routine meetings and management review meetings. When regulations are renewed, we ensure we notify relevant staff. In addition, with the approval of a third party (TUV Nord), we are IECQ QC080000: 2017 certified for electrical machines, electronic parts, and the Hazardous Substance Process Management System to ensure the achievement of green product design, production, and the use of non-hazardous substances. PixArt devotes energy to the design, development, production, and sales of green products. All products not only meet domestic environmental regulations, but also comply with EU Regulations and other international standards, such as RoHS, REACH and Halogen Free Products.

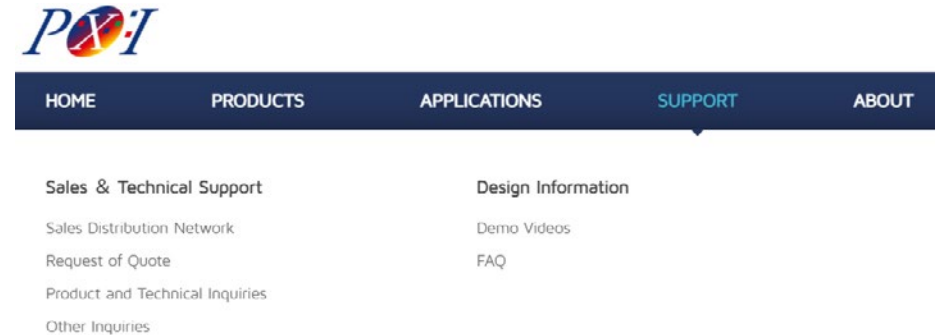
Client Satisfaction and Service

PixArt regards customer orientation as one of the important values of company operations. We continuously improve product quality and service to achieve maximum client satisfaction. We listen to clients' needs via all kinds of channels to capture industry trends and promote professional growth to improve alongside our clients.

We comply with ISO 9001 Quality Management System requirements and monitor and evaluate manufacturing processes to satisfy client needs and expectations.

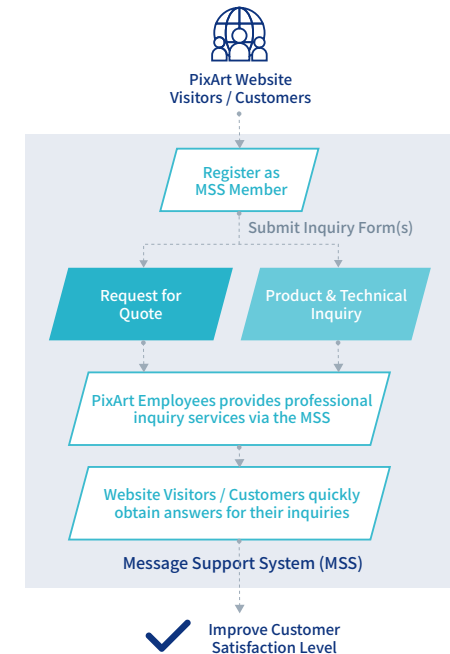


To satisfy clients' needs and accelerate response time of service, we provide an instant online service feature for clients and have established an interactive Message Support System to track the whole service process while ensuring accuracy and response speed.



The Advantages of MSS

- Increase response speed: a countdown mechanism is used on every inquiry to ensure customer service staffs respond clients' requests within a certain number of days.
- Inquiry tracking/communications: clients can use the MSS to track all past inquiries and contact records with PixArt.
- Customer service staff to provide an instant service: our staff can acquire detailed customer background information and requirements via membership registration data and past inquiries.
- Inquiries handled by the most appropriate staff: customer inquiries are arranged according to the scheduling mechanism, which is able to determine the inquiry type, location of the customer, the products the customer is interested in, and customer expectations to consider.



Therefore, the MSS raises overall customer satisfaction and increases the profile of PixArt.

Customer Satisfaction Survey

The Design of Questionnaire

PixArt regards customer feedback as an important basis to enhance the development of customer relationships. We try to realize customer needs via multiple channels. We inquire after customer opinions routinely and analyze and propose proper improvement plans to establish a complete processing procedure to respond customer's inquiry. We focus on four areas: Service, Quality, Delivery Date and General to design the questionnaire. PixArt's customer satisfaction rating in 2022 was 94.75%, and for five consecutive years, the rating has remained above 85%.

In 2022, PixArt offered a series of quality trainings and an online and physical course of Five Core Tools to respond to customer requirements of improving highquality products, as well as encouraging employees to continue driving high quality from the ground-up.

Questionnaire Frequency

1. Irregular customer meetings: PixArt branch staffs pay a visit or contact clients via video calls on an ad-hoc basis to understand client needs and market dynamics.
2. Seasonal evaluation meetings: review of six areas – Technique, Quality, Yield Rate, Design Support, Production, and Client Service for further improvement.

Client Satisfaction Performance

▼ PixArt's Client Satisfaction Survey Results over the Past Three Years

Goal: Average client satisfaction points > 32 points			
Year	2020	2021	2022
Number of Responses	17 clients/per person	22 clients/per person	17 clients/per person
Response Rate	100%	100%	100%
Average client satisfaction points (Full marks: 40)	37.00 points (92.50%)	36.29 points (90.73%)	37.9 points (94.75%)
Target Score	32 (80.00%)	32 (80.00%)	32 (80.00%)

Improvement Process and Plan

PixArt conducts client satisfaction surveys on processes and analyzes and improves. The improvement progress and results are provided to clients.



- The Sales and Marketing Division sends a Client Satisfaction Questionnaire every November. The questionnaire includes items on staff service, customer complaints handling, quality and delivery.
- The top 2 clients, according to the distribution of the automotive grade and nonautomotive grade production line, are the objects of the survey. Other clients or potential clients are regarded as auxiliary survey objects for acquiring opinions.
- The questionnaire is completed by relevant staff on the client's side. A sales representative of PixArt may complete the questionnaire for the client via email, phone interview, or by paying a visit.
- The Sales and Marketing Division should retrieve all questionnaires that sent out. If a client is not able to respond within the designated period of time, our sales staff may complete the questionnaire on behalf of the client over the phone.
- The Sales and Marketing Division retrieves the questionnaires and integrates the data into the Integration, Analysis & Evaluation Chart of Client Satisfaction Surveys.
- Apart from the client satisfaction survey, we also refer to information such as client visit reports, client feedback on products and services, market share analysis, reports from meetings with clients and client compliments, etc.
- Sales Division staff arrange irregular client visit plans to inquire after client opinions regarding the quality, delivery date and performance of delivered products, then execute and respond according to the Client Orientation Procedures.

The Improvement Plan is as follows:

- Client cancellation regarding the return, recall, and guarantee (for automotive grade products) after sales: after a PixArt product is sold, if a claim or general quality investigation occurs, PixArt will investigate the reason, deal with the return of the defective product, prevent the same problem from happening again, and reply to the client with an improvement report. The relevant work will be processed according to the Client Complaint Procedures.
- The achieving rate of delivery work (including generated exceeding shipping fees): process delivery achieving rate according to the Orders Review Control Procedures and performance result calculations (such as the client's shipping fee calculation chart).
- Client notice regarding quality and delivery, including special situations: process according to the Communication Control Procedures.
- Monitor manufacturing process performance (such as supplier production yield rates, delivery dates, etc.) and prove that the client's requirements for production quality and manufacturing process efficiency are satisfied.
- Sales representatives report the problem and analysis that clients are unsatisfied with in the survey and the client grading card in addition to an analysis of competitors during the management review meeting. The General Manager, according to the reviewed content, will determine whether countermeasures, correction, or precautionary measures are required.

Employee Commitment

Building Employee Commitment in an
Ever-changing Workplace

The Protection of Labor Relations

Occupational Safety and Health



Building Employee Commitment in an Ever-changing Workplace

Employees are the most important assets of a company. We are committed to establishing a friendly workplace that allows employees to thrive and be happy so they're able to do their work and keep improving, while finding a work-life balance. PixArt complies with Article 16 of the Labor Standards Act to execute notice prior to terminating a labor contract. PixArt also works hard to establish a well-communicated labor relationship. The goal to protect labor rights was achieved at the time of this report. PixArt has no record of (1) discrimination incidents or complaints, (2) violations of freedom of association or collective bargaining rights, (3) child labor, (4) forced labor, (5) major labor disputes, (6) employee feedback or claims postponed. In 2022, there were no major changes to business operations either.

