



ELECTRONIC INDUSTRY CODE OF CONDUCT (Version 3.01 – 1 June 2009)

The Electronic Industry Code of Conduct establishes standards to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible.

Considered as part of the electronics industry for purposes of this Code are Original Equipment Manufacturers (OEMs), Electronic Manufacturing Services (EMS) firms and Original Design Manufacturers (ODMs) including contracted labor that may design, market, manufacture and/or provide goods and services that are used to produce electronic goods. The Code may be voluntarily adopted by any business in the electronics sector and subsequently applied by that business to its supply chain and subcontractors.

To adopt the Code and become a participant (“Participant”), a business shall declare its support for the Code and actively pursue conformance to the Code and its standards in accordance with a management system as set forth in the Code. For the Code to be successful, Participants must regard the code as a total supply chain initiative. At a minimum, participants shall also require its next tier suppliers to acknowledge and implement the Code.

Fundamental to adopting the Code is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules and regulations of the countries in which it operates. The Code encourages Participants to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility.

The Electronic Industry Citizenship Coalition is committed to obtaining regular input from stakeholders in the continued development and implementation of the Electronic Industry Code of Conduct (EICC).

The Code is made up of five sections. Sections A, B, and C outline standards for Labor, Health and Safety, and the Environment, respectively. Section D outlines the elements of an acceptable system to manage conformity to this Code. Section E adds standards relating to business ethics.

Our commitment to the code and CSR:

Our experience has shown that improving supply chain SER performance requires sustained commitment. Our relationships with customers are typically long term, which helps us work effectively with them. Our CSR team is focusing on:

- Integrating social and environmental requirements into our sourcing operations
- Helping suppliers build their SER competencies by directly engaging workers and management
- Collaborating with nongovernmental organizations (NGOs), governments and industry peers to inform, validate and improve our efforts
- Reporting fully and transparently the aggregated results of self-audit, supplier audits, remediation efforts and training.

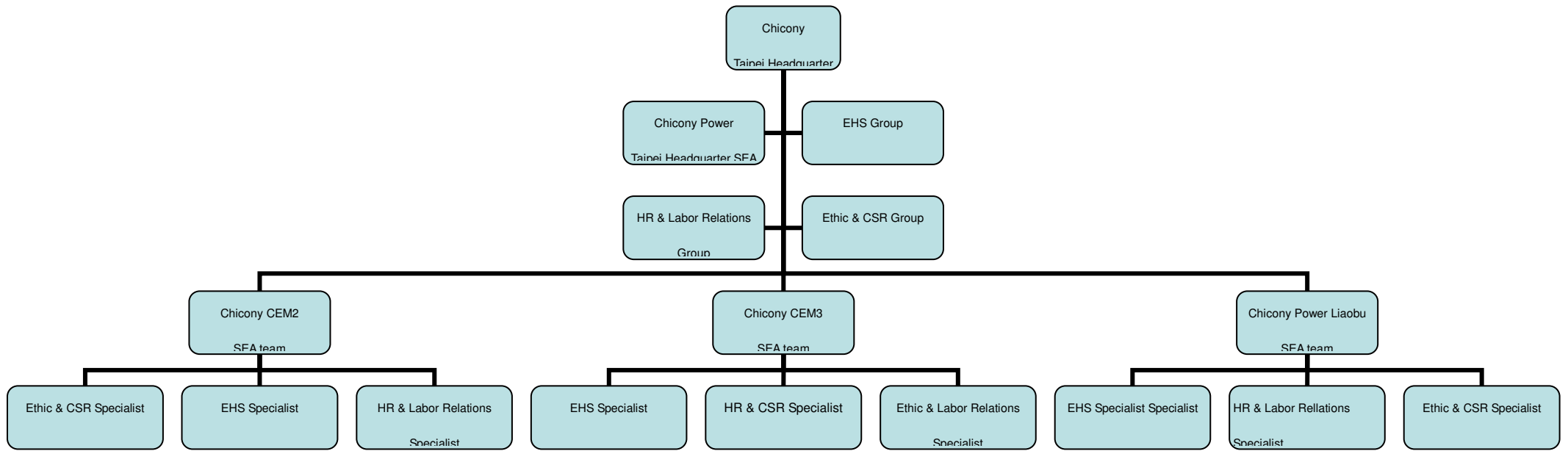
During 2010, we focus on building the capabilities of facility, which we have done internal audits for each manufacture site every month.

