



# MiTAC Sustainability Report

2022





YEARS ■ ANNIVERSARY



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# About the Sustainability Report

It has been 14 years since MiTAC started compiling its Sustainability Report. The Report, among others, manifests our performance in global CSR in 2022 and our efforts in environmental protection and CSR. The management in different dimensions from the employees to the customers and suppliers has fully reflected our endeavors to facilitate the sustainable development of the living environment for human beings. The Report covers issues that different stakeholders were concerned about. The data were reviewed at the preparation stage based on our linear observations over the past years. A GRI standards comparison list is also provided this time. The details are explained in individual corresponding chapters and sections.

In relation to MiTAC Holdings Corp.'s online stakeholder survey report, the topic concern level questionnaire is expected to be introduced by the first quarter of 2023, where stakeholders will be asked to provide their feedback and suggestions, which will be analyzed internally to achieve effective communication. This in turn helps us to understand your concerns and will also be used as the main reference for information disclosure in the report.

## Report Framework

The Report was written in accordance with the GRI Sustainability Reporting Standards (GRI Standards) Core Option and AA1000. It was also a response to the "UN Sustainable Development Goals (SDGs)." The issues, strategies, goals and actions to achieve sustainability in corporate social responsibility of this Company are disclosed with respect to the GRI approaches and frameworks.

## Quality of the Report

MiTAC has incorporated the report preparation into the internal process control with the aim of improving the quality and accuracy of its reports. Corrections to the reports are made upon discovery of shortcomings. MiTAC commissioned SGS Taiwan to provide assurance about the compliance of the Report with the GRI Standards Core Option and the requirements of AA1000 Type1 moderate assurance. The Report was then submitted to the Sustainable Development Committee for approval before publication.

## Information Boundary

The data contained in the Report is within the boundary of the R&D and manufacturing locations of MiTAC Holdings Corp., as well as the subsidiaries of the brands. The Report covers the data and description of issues including financial performance and business operations in the economic category; product responsibility and environmental protection in the environmental category; employee, supplier and contractor and social welfare in the social category.

The scope of this Report includes the global operating locations of MiTAC Holdings Group with over 95% revenue. They are the Taiwan operating and Taiwan R&D center, the major production locations in China including MSL in Guangdong/MKL and MISK in Jiangsu, and the assembly plant in California, USA: MiTAC Information Systems Corp. The operating locations and after-sale service centers that are not of the Company's subsidiaries or offices are not included. Information will be disclosed with respect to the GRI Standards. The scope of calculation will be explained, including the demonstration sites.

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# Messages from the SDC Chairman

MiTAC Inc., the first computer company in Taiwan, established MiTAC International Corp. in the Hsinchu Science Park in 1982. It is definitely not an easy thing for an IT company to survive for four decades in Taiwan; such an achievement is attributable to the Group's management of business development from the consistent point of view of robust operations. In recent years, as people are starting to care more and more about climate change, human rights, social welfare and corporate governance, the term "ESG" in relation to sustainable operations has come out. However, before the existence of the term, we have already formed a corporate culture focusing on talent development orientation, innovation value, integrity and honesty, and corporate social responsibility based on the philosophy of "robust operations," which in fact corresponds to the core concept of ESG. While depending on this basis, we also make adjustments according to the social and industrial changes. We aim to promote sustainable growth with digital transformation in the expectation of permanent development.

In the last two years, the COVID-19 pandemic has continued to spread, and the risk of extreme climate has become increasingly serious. In such an uncertain context, the goal of limiting global warming to 1.5°C was kept within reach according to the COP 27 ending on November 20. Knowing full well the urgency of the relevant issues, MiTAC has organized the Sustainable Development Committee. With the President serving as the convener and the Sustainable System Planning Division acting as the implementation unit, the committee invites the personnel of all departments to, in a broader way, review the social and environmental impact of MiTAC's products, services, processes and activities, strike a balance among the environment, society and financial performance, and response to the issues our internal and external stakeholders are concerned about. We jointly identify the focus and resources of implementation for each stage in a progressive manner in line with the SDGs, carry out the implementation plans upon consensus, check and review the results, and make improvements.