PixArt's Human Policy

PixArt values human rights. We abide by the International Human Rights Law and promote international rights protection by treating our employees in an equal, dignified and respectful manner. No forms of discrimination or inhumane treatment are tolerated in our workplace, including sexual harassment, physical punishment, psychological coercion, or verbal abuse. PixArt complies with laws and regulations to formulate and execute the Human Rights Policy as instructed by our top executive. We clearly stipulate in our recruitment policy that we ensure no child labor is used, and that no employees are forced nor threatened to provide involuntary labor. All of our employees are employed by their own volition and may terminate their employment relationship at their own discretion. We show our commitment to human rights through continuous efforts to create a safe and friendly working environment.

PixArt values human rights. We abide by the International Human Rights Law and promote international rights protection by treating our employees in an equal, dignified and respectful manner. No forms of discrimination or inhumane treatment are tolerated in our workplace, including sexual harassment, physical punishment, psychological coercion, or verbal abuse. PixArt complies with laws and regulations to formulate and execute the Human Rights Policy as instructed by our top executive. We clearly stipulate in our recruitment policy that we ensure no child labor is used, and that no employees are forced nor threatened to provide involuntary labor. All of our employees are employed by their own volition and may terminate their employment relationship at their own discretion. We show our commitment to human rights through continuous efforts to create a safe and friendly working environment.



Provision of a safe, hygienic and healthy working environment



Prohibition of child labor



Prohibition of forced labor



Opposition to discrimination, bullying and harassment



Respect of equal treatment and equal job opportunities in the workplace



Establishment of multiple communication channels



Regular review and improvement of the related systems and actions

PixArt also promotes to our employees the company's Human Rights Policy and Corporate Social Responsibility Policy via routine educational training to clearly deliver the message of PixArt's commitment to fulfill its corporate social responsibility and support employees' human rights and health and safety and demonstrate our corporate values.



Multiple Working Opportunities

There are 528 employees, including 6 managers and 522 regular staff working in PixArt by the end of 2022. Male workers accounted for 73.1%, and female workers, 26.9%. Employees under the age of 30 account for 8.9%, 31-50 account for 82.8%, and above 51 accounts for 8.3%. Employees with a Master's degree or higher account for 66.1%.



▼ Employment data in 2022

Main Category	Secondary Category	Male		Female		Subtotal	
		Number	Rate	Number	Rate	Number	Rate
Nationality	Taiwanese	383	72.5%	139	26.3%	522	98.9%
	Foreigner	3	0.6%	3	0.6%	6	1.1%
	Subtotal	386	73.1%	142	26.9%	528	100%
Hiring Type	Permanent	386	73.1%	142	26.9%	528	100%
	Under contract	0	0%	0	0%	0	0%
	Subtotal	386	73.1%	142	26.9%	528	100%
Function	Managing Staff	6	1.1%	0	0%	6	1.1%
	NonManaging Staff	380	72.0%	142	26.9%	522	98.9%
	Subtotal	386	73.1%	142	26.9%	528	100%
Age	21-30	27	5.1%	20	3.8%	47	8.9%
	31-40	154	29.2%	59	11.2%	213	40.4%
	41-50	167	31.6%	57	10.8%	224	42.4%
	Above 51	38	7.2%	6	1.1%	44	8.3%
	Subtotal	386	73.1%	142	26.9%	528	100%
Degree	PhD	22	4.2%	1	0.2%	23	4.4%
	Master's	286	54.1%	40	7.6%	326	61.7%
	College / University	75	14.2%	83	15.7%	158	29.9%
	Below	3	0.6%	18	3.4%	21	4.0%
	Subtotal	386	73.1%	142	26.9%	528	100%

Competitive Salaries

Facing the fierce competition of the global technology market, attracting and retaining high caliber employees has become an important issue for us. The provision of a competitive reward system is one of the most important tasks for the company. To maintain sustainable growth, PixArt offers a highly competitive reward scheme to all employees when compared to its competitors in the IC Design industry, making high caliber employees the best impetus for the company's sustainable growth.

As well as a fixed salary, the concept of profit sharing is established in PixArt. The company contributes a certain percentage of operating profits to employees' compensation and bonuses. To encourage employees to be innovative and work as a team, annual employee performance evaluations are conducted that contribute to individual salaries. Moreover, PixArt refers to the Macroeconomic Index and salary standards of the present market every year to adjust employees' salaries to ensure their efforts and achievements are recognized monetarily.

PixArt has designed a salary system based on local government regulations, industry conditions, and the current job market that meets local requirements and standards and does not bias depending on an employee's sexuality, nationality, race, age or religion. In 2022, new employees' basic salary ratio of female to male is 1:1.

▼ Salary information of non- executive, full-time head full time employees (unit: NT\$ Ten Thousand)

	2020	2021	2022
The number of full-time employees	426	474 ^{+ 48}	505 ^{+ 31}
The total amount of salary of full-time employees (NT\$ Thousand)	1,192,265	1,381,778 ^{+ 189,513}	1,273,852 ^{- 107,926}
The average salary of a full-time employee (NT\$ Thousand)	2,799	2,915 ^{+ 116}	2,522 ⁻³⁹³
The salary median of full-time employees	2,435	2,668 ^{+ 233}	2,321 ^{- 347}



Equal, Diversified Workplace

Regarding newly recruited employees in 2022, 34 male staff members and 20 female staff members were recruited. 27 employees resigned in 2022 – 18 were male and 9 were female – a 5.1% resignation rate. PixArt will continue promoting a healthy work-life balance, encourage employees to reach executive level, and provide employees with the opportunity to develop in their careers so we retain our talent.

In addition, regardless of employee position, the basic salary and compensation of female to male employees is 1:1, which complies with our equal salary policy. PixArt also provides job opportunities for disabled persons. We have met the regulation requirement of employing at least one person with a disability and have hired two employees with a severe disability.

▼ Number of new employees and turnover rate by age and gender

Main Category	Secondary Category	Male		Female		Subtotal	
		Number	Rate	Number	Rate	Number	Rate
New Employees	21-30	6	1.1%	6	1.1%	12	2.2%
	31-40	15	2.8%	9	1.7%	24	4.5%
	41-50	10	1.9%	5	1.0%	15	2.9%
	Above 51	3	0.6%	0	0.0%	3	0.6%
	Subtotal	34	6.4%	20	3.8%	54	10.2%
Departed employee	21-30	1	0.2%	4	0.8%	5	1.0%
	31-40	13	2.4%	3	0.5%	18	2.9%
	41-50	3	0.6%	2	0.4%	9	1.0%
	Above 51	1	0.2%	0	0.0%	2	0.2%
	Subtotal	18	3.4%	9	1.7%	34	5.1%

» Note 1: The calculation of the new employee percentage is new employee numbers of each division / the total number of employees.

» Note 2: The calculation of the resigned employee percentage is resigned employees of each division / the total number of employees, minus the number of (unpaid leave / returned / employees with less than six months' tenure / involuntary dismissal.)

New Employees Caring System + Seminars



To increase new employees' adaptation to the company environment and culture, PixArt has implemented a new employee adaptation care system since 2019. From the first day new employees onboard, a series of caring actions are started. A new employee guide is provided in 7 days to satisfy a new employee's basic needs and fit into the company quickly. After working for 1.5 months, new employees will be invited to complete a questionnaire regarding their opinions of the company environment and system. In 2022, the average points of new employee's satisfaction were 4.4 points (a full score is 5 points), and the completion rate of the questionnaire was 100%. PixArt takes new employees' opinions seriously; their feedback is handled and responded to immediately. After working for 3 months, an adaptation care questionnaire is sent to understand the adaptation and acknowledgment new employees have at work, and a care interview will also be processed. In 2022, the completion rate of interviews was 100%.



Good Benefits and Welfare

PixArt's Employee's Welfare Committee fully complies with the Management Rules released by the Council of Labor Affairs. Members of the committee are elected from various departments with an Executive Secretary to manage general committee affairs. Committee meetings are held from time to time aiming to improve employee welfare by introducing new benefits policies, organization of recreational activities, and providing diversified benefits choices.

