

United Nations Global Compact
SINBON Communication on Progress



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STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

PERIOD COVERED BY OUR COMMUNICATION ON PROGRESS
FROM JANUARY 2019 TO DECEMBER 2019

December 18, 2020

Dear stakeholders,

I am pleased to confirm that **Jiangyin SINBON Electronics Co., Ltd.** reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Joseph Wang
Chairman & CEO

HUMAN RIGHTS

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights

PRINCIPLE 2

Businesses should make sure that they are not complicit in human rights abuses

Measurement of Outcome

No human rights violations were reported in the various available reporting channels in 2019.

SINBON donated TWD 3.13 million in 2019.

SINBON's Hope Primary Schools in 2019 has a social investment return rate of NT\$2.44.

SINBON Supports and respects the 2 UNGC human rights principles through policies, procedure, and initiatives:	
Code of Conduct	SINBON operates its business based on the principles of integrity and abides by the laws and ethical standards of the countries where it operates. Regulatory compliance is an important policy of the company. It continues to strengthen regulatory compliance by improving the management system, actively implementing regulatory identification, and organizing education and training sessions.
Committees	SINBON formally established the "SINBON Corporate Social Responsibility Committee" in 2014. The management level of each business unit serves as committee members and is responsible for formulating relevant corporate social responsibility policies. Each unit of the company's general management office is responsible for organizing relevant education and training regularly, such as Administration Department in Taiwan and Strategic Marketing Department. Personnel from related departments take turns to work there. It is hoped that every employee can participate in the core of the corporate social responsibility and understand the current trends and the goal that SINBON aims to achieve. The process of meeting, discussion and information sharing helps bring the corporate culture and philosophy to the front line more effectively.
Sustainability Obligations	SINBON promises to apply and comply with the following labor and employee employment laws and international standards in all operating areas, including freedom of association, privacy, prohibition of forced labor, prohibition of child labor, and prohibition of any improper employment and discriminating laws and regulations. Relevant rules and regulations are specifically stipulated to protect the rights and interests of employees. We continue to promote diversified employee care projects and employee physical and mental health and provide market-competitive salary and benefits to create a happy working environment for all the employees.
Children & Education	<p>Since 2004, SINBON has been learning about the needs of rural children in mainland China through organizations which alleviate poverty through education. The company's employees have voluntarily formed a cultural service team to provide care to the children of SINBON Hope Primary School. SINBON has donated three Hope Primary Schools since more than a decade. In 2019, we will go to visit them together with four organizations and donate VR equipment, audio books, school bags, stationery and other school supplies to diversify their teaching and improve the teaching quality and environment for children in rural areas.</p> <p>SINBON collaborates with the Lovely Taiwan Foundation to promote the "Shennong Project" of the concept of "one school, one acre of school field", the land has become a classroom, where children can step on the soil, sow and cultivate.</p>

LABOUR

PRINCIPLE 3

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Measurement of Outcome

In 2019, 327 people received health services, include maternal protection, skeletal and muscle disease prevention services, and various health promotion activities.

PRINCIPLE 4

The elimination of all forms of forced and compulsory labour

The comprehensive Frequency Severity Indicator in 2019 (FSI) was 0.06, lower than the industry average of 0.18.

PRINCIPLE 5

The effective abolition of child labour

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation

SINBON Supports and respects the 4 UNGC labour principles through policies, procedure, and initiatives:

Health & Safety

"Ensuring the health and safety of employees" is SINBON's commitment to employees. Upholding the four concepts of "safety first, happy work, health and happiness, and social harmony", SINBON implements safety management through safety and health management mechanisms and enhances all employees' safety and the sanitation of the workplace through various preventive and management measures. Inspection and maintenance of equipment and disaster prevention drills were carried out. In addition, employees' health check-ups were organized, as well as environmental safety and health education lectures and other activities. The risks, accidents and diseases at work are reduced. Resources continue to be invested and policies set to prevent and solve workplace health and safety issues.

SINBON attaches great importance to occupational safety and health issues. A labor safety and health committee were established in the Miaoli factory to formulate company safety and health promotion strategies, set company-wide goals of safety, environmental protection and health, and promote continuous improvement plans. The committee consists of 36 committee members, of which 47% are labor representatives. The matters discussed during the meetings are reported to the factory director and associates, hoping to continuously improve the occupational safety and health conditions.

Diversity & Inclusion

SINBON had a total of 5,200 official employees at the end of 2019, of which 43% were men and 57% were women. With the joint efforts of these partners, SINBON can provide better services to customers. SINBON's core values are "Integrity, Innovation and Sharing". In addition to fully empowering employees within the scope of their work, SINBON also provides a smooth and transparent promotion channel; regardless of seniority and gender, every employee has a fair opportunity for promotion. There are also female supervisors under the age of 30 now. The work environment is vigorous and innovative which values equality.