Regarding environmental protection, the Group's emission reduction goals and pathways have been set. Focusing on ways to ensure corporate growth and continuous emissions reduction at the same time, we have started to implement the plans such as the installation of solar power generation panels in all plants since last year; the power thereof has accounted for 3.4% of the total power consumption. Also, each plant has taken active actions to update equipment, encourage energy-saving measures, etc. In 2022, we invested approximately NT\$23 million in seven energy conservation and emissions reduction programs, with around 4,785GJ of energy saved and 715 metric tons of emissions reduced annually. In addition, we collaborated with the professional tree protection organizations to plant 3,750 trees in high mountain areas last year, which is significant for the mitigation of global warming, conservation of water resources, and development of biodiversity. Since the COVID-19 pandemic has not yet subsided, the MiTAC pandemic prevention team, giving priority to the safety and health of the employees, has set the infection prevention, impact minimization and rapid recovery as the overall goals, and promptly adjusted the pandemic prevention measures in different areas in accordance with the instructions of local governments. During the peak of the pandemic, our employees were arranged to work on different schedules, and a flexible work-from-home system has been adopted. Meanwhile, on-site vaccination sessions were provided; in 2022, 336 doses of COVID-19 vaccines and 226 doses of influenza vaccines were given to the employees and their family members.

When the impact of the pandemic was mitigated, a "Health Promotion Event" was held. A variety of activities were designed, attracting 379 participants and producing impressive results such as a total reduction of body fat by 216% and a total waistline reduction by 482cm. We thereby received the "Healthy Workplace Certification" from the Health Promotion Administration and the "Taiwan i Sports" mark for Sports Enterprise from the Sports Administration. To create an even more friendly workplace, we have provided an additional childbirth subsidy of NT\$20,000 per embryo and arranged an internal creativity contest to encourage internal innovation, enabling our employees to enhance their work efficiency in the healthy, safe and friendly environment. Moreover, great emphasis has also been laid on the diversity and equal opportunities of the employees; there are currently up to a quarter of female employees holding positions in middle and top management.

As an indicator of corporate sustainable operations, ESG motivates companies to contribute to the wonderful and co-prosperous environment and society through various dimensions. We have steadily incorporated ESG into the principles of work instructions of each department, turning ESG into an integral part of the corporate culture so that all our employees, and even our partners in the supply chain, can work hand in hand on numerous ESG actions, further bringing about ripple effects, spreading our corporate influence, and building a sustainable and bright future together.

Chairman: Matthew Miau

President: Billy Ho





# About MiTAC

## A Leading ICT Service Provider

As a leading technology and service provider, MiTAC Holdings Group offers cloud and edge computing solutions, total solutions for 5G ORAN business, as well as automotive electronics, telematics services and IoT software and hardware integration services through the important subsidiaries, MiTAC Computing Technology Corp. (MCT), MiTAC Digital Technology Corp. (MDT) and MiTAC International Corp. (MIC). As the head of the Group, MiTAC Holdings Corp. (MHC) maps out the group's development, investment, and strategic partnership plans; provides integrated resources; enhances the integration effectiveness of marketing, manufacturing, and logistics service platform; and supports the development, talent fostering and licensing of specialized operations for the foregoing businesses. All these are meant to achieve fast organizational alignment with group decisions for specialization and better governance, which would in turn advance its industry leadership for continuous growth and sustainable management.

MiTAC International Corp. was founded in 1982, and MiTAC Holdings Corporation was established in 2013. Throughout these four decades, the Group has developed into a multinational organization of JDM/ODM/OEM/OPM (Original Product Manufacture), design and R&D, manufacturing, testing, assembling, marketing, and servicing. We have around 6,500 employees around the world, including about 2,000 employees working as R&D and testing engineering personnel. With the headquarters in Taiwan and the manufacturing and logistics centers in Guangdong and Jiangsu of China, Hsinchu of Taiwan and California of the US (a total of five production locations with 3,864.8Kft<sup>2</sup>), we provide regional customers with the most competitive products and services through our leading brands including Mio, Magellan, and Navman (for auto electronics) and TYAN (for servers). For information of the Group's business locations in the world, please visit our official website ([www.mitac.com](http://www.mitac.com)).



# About MiTAC

## Total Solutions for Cloud Computing, Edge Computing, 5G ORAN and IPC

We have developed a flexible and customizable supply model that meets the demand of different systems and applications based on the capacity in design and manufacturing and performance in large datacenter construction accumulated over 30 years, alongside the customization capacity of our own brand TYAN and the well-established partnership with distribution channels and system integrators. Through constant R&D and product and platform diversity, we provide servers, storage systems, networking solutions, and embedded products in the smart age featuring smart services, AI, and 5G that links edge computing and cloud computing based on our unlimited innovation energy, in order to provide valuable solutions for industries and to realize the smart lifestyle of IoT applications for users. The 2022 MiTAC server shipment quantity ranks number 6 according to the DIGITIMES Research's investigation and research results according to the shipment quantity of the servers by the ODM manufacturers in Taiwan.