We provide a benefit system to full-time employees; except for basic rights such as labor and health insurance, earned leave, maternity leave, and parental leave, we also provide various employee welfare options such as leave holidays, life insurance, disability insurance, pension, emergency aid, cash gifts for marriage and birth, funeral aids, staff dormitories, and free meals, etc. We also allow floating leave for employees to nurse babies or take care of their children. The benefit and welfare details are listed below:

▼ Employee welfare measures

	Welfare measures	Welfare and performance description
 Compensation and welfare	Employee welfare subsidiary program	We gift employees with festive bonuses and childbirth and marriage subsidies and the local/overseas travel fund to help employees find a good work-life balance.
	Fixed salary	14-month basic salary protection and salary raise annually. Personal performance is included to ensure employee's efforts and achievements can be rewarded immediately.
	Operation bonus	With the concept of profit sharing, a certain percentage of operating profits are contributed as the employee's compensation and bonus to encourage employees to remain innovative and work as a team.
	Patent bonus	To encourage employee innovation, PixArt provides bonuses for staff who apply for and acquire patent rights.
 Employee protection	Leave system better than the Labor Standards Act	PixArt provides better annual personal leave policy than required by Labor Act. Personal leave is offered in advance of flexible planning. In addition to the personal leave required by Labor Act, PixArt also offers seven days a year of flexible time off. Additional seven days off are granted as part of the PixArt compensation salary package.
	Complete insurance system	Except for the insurance regulated by law (including labor and health insurance), PixArt also provides group insurance for every employee. Group insurance in particular, includes life insurance, catastrophic illness insurance, and accident insurance. Employees can use the best rate to ensure company group insurance for their families to have the same protection as the employees.
 Health Activities	Health check-ups	Corporate-paid health check-ups in PixArt include more inspections than what is required by the government. Employees are covered by additional check-up items including cancer screening, ultrasound inspection in two additional areas, antigen and antibodies for hepatitis A/B/C, and hemoglobin A1c. Since 2013, line managers' spouses are also eligible for free check-ups paid by PixArt. In 2022, the completion rate of employee health check-ups reached 99.8%, and 89 spouse check-ups were completed.

Healthy seminars and activities	Healthy activity topics at PixArt varies from year to year, generally depending on the result of health checks and employee interest surveys. In 2022, PixArt held health activities such as a weight-loss club, health-related seminars, blood donation, pap smears for women, and HPV vaccinations. Hopefully the activities are able to raise health awareness of employees and their families to lead to better and healthier lifestyles. 76 employees participated in the activities in 2022.
Vaccination	PixArt has provided employees with the influenza vaccination for 14 consecutive years which is paid for by the company. In addition, we also organized self-paid HepA, HepB, and HPV vaccinations from 2018 to 2022 for the sake of health check-ups and employee needs.
On-Site General Practitioner Services	PixArt has professional healthcare staff on board and contracts with physicians from NTU hospital, Hsinchu, for on-site medical consultations. One-on-one consultations help employees manage their health better. 47 people availed of used this service in 2022.
Employee Assistance Programs	PixArt works with external counseling associations to provide professional and free-of-charge counseling services on-site. Session topics are at employees' discretion that may cover family, emotions, social networking, work, or more. Employees' family members may also join the session together if required by the counselor. All discussions will remain confidential.
Ergonomic-Friendly Work Environment and Massage Service	For the relaxation of mind and body, and increasing job opportunities for disadvantaged groups, PixArt offers on-site massage services (by visually impaired massage therapists) for employees.
Sports & exercise center	PixArt provides sports & exercise center for employee use including a gym, basketball, badminton, and table tennis courts, as well as an aerobics classroom, etc.
Cafeteria	The cafeteria provides the safest meal plan for employees. We implement food safety management and restrict large-scale food supplier's use of MSG and other illegal additives. In addition, all food suppliers are required to pass rigorous food safety checks. We use strict standards to keep employee meals safe.
Ergonomic chairs are used in all offices	Most of the work style in PixArt is office work. Managers understand that employees have to sit at their desks for a long time to deal with business work, therefore, old desk chairs were replaced with ergonomic chairs with the expectation of reducing and preventing back pain.
Free pregnant womenonly parking spaces	To reduce employees' commuting problems of looking for parking spaces, PixArt sets up employee-only parking lots and contract parking lots in addition to pregnant women and disabled use-only parking lots (provided according to requirements).
Set up a breastfeeding room	PixArt cares about female employees, therefore, we built a safe, warm breastfeeding room and acquired "Nursing-friendly" accreditation from Public Health Bureau of Hsinchu County Government in 2019.
Set up emergency buttons in lady's shower rooms	Installed emergency buttons in lady's shower room and linked the buttons to the security room to ensure and increase female employee's safety in the foundry.



Complete facility

Maternal Health Protection Plan

To prevent overwork, abnormal workload-triggered disorders, female employees from being exposed to health hazards in the workplace, and ergonomic musculoskeletal disorders, PixArt complies with regulations. This is done with the cooperation of on-site general practitioners and Occupational Safety and Hygiene officers and nurses. We prioritize the precaution of work-related cardiovascular disease, maternal health protection, and the precautionary management with ergonomic engineering, adopting risk evaluation and grade management, and arranging employee consultancy with on-site general practitioners to prevent musculoskeletal disorders.

Material Health Protection Guidelines for Female Employees

PixArt complies with the "Act of Gender Equality in Employment" while advocating SDGs goal No.5 of gender equality to protect employee rights of giving birth and raising the next generation, as well as parental leave. After working in PixArt for 6 months, employees can apply for parental leave to take care of their children until they are 3 years old. However, parental leave shall not exceed 2 years. During the parental leave period, employees can continue to have social insurance.

Moreover, PixArt developed female health and protection management plans to protect female employees who are pregnant or preparing for pregnancy. Risk analyses are conducted to identify job duties that could be harmful and can only be assigned to pregnant or preparing-for-pregnancy employees when approved by an on-site General Practitioner after one-on-one evaluation sessions.

The Application of Flexible Parental Leave

Employees (regardless of gender), after working in PixArt for 6 months, can apply for parental leave to take care of their children until the age of 3. During the parental leave period, the job position will be retained so staff can take care of their children without economic worries. Employees can also continue to have social insurance (health and labor insurance) with the same unit.

▼ The calculation of employees who applied for parental leave in 2022

	Male	Female	Total
(a) Employees who were qualified to apply for parental leave in 2022	46	14	60
(b) Employees who applied for parental leave in 2022	1	1	2
(c) Employees who were estimated to reinstate after parental leave in 2022	0	1	1
(d) Employees who were reinstated after parental leave in 2022	0	1	1
(e) Employees who were reinstated after parental leave in 2021	0	0	0
(f) Employees who were reinstated after parental leave in 2021 and continued to work for another year	0	0	0
Application rate of parental leave b/a	2.2%	7.14%	3.3%
Reinstatement rate of parental leave d/c	N/A	100%	100%
Retained rate of parental leave f/e	N/A	N/A	N/A

- » Note (a): We calculated the number of employees who applied for maternity leave or paternity leave during the past 3 years (2020-2022).
- » Note (b): Actual parental leave periods were in 2022.
- » Note (c): Employees were estimated to reinstate in 2022.
- » Note (d): Employees whose estimated reinstatement date was in 2022 and already reinstated.
- » Note (e): Employees who reinstated in 2021.
- » Note (f): Employees who were reinstated in 2021 and worked for another year (who were currently employed in 2022).

Retirement System

The PixArt Group established the Labor Retirement Reserve Supervision Committee in compliance with the Labor Pension Act. The reserves for labor pension are deposited into a Labor Pension Account on a monthly basis.

Regarding employees who meet the qualifications of the old system, PixArt contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to a pension fund deposited in the Bank of Taiwan in the name of the administered pension fund committee. For employees who choose the new system, PixArt contributes an amount equivalent to 6% of the employee's total salary on a monthly basis to the employee's pension account with the Labor Insurance Bureau.

Every year with the assistance of qualified accounting services we calculate retirement funds based on the old system to ensure sufficient amounts are allocated and the right to a pension.

■ The Protection of Labor Relations

Smooth Communication Channels

PixArt values a harmonious relationship with employees. By establishing multiple, smooth communication channels, company information can be conveyed easily to employees while feedback can be responded to as well. With the three principles of Listen, Handle, and Respond, PixArt set up an employee suggestion forum and mailbox in the Employee Portal to express their opinions and suggestions regarding the working environment and company system. After listening and understanding employee's thoughts, the competent authority will be responsible for solving problems or making improvement plans. forty-one were recorded in 2022 with 100% of cases resolved.

Employees have the right to form based on the requirements of the RBA. To date, no union has been formed among PixArt employees as the Company has a well-established bottom-up communication channel and gives proactive responses to and follows up on feedback from our colleagues.