With the rise of labor awareness in various countries, the revision of laws and regulations in Taiwan and elsewhere has also affected SINBON. SINBON uses data to analyze the degree of risk and the impact of domestic and foreign tax law revisions on individuals; it tracks and monitors employee turnover and designs short-, medium-, and long-term strategies for personnel management. The human resources operation center interacts with various business units regularly and reports to top supervisors, so that the management is fully informed of the company's manpower status. As of 2019, SINBON has employed 11 employees with disabilities.

ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environment challenges

Measurement of Outcome

In 2019, 14,313 pieces of paper were saved.

PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility

SINBON's factories in the mainland China reduced water intensity by 20% in 2019 compared to 2017.

SINBON's factories in Taiwan reduced water intensity by 25% in 2019 compared to 2017.

PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies

SINBON Supports and respects the 4 UNGC environment principles through policies, procedure, and initiatives:

Carbon Emissions

SINBON is committed to transforming itself into a Green Enterprise. It continuously devotes itself to the realization of environmental sustainability responsibility. SINBON takes "Go Green" as its commitment and action statement. Through a series of green behaviors, SINBON establishes a foundation of sustainability. The performance is regularly reviewed with the environmental management system ISO 14001 in order to achieve the promise of green operation and sustainable development.

Packaging Material Reduction Measures

SINBON is not only committed to increasing the recycling rate of raw materials but is also dedicated to optimizing and reducing packaging materials through creative packaging. Packaging also functions to protect products more. The raw materials of SINBON's packaging are all 100% recyclable and comply with the EU packaging material specifications.

Green Procurement

In order to optimize work efficiency, SINBON has introduced an Electronic Standard Operating procedures (ESOP) to the information team since 2016, which has effectively improved execution efficiency. Moreover, as digitization reduces paper use and printing, the company's negative impact on the environment has been reduced. The Miaoli County Government thus awarded SINBON with the "Enterprise Green Procurement Performance Award". In 2017, automatic sending of purchase orders was introduced to reduce the amount of paper used. In 2018, the proportion of electronic procurement reached 100%. By 2019, 37,879 pieces of paper have been saved, which is about 681.82 kg of carbon dioxide emissions. We are committed to doing our part for environmental sustainability.

Water Saving Measures

The evaluation of the use efficiency of water resources has always been the focus of water-saving improvement. SINBON's factories in Taiwan uses water resources only for employees' daily life and for watering plants. Measures to improve the efficiency of water use have been taken, such as recycling the cooling water used for cooling machines during production, directing the cooling water into a dedicated water tower for cooling and then for continuous reuse. The concept of "reduction, recovery, and reuse" has been implemented. Under effective control, SINBON's water usage per unit revenue has shown a downward trend in the past three years. Compared with 2017, the water resource intensity of the factories in Taiwan and mainland China in 2019 has been reduced by 25% and 20%, respectively.

ANTI-CORRUPTION

PRINCIPLE 10

Business should work against corruption in all its forms, including extortion and bribery

Measurement of Outcome

No complaints related to laws and regulations, anti-corruption, human rights and employees were received in 2019.

SINBON supports the UNGC principles on anti-corruption through the following policy and process:

Legal Compliance and Consultation

SINBON operates its business based on the principles of integrity and abides by the laws and ethical standards of the countries where it operates. Regulatory compliance is an important policy of the company. It continues to strengthen regulatory compliance by improving the management system, actively implementing regulatory identification, and organizing education and training sessions.

SINBON inspects the company's internal legal compliance status from time to time and identifies any domestic and foreign laws that may have a significant impact on the company's operations, in order to ensure that global operation complies with local laws and regulations and that operational risks are reduced. At the same time, through complete risk management structure and different implementation levels, risks that the enterprise needs to pay attention are identified and understood. With the existing internal control management system, the risks of fraud and misconduct that may occur are minimized. Cross-departmental inspections or inspections from external units can also ensure the compliance of relevant implementation. If there are major violations, SINBON will clearly disclose them in CSR report.

About SINBON

Founded in 1989, SINBON is a leading provider of integrated design and production services for electronic components. Our product applications include data acquisition, computer peripherals and other electronic products. In line with the rapid development of the technology industry and increasing market demand, SINBON meets customers' technical requirements and to provide satisfactory and complete solutions by being committed to product research and development and to enhancing employees' professional knowledge. After years of hard work, SINBON has successfully transformed into a manufacturer that provides complete solutions. We have also entered the automotive electronics industry, the aerospace industry, the industrial control industry, the medical devices industry and the consumer electronics industry, thereby providing customers with a wider range of high value-added products and services.

About SINBON's Corporate Social Responsibility

To enable its employees, partners, and suppliers to implement corporate social responsibility, SINBON established the "SINBON Electronics CSR Committee" in 2014. It manages the concepts of corporate social responsibility and raises environmental sustainability, green proclamation, and social commitment as the cores of promoting corporate social responsibility, also including various issues into their daily management.

For more information about SINBON,
visit www.sinbon.com

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The logo for SINBON, featuring the word "SINBON" in a bold, blue, sans-serif font. The letter "O" is stylized with a horizontal line through its center.