## Automotive Electronics, Telematics Services and AIoT Software and Hardware Integration Services

We have a full range of navigation systems, automotive-grade ODM experience, and outstanding R&D, integration and testing capacity. Distributing products in the consumer and specialty markets with our own brands including Mio, Magellan and Navman, we have won numerous international design awards and earned acclaim from worldwide media. Software-hardware-integrated total solutions covering dashcams, smart cameras, navigation systems, and advanced driver-assistance systems (ADAS) have been created. In addition, a series of professional tablets and device management platform systems have been developed for use in the logistics, tourism, healthcare and industrial fields to cut costs and enhance work efficiency. With strong R&D and design capacity and rich manufacturing experience, we have become the trusted partner of world-class customers. In terms of automotive electronics and AIoT products, the current market share for the brand in automotive electronics is secured at top 3 spots in the world.

# About MiTAC

## Operating Results

In 2022, MHC's consolidated revenue amounted to NT\$47.833 billion, with earnings before taxation reaching NT\$11.338 billion and EPS of NT\$7.76. The Company's financial information was compiled in accordance with the International Financial Reporting Standards (IFRS) and has been certified by the CPAs. The relevant data sources are the annual financial statements; the financial details can be accessed through the following channels:

### Market Observation Post System

<http://mops.twse.com.tw>

(Stock Code: 3706)



MiTAC IR Information  
Section

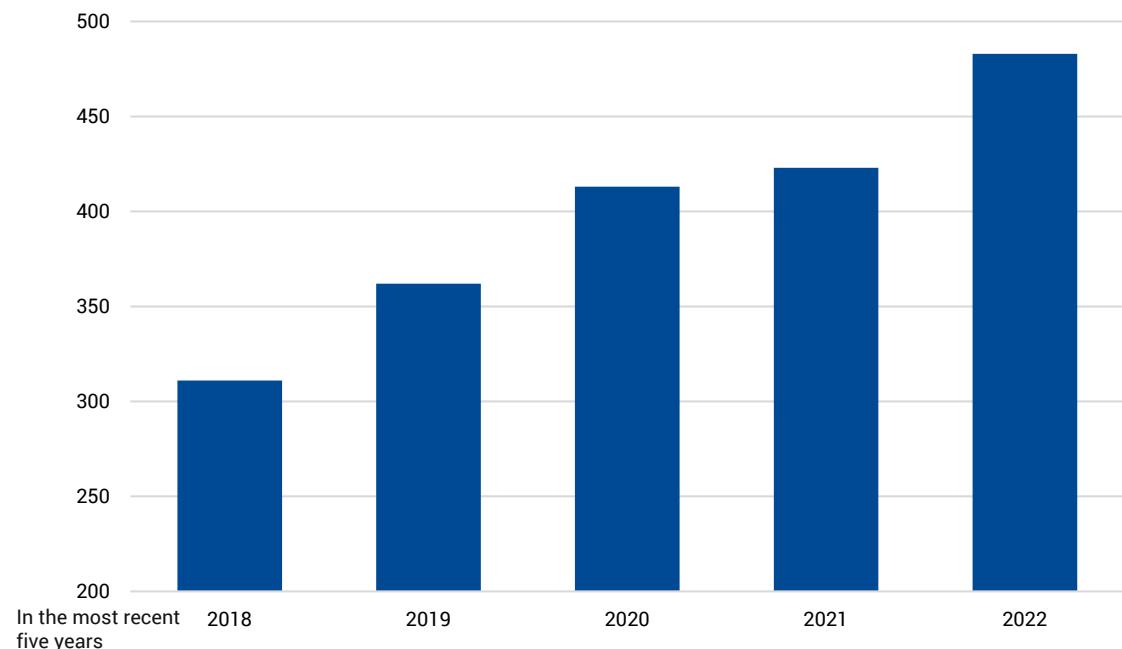


MiTAC Corporate  
Governance Section

Revenue (NT\$100 million)