▼ Smooth, multiple communication channels

Communication channels	Frequency	Scope of Issues	Response and Handling Method of PixArt
Electronic bulletin	Irregular	Operating performance, sales target, various systems, and event messages.	Provide accurate and timely information to ensure that information is communicated effectively.
Conversation with top-tier managers			
Employee suggestion forum	Anytime	Working environment, company system, employee care measures.	Respond and solve problems proactively. Provide a friendly working environment.
Employee suggestion mailbox			
Labor-management meetings	Routine	The plan and operation of employee welfare.	Report to employees the conditions of company's operation and welfare fund use of the Employee's Welfare Committee to raise labor conditions and promote employee welfare.
Employee's welfare meeting	Routine	The plan and operation of employee welfare.	
Employee opinion survey	Routine	Personal development, department head leadership, environmental system, service quality, etc.	Analyze investigation results, respond, and make improvements.

Multiple Training Channels

The average training hours of each employee in 2022 was 6.57 hours; the average training hours for male employees was 6.73 hours, and 6.27 hours for female employees. PixArt provides the best learning environment for employees and introduces multiple learning platforms. Except for physical education, we also developed a digital e-learning platform for online courses and knowledge management systems. We also established a survey mechanism regarding employee's satisfaction with online courses. We have exclusive personnel to plan and promote training programs, various learning courses, training activities, talent development, and capacity growth projects.

PixArt establishes a talent development system based on its operational guidelines and organizational needs, and formulates an Education and Training Plan every year to enhance the development of human resources and technical advantages. The Educational and Training Management Measures are also deployed at the same time to deliver a variety of talent training programs that improve employees' professional, management or general-knowledge skills.



The Planning & Execution of Annual Educational Training

PixArt plans a Personal Training Course for employees based on the operation guidelines, organizational needs, and job abilities required for a position, in addition to the mid- and year-end performance evaluations. The total training hours of training and development courses held in 2022 was 1,234 hours; 365 employees, If online e-course is also included, total training hours are 3,034.5 hours; 3,883 employees completed the courses, and the average training hours of every employee exceeded 6.57 hours.

We refer to the Kirkpatrick model's four levels of learning evaluation to ensure the effectiveness of all training: reaction, learning, behavior change, and organizational performance. All courses are evaluated to reach the First Layer: Reaction. The course evaluation includes course content, a lecturer, course benefits, and a course satisfaction survey. The average points for course satisfaction were 4.6 points (a full score is 5 points). In addition, a written test is held to evaluate the learning effectiveness of professional courses. Regarding management courses, drills and practice are mostly used during lessons. We will ask lecturers to include student presentations in training lessons as behavior evaluation. Moreover, employee performance evaluations at middle-year and year-end will be used as final results to determine whether further educational training is required in the future.

▼ Training hours and gender percentage of employees in each sphere in 2022

Employee Type	Training Type	Total training time (hour)		Average training time of each employee (hour)	
		Male	Female	Male	Female
Employee + Department Head	Internal training (Include e-Learning)	2297.5	737	5.95	5.19
	External training	281	154	0.78	1.08

» Note: Average training hours per employee in each gender= total training hours of employees in each gender/the total numbers of employees of each gender that year.

Academic-industry collaboration project with the National Taiwan University/National Yang Ming Chiao Tung University to improve the quality of domestic education

PixArt cooperates with well-known domestic universities with the expectation of improving the quality of domestic education, enhance the skills and practical experience of young talents, and connect academic courses with industry. As a member of the NYCU IC Design Alliance – Master Cultivation Program, we work with professors and students of the Graduate Institute of Electrical and Computer Engineering in a specially themed research program; our continuous partnership with NTUSoC in talent recruitment and industry movement also advocates quality education in Taiwan.

In addition, we also cooperated with other local colleges and universities, including:

1. The Head of Research Department teaches at least 2 industry-related practical lessons in local or target schools every year.
2. Applied for membership and become a member of the NTU System-on-Chip Center to combine industry and academic courses. We participated in 2 keynote speeches and 1 practical lesson to share technology information in 2022 and cultivate System-on-Chip with the academy.



Hackathon Sponsorship Project

PixArt became the principal sponsor of Hackathon, a non-profit organization founded by students of NTHU and NYCU promoting civic tech and limit-free platforms to coordinate government and corporate resources to help the problemsolving ability among students. For three years in a row, PixArt has been a Hackathon partner and primary sponsor. The project hosts NTHU and NYCU's students team up and conduct research, discussions, and development with corporate funding, showcasing their achievements in this two-day-one-night brainstorming event. Nearly 250 participated from NTU, NTHU, NYCU, NCKU, and colleges and universities across the island, and high schools to contribute innovative, competitive results. Six teams worked their hardest to develop abilities and passion, cultivating Taiwan's talent pool.

▼ Joining other businesses to show support

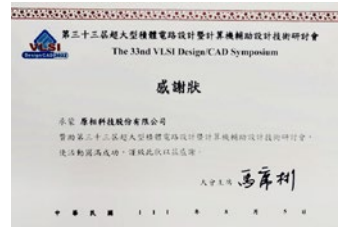


▼ Awarding the champion team



Sponsor of 33rd VLSI Design/CAD Symposium

As a sponsor of the VLSI Design/CAD Symposium 2022, the largest IC design gathering in Taiwan, PixArt promotes networks among professors, researchers, businesses, and students through the event, which also helps research professors and relevant students gain insights into technology development trends and industrial news. By meeting experts on the same floor and in speeches and discussions, IC designers sharpen their research and development, advancing educational quality.



▲ Acknowledgement from the host

NTHU Racing Car Factory Sponsorship

Sponsored by PixArt, in 2022 NTHU students pursued the Formula Student dream and secured top places in many games with sensor modules (auto-pilot car design) developed for a school racing car factory. The team will be competing to improve their scores and for Taiwan.



Occupational Safety and Health

The Allocation of Occupational Safety and Health Staff

PixArt places importance on occupational health and safety. We comply with the Occupational Safety and Health Act, domestic and international regulations, commit to provide employees with safe, healthy working environment, and aim to achieve zero occupational injuries. We set up an occupational safety and health team including medical staff, engineering staff, a department head, supervisor, and commander in relation to occupational safety and health according to the Occupational Safety and Health Management Guidelines.

The occupational safety and health team holds regular meetings to review occupational safety and health-related issues to improve the environment and promote the management standards of occupational safety and health to fulfill the goal of safe management. Moreover, the team staff also discuss how to identify and eliminate damage in addition to evaluating risk, investigating and auditing incidents, and regulating and managing the audit standards for contractors and suppliers.

PixArt makes has training plans and conducts occupational safety and health education training such as annual fire drills, evacuation drills of various kinds, or external training to acquire certificates. In addition, there are occasional seminars or speeches for employees to strengthen the awareness of occupational safety, health regulations, emergency procedures, and the occupational safety and health risks of various activities.

The Prevention of Abnormal Workload-Triggered Disorders Guidelines

PixArt is a professional IC design company. Our employees work in offices and there is no high-risk working environment. We abide by the Abnormal Workload-triggered Disorders Guidelines to a high standard. The medial staff assist units to execute and improve related measures according to risk evaluation results from monitoring if employees work abnormally. This prevents them from abnormal workloads and ensures the health of their body and mind.

Maternal health protection guidelines

Maternal health protection primarily provides maternal health evaluation and work adjustment for pregnant employees. The medical staff will trace the health conditions of pregnant employees along with consultations. We also set up pregnant employee-only parking lots and a breastfeeding room to ensure the employees' healthy bodies and minds during pregnancy, child labor, and breastfeeding.

New Employee Training

Employees are provided with Health and Safety training during orientation and participate in fire drills which are held every 6 months. We also organize AED (Automated External Defibrillator) workshops regularly for fire escape training and to educate employees on the use of AED facilities with actual simulations to save more rescue time if an accident occurs. PixArt educates employees to understand safety and health regulations and policies for them to acknowledge and fulfill PixArt's commitment regarding this.

Conduct Occupational Safety Training for New Employees According to Regulations

For employees to work in a safe and healthy environment, occupational safety training for new employees is conducted regularly. Employees can learn occupational safety-related knowledge required for work. In addition, incident investigation and analysis are used in the training for employees to realize the cause of incidents to reduce accidents occurring in the working environment while enhancing employee awareness of health and safety. In 2022, the new employee participation rate for occupational safety training was 100%.

Daily management of labor safety and health:

- Access cards with routine check-ups by 24-hour onsite guards are processed to keep employees safe.
- Working environment testing is processed every 6 months to ensure the air quality of the office.
- Drinking water testing is processed by a qualified unit every 3 months to keep employees healthy.
- Fitness facilities are provided in every building to encourage exercise.
- Fire drills are held every six months and evacuation drills every year.
- AED facilities are provided in every building.