Our CSR team structure:

The expanding scope of CSR at Chicony adjust the structure of our CSR organization to ensure that we are faithful to our CSR commitment.

The top CSR organization within Chicony is the CSR Board. The CSR Board is chaired by vice-chairman of the board and President, Mr.Mao-Kuei Lin , and its membership includes Chicony' Chief Executive Officer, Chief Operations Officer as well as the top executives for headquarter and China.

The CSR Board oversees three task-oriented functional committees: "Environment, Health& Safety", " Human Resources & Labor Relations" and "Ethic & Corporate Social Responsibility". The committee members are made up of the heads of business groups, site directors and the relevant department directors. Their responsibilities include the defining of Chicony policy, benchmarks, selecting the coordinators for their respective working groups, supervising the performance of the working groups and reporting back to the CSR Board. The working groups under each committee are, in turn, made up of personnel from the business divisions, plants or relevant departments to ensure total implementation. The organizational structure is as shown below.



About Chicony Group SEA organization:

The top CSR organization within Chicony group is the Chicony Taipei headquarter SEA Board. The CSR Board oversees three task-oriented functional groups: "Environment, Health& Safety", " Human Resources & Labor Relations" and "Ethic & Corporate Social Responsibility". The committee members are made up of the heads of business groups, site directors and the relevant department directors. Their responsibilities include the defining of Chicony group policy, benchmarks, selecting the coordinators for their respective working groups, supervising the performance of the working groups and reporting back to the SEA Board. The working groups under each committee are, in turn, made up of personnel from the business divisions, plants or relevant departments to ensure total implementation.

Working groups job description:

1. EH&S group:

EH&S group is responsible for ensuring compliance with all Federal, State, and Local regulations, Standards, Codes and Compliance Policies. This group has three major areas of responsibility which include a behavior based injury prevention process, worker's compensation management including medical case management, and regulatory compliance. The most important incoming role of this group is to reduce energy conservation, Wastewater and Ambient Water Quality, and Hazardous Materials Management.

2. HR& Labor Relations group:

This is focus on two major field. About Labor relations: Freely chosen employment, Child labor avoidance, Working hours, Wages and benefits, Humane Treatment, Non-Discrimination, and Freedom of association. About Human resource and management system: Company commitment, Management accountability and responsibility, Legal and customer requirements, Risk assessment and risk management, Improvement objectives, Training, Communication, Worker feedback and participation, Audits and assessments, Corrective action process, and Documentation and records.

3. Ethic & CSR group:

About CSR in Chicony is fundamental to adopting SEA is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules

and regulations of the countries in which we operates. We encouraged to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility. As to Ethic issues we focus on Business integrity, No improper advantages, Disclosure of information, Intellectual property, Fair business, adveristing and competition, and Protection of identity.

The CSR Initiatives

The EICC laid down standards to ensure respect and dignity and safe working conditions for the workers in the electronics supply chain industry. The code also required that the manufacturing processes in the industry be environment-friendly. Chicony formulated this code to ensure that we were complying with the social and environmental policy to our customers. In 2010, Chicony introduced training programs for its managers who interacted with the suppliers. This was done so that the managers could raise awareness of the company's SER and CSR program among customers and suppliers, and encourage adherence to the company's policies. Chicony conducted customer assessments and do internal audits to understand and gauge the performance of our manufacturing processes.

As to social responsibility, together with our stakeholders, we are a force for positive change around the world. The power of collective knowledge and working partnerships can help us address some of the world's most pressing social issues.

We respond to global disasters. As a community partner, we come together in times of crisis to help those in need. From 2008 to 2010, Chicony responded to several natural disasters. With the crisis in the Great Sichuan Earthquake 2008 in China, we worked quickly to provide immediate aid for those in need, we gave corporate and employee donations totaling more than RMB 22 million. In 2009, with the crisis in the Typhoo Morakot , Typhoon Morakot wrought catastrophic damage in Taiwan, leaving 461 people dead and 192 others missing, most of whom are feared dead and roughly NTD 110 billion in damages. We Chicony cares about what our home country was suffering from the disaster, therefore, we gave corporate and employee donations totaling more than NTD 70 million. In year 2010, we signed a contract with National Taipei University of Technology for NTD 4 million. This scholarship is named "Chicony English Improving Program". It mainly a subsidy to help students who want to attend English tests and giving rewords to the outstanding persons.