Occupational Injury

PixArt is an IC design company and no hazardous substances are produced. CO2 and illuminance in the foundry are inspected every 6 months according to regulations and all inspection results meet regulation standards. Moreover, no employees are offered occupations with high risks or that increase the occurrence of specific diseases. To protect employee's health and safety, prevent health damage due to high workloads, and mental stress, PixArt has a Safety and Health Guideline based on the Occupational Safety and Health Act. This is in addition to working instructions announced by the Occupational Safety and Health Administration and the continued execution of regulations that have the approval of the Hsinchu Science Park, Ministry of Science and Technology. No occupational damage occurred in 2022.

▼ If occupational damage occurs, the report procedure is as follows:



A Safe Workplace

PixArt conducts IC design without other risk factors. We follow legal procedures and inspect CO2 and lighting. Every six months our sites undergo work setting tests, and all results complied with the regulations. No positions in PixArt are exposed to high risks or specific disease rates. To protect health and safety, we ensure employees are not given overwhelming workloads, and take measures to protect mental health.

According to OSHA occupational disability indicators, each case has been reported and investigated following Company procedure, excluding traffic accidents outside our premises. No injuries or occupational diseases resulting in disability occurred in 2022. To achieve "zero work disasters and environmental sustainability", we follow safety and health laws to minimize occupational risks, contributing a safe and healthy workplace and ensuring employee health.

Item	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Disabling Frequency Rate (FR)	0	0	0	0	0	0
Severity Rate (SR)	0	0	0	0	0	0
Frequency-Severity Indicator (FSI)	0	0	0	0	0	0
Occupational disease rate (ODR)	0	0	0	0	0	0

» Note 1: This number does not include traffic accidents.

» Note 2: Disabling Frequency Rate (FR) = The number of disabling injuries/ total number of hours worked * 1,000,000

Severity Rate (SR) = Number of lost workdays / Total number of hours worked * 1,000,000

Frequency-Severity Indicator (FSI) = FR*SR/1,000 (1/2)

Occupational Disease Rate (ODR): Occupational disease cases/total hours worked *200,000

Anti-pandemic Management And Policy

If not immediately prevented, the frequent occurrence of novel infectious diseases like in recent years may cause damage to employees' safety and health, and impact company operations in a severe situation. Therefore, when infectious disease or seasonal influenza begins to spread across the globe, PixArt will pay close attention to related issues and provide employees with the necessary healthcare knowledge, messages, and precaution measures. PixArt has received antipandemic awards from the Taiwan Immunization Vision and Strategy Association for 7 years (2016-2022). We evaluate the latest pandemic situations and any potential risks and propose anti-pandemic countermeasures. At the same time, we continue to enhance employees' health knowledge of themselves and their family members to establish a safe working environment.

When COVID-19 began to spread across the at the end of 2019, PixArt began to monitor the health condition of employees who took business trips. At the beginning of 2020, when the pandemic broke out globally, an anti-pandemic team was established to ensure epidemic prevention materials and anti-pandemic procedures were processed according to the announcement of the Central Epidemic Command Center and prevent the pandemic from spreading. The management procedures include:

- Clinical electrical thermometer is distributed to every employee.
- The promotion to prohibit employees with a fever to enter the foundry.
- Visitors are required to fill in a Health Declaration Form and increase the frequency of environmental disinfection.
- Provide alcohol for sterilization in public spaces and all employees wear masks during working hours.
- Prohibit dining at the same table, provide lunch boxes, and eat at personal desks instead.

A Quick Overview of Pixart's Countermeasures for The Pandemic

1. Establish anti-pandemic team and adjust management procedures flexibly according to pandemic situations.
2. As the border reopened, people on business trips were provided with preventive kits containing protective clothes, N95 masks, and alcohol wipes to minimize the risk of infection during travel.
3. Reinforced sanitization in common areas, sanitizers at entrances and outside conference rooms, disinfecting mats at entrances, and contactless panels on elevators and door access to minimize contact.
4. Check and purchase epidemic prevention materials such as clinical electronic thermometers, masks, alcohol, and ultraviolet lights.
5. Regulate anti-pandemic measures of each stage according to the pandemic situation. E-cloud guests, visitors, contractors health statement.
6. Set up a temperature measuring management system for employees to fill in body temperature, monitor employee temperature, contact history, and health conditions.
7. Employees were given a paid off day to get their vaccinations and enhance protection. The vaccination update system helps track vaccination rates among employees.
8. Pandemic information is passed through Line@APP, which allows quick messages between employees and Company to monitor and advise on employee conditions.

▼ The Questionnaire for self-health management

2021/05/06		星期四	☒ 感冒 ☐ 咳嗽	36.2
自主健康管理症狀調查				是否就醫
☐ 發燒(Fever) ☐ 咳嗽/乾咳(Cough/Dry cough) ☐ 喉嚨痛(Sore throat) ☐ 流鼻涕(Running nose) ☐ 鼻塞(Nasal obstruction) ☐ 失去嗅覺/嗅覺異常(Loss of smell / abnormal smell) ☐ 身體無力/倦怠(General weakness/Fatigue) ☐ 肌肉痠痛(Myalgia) ☐ 頭痛(Headache) ☐ 喉嚨癢/乾癢(itchy or dry throat) ☐ 腹瀉(Diarrhea) ☐ 失去味覺/味覺異常(Loss of taste / abnormal taste) ☐ 其他症狀(請於備註說明欄填寫)(Other symptoms (please explain in the remarks column)) ☒ 以上皆無(None of the above)				☐ 否 ☒ 是 (請於備註說明欄填寫)(Remarks)
接觸史調查				備註說明欄 (請填寫 / 就醫說明)
☐ 本人或同居者是否於30天內去過其他國家或地區 ☐ 本人或同居者是否30天內曾與自國外入境台灣或其他地區居家檢疫、居家隔離、自主健康管理者有接觸 ☐ 與居住者近期(一週內)有出現感冒症狀				

Measure and Report Body Temperature Every Day

1. Employees are informed to fill body temperature in temperature measuring management system via mail every day.
2. Employees are required to fill in body temperature, contact history, and health condition of the day.
3. The questionnaire contents will be changed according to CDC announcement with flexibility (for example: venue visited history of confirmed case.)

Enhance The Safety of The Working Environment

1. Automatic hand sanitizer dispensers and disinfecting mats are placed in the main entrances for employees and visitors to use.
2. Automatic hand sanitizer dispensers are also placed in the entrances of places frequently used or usually crowded with people (for example, conference room, training room, cafeteria) in addition to slogans advocating employees and visitors using it in fight against the pandemic.
3. Hand sanitizer dispensers are widely placed in every individual space for employees to find and use conveniently.
4. Pantry rooms, bathrooms, and conference rooms are sanitized with alcohol and bleach every day.
5. The inner elevator carriages and button panels are sanitized with alcohol every 2 hours.

▼ Hand sanitizer dispensers are installed at the entrance of the conference room





▲ Hand gesture sensors are installed on elevator panels to reduce contact

Reducing the Risk of Contact

1. Auto doors were installed at most entrances and exits to minimize contact., automatic doors are mostly installed in the main entrances and exits. To enhance employee safety, supplemental facilities are installed on bathroom doors so employees can open the door with their feet to reduce the risk of hand contact.
2. Hand gesture sensors designed by PixArt are installed on elevator panels to reduce contact.
3. All push button doors in the foundry are replaced with sensitive detectors to reduce contact.

Using Reusable Tableware and Wrapping Chopsticks/Spoons with Paper Covers to Reduce Hand Contact

1. Replace serving tongs with individual tongs for each employee and wrap all chopsticks and spoons with paper covers to reduce hand contact.
2. After finishing a meal, tongs are centralized and recycled along with the dishware. The items will be cleaned and sanitized by a contractor and reused the next day.

Cafeteria Seating Regulations

Checkerboard seating is adopted in the cafeteria according to the CDC regulations. The distance between people is required to exceed 1.8m and partitions are installed on dining tables to avoid droplet infection.

Eating utensils are wrapped with paper covers and each person has an individual set. After finishing a meal, the utensils will be centralized in a basket, cleaned, and sanitized by a professional dishware cleaning company to reduce unnecessary contact.

Health Management of Resident Staff and Visitors

Outsourced resident staff is required to measure body temperature every day and travel or contact history is also provided.

Guests taking their temperatures and filling in a health statement online before entering sites to ensure safe travel and contact history.

Working from Home Regulations

Anti-pandemic measures are adjusted with flexibility in accordance with the international pandemic and the instructions of the National Health Command Center. At the beginning of 2020, PixArt made an employee split plan for the group. PixArt takes employees' health as first priority. When a pandemic situation is severe, employees are notified to work from home and asked not to go out unless necessary. Employees are required to measure body temperature and record the statistics in the system to completely fulfill health management. PixArt also cares about stakeholder rights. When employees work at home, they are required to report the execution process of each work item and project to the department head regularly. Regarding the production line that clients care about, employees are required to inform clients or suppliers about the latest information to avoid any omissions and keep our promise to clients.



Occupational Health Services

PixArt values employees' health and provides corporate-paid health check-ups to include more inspections than what is required by the government. Employees are covered by additional checkup items including cancer screening, ultrasound inspection in two additional areas, antigen and antibodies for hepatitis A/B/C, and hemoglobin A1c. By providing more checkup items, employees are able to gain early health awareness, detect hazardous factors, and take the necessary action in advance. In 2022, the completion rate of employee health checkups reached 99.8%. If major abnormal results were tested and listed in the health checkup report, the employee will be informed immediately to make a return visit with the doctor. The completion rate of return visits was 100%.

Employees are required to fill in questionnaires regarding work-life balance and ergonomic muscles. From the analysis of questionnaire and health check-up results, if the scores of an employee's cardiovascular, workload, or personal evaluation are in the high-risk range, a one-on-one visit with the onsite GP will be arranged to care for their health.

PixArt refers to health checkup results in addition to the health management level standard advised by the onsite GP to provide measures such as proper health instructions and fitness for work. In addition, since 2013, line managers' spouses are also eligible for free checkups paid by PixArt as an acknowledgment of their great contribution in supporting their devoted other half at work. Managers all appreciated the benefit that PixArt provided to their spouses.

Health Activities for Employees

We believe that an employee's health is the company's wealth. We not only create a comfortable working environment for employees, but also focus more on an employee's physical and mental conditions. To keep employees more healthy, we promote the following measures proactively to build a safe, healthy working environment for employees to work safely and to keep their physical and mental condition healthy for a healthy and happy workplace.

PixArt hired a professional health nurse and onsite GP by contract to provide medically-related services for employees. We obey the laws while meeting practical needs, manage risks, and care for employees at the same time. We continue to work on the improvement of employee's physical and mental health and the establishment of a healthy working environment proactively, we hope that employees can acquire the competence or skills

to improve self-health, promote health concepts to their families, and make healthy behaviors a part of life. We hope they help themselves and family members to lead a healthy, energetic life.

Promote Healthy Diet and Implement Food Safety Management

Employees at PixArt are provided with diversified and healthy-cooked meals during working hours. Catering service providers are selected and assessed rigorously for their safety standards; PixArt strictly prohibits the addition of MSG or illegal additives to any cooked meals. Each day, employees may check what they are going to be served. All dishes are given a color grade according to their level of calories and nutrients for quick recognition and selection of healthier foods. Food safety-related news and topics are constantly tracked and applied to ensure that our employees are in good hands when it comes to healthy eating. Menus are reviewed every week. Catering service providers are asked to cook food with less oil and less salt in addition to serving at least one blanched vegetable dish every day for employees to eat healthily.

Buffet food and noodles are served at lunchtime with various kinds of fruits. Moreover, light meals such as fruit boxed lunches with vegetable bento are also offered to provide employees more options.

Promote Employee Health Activities

Healthy activity topics at PixArt varies from year to year, generally depending on the result of health checks and employee interest surveys. PixArt was certificated with a Badge of Self-accredited Healthy Workplace by the Health Promotion Administration, MOHW, and received the Excellent Healthy Workplace Award, Health Management Award in 2018. PixArt held health activities such as a weightloss club, health-related seminars, blood donations, pap smears for women, HPV vaccinations, etc. in 2022. Hopefully the activities are able to raise health awareness of employees and their families to lead to a better and healthier lifestyle. In 2022, 76 employees participated in health activities.

Hire Visually Impaired Massage Therapists to Provide On-site Massage Service

For the relaxation of mind and body while also increasing job opportunities for disadvantaged groups, PixArt offers onsite massage services (by visually impaired massage therapists) for employees.

Vaccinations for flu and COVID-19

Since 2007, PixArt provides corporate-paid influenza vaccinations to employees and was proudly awarded “Anti-Epidemic Pioneer Award”, “Comprehensive AntiEpidemic Award”, “Anti-Epidemic Pioneer Golden Award” and “Anti-Epidemic Pioneer Silver Award” by the Institute of TIVS (Taiwan Immunization Vision and Strategy) from 2016 to 2022 for 7 consecutive years. Employee’s influenza vaccination rate in 2022 reached 67.5%.

Paid day off for COVID-19 shots from the end of 2021 to 2022; 95% employees received 1-2 shots; 85% received three.

Onsite General Practitioner Services

Except for hiring healthcare-related professionals, PixArt further co-operates with the National Taiwan University Hospital Hsinchu Branch to provide onsite GP services for

employees’ well-being. Employees are encouraged to utilize the one-on-one session to discuss their health issues, or to understand their health check results. PixArt also arranges onsite doctors every 2 months to provide medical-related services.

Free Psychological Counseling

By conducting a work-life balance questionnaire or via department head reporting, employees with high risks will be screened and arrange to visit on-site practitioner for evaluation. Once psychological counseling is required, occupational safety and health staff will arrange appointments for the employee to have one-on-one counseling with a contracted psychologist.

Provide Automated External Defibrillator (AED) Facilities

2 AEDs are provided in each office building for emergency use when an accident occurs. AED-related educational training is also provided regularly for employees to learn how to save people’s lives during an emergency.



Drug administration for mosquito breeding areas

PixArt regularly delivers legal drugs for septic tanks to prevent mosquitos from breeding and cause Dengue and Japanese encephalitis diseases without causing harm to the environment.

Encourage Employees to Build Regular Exercise Habit

All PixArt employees are entitled to enjoy our various sports facilities including the gymnasium, basketball, badminton, and table tennis fields, as well as the cardio studio. Sports groups such as basketball, badminton, and yoga are established to encourage employees to build regular exercise habits for more balanced bodies and minds. Basketball and badminton competitions are held year-round to promote corporate morale and strengthen bonds among employees.





Social Engagement

Christmas PixArt's Dream Light Up the Hope of a Remote Area

Saint Joseph's Social Welfare Foundation Happy Egg Rolls Roll Up the Connection of Love

Pandemic Supplies to St. Joseph Home

Pixart Annual Beach Cleaning

Speed Walking Competition Turned to Fundraising for Children in Remote Areas





Christmas PixArt's Dream Light Up the Hope of a Remote Area

Christmas, a day for joyous celebration, also a day for the under-privileged to wish their dreams came true. Every year, our colleagues participated in the Xmas Dream Project to support the dreams of children in the remote area. 2022 is the fourth consecutive year the PixArt and World Vision worked together to spend the holiday eve with 390 children from 10 schools and send out Christmas presents. As being told by NGO volunteers, we understood that junior high school students are often being neglected in most projects. Thus we had invited Jianshi Junior High School sports class and Jinghua Junior High School students to join Christmas project. Together with children of elementary schools and kindergartens of Miaoli and Hsinchu who we support every year, in 2022, we brought care and love to two junior high schools, wishing that one day they would support others when capable. Upon receiving the Christmas presents, they said "After 13 years, today my wish is finally heard."

▼ Our staff members delivered wonderful gifts to children at Christmas.



Saint Joseph's Social Welfare Foundation Happy Egg Rolls Roll Up the Connection of Love

Our colleagues have partnered with Saint Joseph's Foundation in various voluntary projects over the years such as making Mother's Day cards or Christmas gingerbread with mentally disabled. The pastry shop under the Saint Joseph's Foundation, Ren'ai Cake Shop, which their delicious egg roll cookies are made by disabled. To create job opportunities for disabled, PixArt will order every new product from them to share with colleagues. We will also order Christmas exclusive cookies from Ren'ai Cake Shop for children living in remote area. From June 2020 to the end of 2022, we have purchased more than 16,000 egg rolls and cookie from Ren'ai. It is hoped to support the learning and advance their work skills with our physical support. Every box of cookie sold means extra reward, extra confidence, and extra dignity in work, enriching the value of their lives.

The egg rolls made by people with intellectual disabilities from Saint Joseph's Social Welfare Foundation. ▶





Pandemic Supplies to St. Joseph Home

The pandemic hit hard on St. Joseph Home in 2020, as nearly 230 residents suffering from dementia, chronic diseases and chronic mental disorders were undersupplied. In view of this, PixArt reached out to St. Joseph Home to put forward a long-term material and financial sponsorship program to cater different needs of residents and medical staff with surgical/ activated charcoal / N95 masks, PVC gloves, alcohol, adult diapers and phlegm machines. This can ensure the abundant supply of medical supplies to allow their residents to enjoy quality healthcare. We further invite our partners and vendors to support the common good of society by providing second-hand sofas and long tables to the Home, providing a more comfortable space for the residents.

In celebration of 2022 Father's Day, PixArt organized the "Love Fater, Love Hug" campaign. We donated a bag of diapers to senior male residents of St. Joseph Home for every picture of employees hugging their father or child. The campaign was highly welcomed by our colleagues which boxes of diapers were delivered to St. Joseph Home. To further extend our advantage in healthcare, we also donated remote thermometers to the Home, with user instruction explained in person. The thermometers are precise and easy to use, best for taking body temperature and detect mask wearing of guests, family members and residents moving between departments.

- ◆ PixArt reached out to St. Joseph Home to put forward a long-term support program to cater different needs of residents.



PixArt Annual Beach Cleaning

To answer the global sustainability trends, PixArt has been working on ocean protection movement since the establishment of volunteer team in 2017. We have been sponsoring the marine conservation fund established by SOW's Ocean Initiative. The Initiative extended care zone along Hsinchu coastline to cover Hsinchu's Nanliao Beach, Hsin Yue Beach, Hsingchu Bay, Hsiangshan's Nangang Bird Watching Beach, and Miaoli Changching Forest; and have removed a total of 4.13 tons wasted from these areas.

The October beach cleaning in 2022 took place at Siangshan's Nangang Bird Watching Beach, with briefing to raise the marine

ecology awareness among children, developing love and proper knowledge of the ocean. 113 colleagues and their families attended the event, together with nearly 120 residents in the local community, thanks to our community engagement in these two years. We learn to respect the nature and understand our duties to protect the environment. We need to be innovative and make an impact on local residents, empowering more people to cherish and voice up for our marine environment and sustainability.



▼ PixArt colleagues take their families, and residents in the local community to the clean beach action together





▲ A sports class of Yuandong JHS receiving PixArt's support



▲ Certification of Appreciation for PixArt's support

Speed Walking Competition Turned to Fundraising for Children in Remote Areas

The combined health promotion and public welfare event continued from last year to supported year-round breakfast for children living in remote areas. This year, the action extended and we networked with World Vision to offer expanded assistance to even people in need, such as the sports class of Yuandong JHS who live outside the city/county and are from low-income families or single-parent families. Parents had to send their kids to schools far from home for junior high school athletics program. Kids at that age need a lot of energy to practice their sports and relied on outside support for meals during the winter and summer vacations.

In March 2022, we converted the number of steps colleagues accumulated in a walking steps counting competition into funds. With additional donations by individuals as well, the total amount raised covers more than one semester for disadvantaged children to continue their studies and practice.

Appendix

Membership of Associations

GRI Standards Index

UN SDGs Core Indicators Index



Membership of Associations

Item	Participation in External Associations	Member Qualifications
1	The Allied Association for Science Park Industries	Regular Member
2	Friends of the Police Association, Second Special Police Crops, NPA, MOI	Committee Member
3	NTU System-on-Chip Center, SOC	Member
4	RBA on-line	Member
5	Sedex	Member
6	USB IMPLEMENTERS FORUM, INC	Member
7	MIPI Alliance	Member



GRI Standards Index

Material Topics	Core	Disclosure No.	Disclosure Items	Page Listed
GRI 102: 2016				
Organizational Profile	Core	102-1	Name of the organization	P.15 Brand Introduction
Organizational Profile	Core	102-2	Activities, brands, products, and services	P.15 Brand Introduction P. 18 Products and Technology Applications
Organizational Profile	Core	102-3	Location of headquarters	P.15 Brand Introduction P.7 Business Location
Organizational Profile	Core	102-4	Business Location	P.7 Business Location
Organizational Profile	Core	102-5	Ownership and legal form	P.15 Brand Introduction
Organizational Profile	Core	102-6	Markets served	P.7 Business Location
Organizational Profile	Core	102-7	Scale of the organization	P.17 Economic Performance P.7 Business Location P.15 Net Sales P.48 Multiple Working Opportunities
Organizational Profile	Core	102-8	Information on employees and other workers	P.48 Employment data in 2022
Organizational Profile	Core	102-9	Supply Chain	P.42 The Supply Chain
Organizational Profile	Core	102-10	Significant changes to the organization and its supply chain	P.42 The Supply Chain
Organizational Profile	Core	102-11	Precautionary Principle or approach	P.31 Risk Management
Organizational Profile	Core	102-12	External initiatives	P.6 External initiatives
Organizational Profile	Core	102-13	Membership of associations	P.68 Membership of associations
Strategy	Core	102-14	Statement from senior decisionmaker	P.4 A Letter from the Chairman of the Committee
Ethics and Integrity	Core	102-16	Values, principles, standards, and norms of behavior	P.16 Management Philosophy
Governance	Core	102-18	Governance Structure	P.21 Governance Structure
Governance	Core	102-27	Collective knowledge of highest governance body	P.21 Diverse Board Members P.26 Advanced Governing Team
Stakeholder Engagement	Core	102-40	List of stakeholder groups	P.10 The Identification & Selection of Stakeholders
Stakeholder Engagement	Core	102-41	Collective bargaining agreements	P.53 Communication channels

Material Topics	Core	Disclosure No.	Disclosure Items	Page Listed
Stakeholder Engagement	Core	102-42	Identifying and selecting stakeholders	P.10 The Identification & Selection of Stakeholders
Stakeholder Engagement	Core	102-43	Approach to stakeholder engagement	P.10 Stakeholders' Matters of Concern, Methods, and Frequency of Communication, and Specific Procedure Form
Stakeholder Engagement	Core	102-44	Key topics and concerns raised	P.10 Issues of concern and communication methods, Frequency and specific schedule of Stakeholders
Reporting Practice	Core	102-45	Entities included in the consolidated financial statements	P.6 Report Scope and Boundaries
Reporting Practice	Core	102-46	Defining report content and topic Boundaries	P.6 Report Scope and Boundaries
Reporting Practice	Core	102-47	List of material topics	P.12 Major Issues, Impact Range, and Degree of Involvement
Reporting Practice	Core	102-48	Restatements of information	P.6 Report Overview & Publication Frequency
Reporting Practice	Core	102-49	Changes in reporting	P.12 Identifying Major Issues of Concern to Stakeholders
Reporting Practice	Core	102-50	Reporting period	P.6 Report Scope and Boundaries
Reporting Practice	Core	102-51	Date of most recent report	P.6 Report Overview & Publication Frequency
Reporting Practice	Core	102-52	Reporting cycle	P.6 Report Overview & Publication Frequency
Reporting Practice	Core	102-53	Contact point for questions regarding the report	P.7 Contact Information
Reporting Practice	Core	102-54	Claims of reporting in accordance with the GRI Standards	P.6 Reference
Reporting Practice	Core	102-55	GRI Content Index	P.62 GRI Standards Index
Reporting Practice	Core	102-56	External Guarantee/ Assurance	P.6 External Guarantee/ Assurance
GRI 103: 2016				
Management Approach		103-1	Explanation of the material topic and its Boundary	P.12 Major Issues, Impact Range, and Degree of Involvement
Management Approach		103-2	The management approach and its components	P.13 Management Policy Elements and Evaluation of Major Issues
Management Approach		103-3	Evaluation of the management approach	P.13 Management Policy Elements and Evaluation of Major Issues

Material Topics	Core	Disclosure No.	Disclosure Items	Page Listed
GRI 200: 2016 ; GRI 207: 2019				
Economic Performance		201-2	Financial implications and other risks and opportunities due to climate change	P.33 Risk and Opportunity of Climate Change
Economic Performance		201-3	Defined benefit plan obligations and other retirement plans	P.51 Good benefits and welfare P.52 Retirement System
Market Presence		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	P.49 Salary information of non- executive full-time employees
Procurement Practices		204-1	Proportion of spending on local suppliers	P.42 Local Purchases
Anti- corruption		205-1	Operations assessed for risks related to corruption	P.27 Ethical Corporate Management
Anti- corruption		205-2	Communication and training about anti-corruption policies and procedures	P.29 Communication and training about anticorruption policies and procedures
Anti- corruption		205-3	Confirmed incidents of corruption and actions taken	P.29 Communication and training about anticorruption policies and procedures
Anticompetitive Behavior		206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P.29 Compliance Performance
Tax		207-1	Approach to tax	P.30 Governance, Control and Risk Management
Tax		207-2	Tax governance, control, and risk management	P.30 Governance, Control and Risk Management
Tax		207-3	Stakeholder engagement and management of concerns related to tax	P.30 Governance, Control and Risk Management

Material Topics	Core	Disclosure No.	Disclosure Items	Page Listed
GRI 300: 2016 ; GRI 306: 2020				
Materials		301-1	Materials used by weight or volume	P.37 Production and Packaging Materials
Materials		301-2	Recycled input materials used	P.37 Production and Packaging Materials
Materials		301-3	Reclaimed products and their packaging materials	P.37 Recycle Products and Its Packaging Materials
Energy		302-1	Energy consumption outside of the organization	P.37 Energy consumption amount and energy intensity of PixArt
Energy		302-3	Energy intensity	P.37 Energy consumption amount and energy intensity of PixArt
Energy		302-4	Reduction of energy consumption	P.38 Energy Saving and Reduction of Greenhouse Gas
Energy		302-5	Reductions in energy requirements of products and services	P.19 R&D of Green Products
Emissions		305-1	Direct (Scope 1) GHG Emissions	P.38 Air Quality Management
Emissions		305-2	Energy indirect (Scope 2) GHG Emissions	P.38 Air Quality Management
Emissions		305-4	GHG Emissions Intensity	P.38 Air Quality Management
Emissions		305-5	Reduction of GHG Emissions	P.38 Energy Saving and Reduction of Greenhouse Gas
Waste		306-1	Waste generation and significant waste-related impacts	P.39 Waste
Waste		306-2	Management of significant wasterelated impacts	P.39 Waste
Waste		306-3	Waste Generated	P.39 Waste
Waste		306-4	Transport of hazardous waste	P.39 Waste Sorting according to its Type and Disposal Method
Waste		306-5	Waste directed to disposal	P.39 Waste Sorting according to its Type and Disposal Method
Environmental Compliance		307-1	Non-compliance with environmental laws and regulations	P.29 Compliance Performance

Material Topics	Core	Disclosure No.	Disclosure Items	Page Listed
Supplier Environmental		308-1	New suppliers that were screened using environmental criteria	P.43 Supplier Risk Evaluation
Supplier Environmental		308-2	Negative environmental impacts in the supply chain and actions taken	P.43 Supplier Risk Evaluation



Material Topics	Core	Disclosure No.	Disclosure Items	Page Listed
GRI 400: 2016 ; GRI 403: 2018				
Employment		401-1	New employee hires and employee turnover	P.50 Number of new employees and turnover rate by age and gender
Employment		401-2	Benefits provided to fulltime employees that are not provided to temporary or parttime employees	P.51 Good benefits and welfare
Employment		401-3	Parental leave	P.52 The calculation of employees who applied for parental leave in 2022
Labor/ Management Relations		402-1	Minimum notice periods regarding operational changes	P.47 Building employee commitment in an ever-changing workplace
Occupational Health and Safety		403-1	Occupational health and safety management system	P.55 The allocation of Occupational Safety and Health staff
Occupational Health and Safety		403-2	Hazard identification, risk assessment, and incident investigation	P.56 Occupational Hazard Identification, Risk Assessment and Incident Investigation
Occupational Health and Safety		403-3	Occupational health services	P.59 Occupational health services
Occupational Health and Safety		403-4	Worker training on occupational health and safety	P.55 The allocation of Occupational Safety and Health staff
Occupational Health and Safety		403-5	Worker training on occupational health and safety	P.56 Conduct occupational safety training for new employees according to regulations
Occupational Health and Safety		403-6	Promotion of worker health	P.59 Health activities for employees
Occupational Health and Safety		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P.59 Occupational health services
Occupational Health and Safety		403-9	Work-related injuries	P.56 Work-related injuries
Occupational Health and Safety		403-10	Work-related ill health	P.56 Occupational Hazard Identification, Risk Assessment and Incident Investigation
Training and Education		404-1	Average hours of training per year per employee	P.54 Training hours and gender percentage of employees in each sphere in 2022
Training and Education		404-2	Programs for upgrading employee skills and transition assistance programs	P.53 Multiple Training Channels

Material Topics	Core	Disclosure No.	Disclosure Items	Page Listed
Diversity and Equal Opportunity		405-1	Diversity of governance bodies and employeesDiversity of governance bodies and employees	P.21 Diverse Board Members P.48 Employment data in 2022
Diversity and Equal Opportunity		405-2	Ratio of basic salary and remuneration of women to men	P.50 Competitive Salaries
Non- discrimination		406-1	Incidents of discrimination and corrective actions take	P.29 Compliance Performance
Child Labor		408-1	Operations and suppliers at significant risk for incidents of child labor	P.42 The Supply Chain
Forced or Compulsory Labor		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P.42 The Supply Chain
Supplier Social Assessment		414-1	New suppliers that were screened using social criteria	P.43 Method in Accordance with Nonconflict Minerals Use
Supplier Social Assessment		414-2	Negative social impacts in the supply chain and actions taken	P.43 Supplier Risk Evaluation
Customer Health and Safety		416-1	Assessment of the health and safety impacts of product and service categories	P.44 Product Safety
Customer Health and Safety		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	P.29 Compliance Performance
Marketing and Labeling		417-2	Incidents of non-compliance concerning product and service information and labeling	P.29 Compliance Performance
Marketing and Labeling		417-3	Incidents of non-compliance concerning marketing communications	P.29 Compliance Performance
Customer Privacy		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P.29 Compliance Performance
Socioeconomic Compliance		419-1	Non-compliance with laws and regulations in the social and economic area	P.29 Compliance Performance

UN SDGs Core Indicators Index

UN SDGs Cord Indicators	PixArt Performance	Page Listed
	1. Christmas PixArt's Dream Light Up the Hope of a Remote Area	P.62
	2. Donated epidemic prevention resources to St. Joseph's Home in Hukou Township, Hsinchu County	P.64
	3. Saint Joseph's Social Welfare Foundation Happy Egg Rolls Roll Up the Connection of Love	P.63
	4. Donated the fund raised from the charity walk and additional donations from colleagues to help poor and single-parent children in the sports class of Yuandong Junior High School in Hsinchu County	P.66
	Held a fitness charity walk	P.59
	1. Donated epidemic prevention materials and long-distance temperature detector developed by us to other organizations	P.64
	2. Healthy Weight Losing through share meals with Love Breakfast Fund	P.66
	3. Regular Blood Donation Activities	P.59
	4. Academic-industry collaboration project with the National Taiwan University/National Yang Ming Chiao Tung University to improve the quality of domestic education	P.54
	5. Hire visually impaired massage therapists to provide on-site massage service	P.59
	6. Occupational health services	P.59
	7. Promote employee health activities	P.59
	8. Organize fast-walking for weight reduction charity event	P.59
	9. Onsite general practitioner services	P.60
	1. Saint Joseph's Social Welfare Foundation Happy Egg Rolls Roll Up the Connection of Love	P.63
	2. Academic-industry collaboration project with the National Taiwan University/National Yang Ming Chiao Tung University to improve the quality of domestic education	P.54
	3. Hackathon sponsorship project	P.54
	4. Sponsored NTHU Racing Team	P.55
	Maternal Health Protection Plan	P.52
	1. Providing High-quality Water	P.39
	2. Drug administration for mosquito breeding areas	P.60
	1. Saint Joseph's Social Welfare Foundation Happy Egg Rolls Roll Up the Connection of Love	P.63
	2. Hire visually impaired massage therapists to provide on-site massage	P.59
	3. Sponsored the 33 rd VLSI Design/CAD Symposium	P.55

UN SDGs Cord Indicators	PixArt Performance	Page Listed
 - Sponsored the 33rd VLSI Design/CAD Symposium - Participated in the Meichu Hackathon Partner Project		P.55 P.54
	Saint Joseph's Social Welfare Foundation Happy Egg Rolls Roll Up the Connection of Love	P.63
	Energy Saving and Reduction of Greenhouse Gas	P.38
	PixArt Annual Beach Cleaning	P.65





PixArt 2022 Sustainability Report



📍 No.5, Innovation Road 1, Hsinchu Science Park,
Hsinchu, Taiwan, R.O.C.

🌐 www.pixart.com ☎ 03-5795317

© 2023 PixArt Imaging Inc. All Rights Reserved.