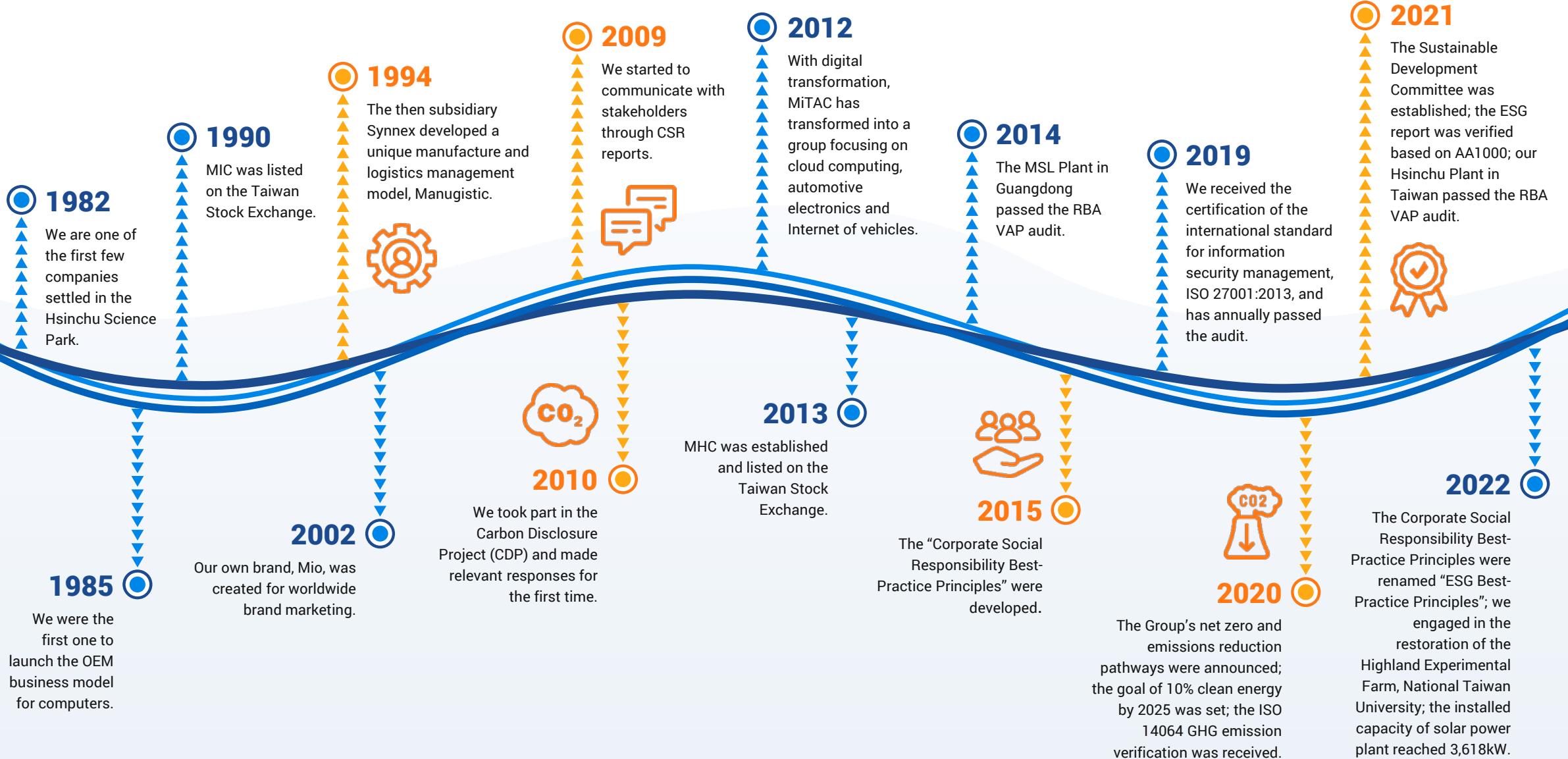
Item	2022
<b>Direct economic value generated</b>	
Operating revenue	47,833
<b>Direct economic value distributed</b>	
Operating costs (excl. employee wages and benefits)	41,250
Employee wages and benefits	5,904
Payments to providers of capital - dividend	1,569
Payments to government (Note 1)	376
Community investments (Note 2)	6
Financial assistance received from government (Note 3)	117

Note 1: The income tax expenses and various taxes; by region, including Taiwan, Asia, America and Europe (separated)  
Note 2: Including donations and expenses arising from public welfare activities such as tree planting and restoration.  
Note 3: Mainly including the income from the subsidies and project grants from the government.



# Sustainability Performance

## Milestones of MiTAC Sustainable Management



# Sustainability Performance

## Comprehensive Sustainability Performance in 2022

### Environmental Sphere 01

- ISO 14064 verification completed for the third consecutive year since the base year
- Carbon emissions reduced by **715** metric tons through the seven energy conservation programs
- Use of renewable energy increased by **49.5%** compared to the previous year
- Total waste in 2022 decreased by **7.4%** compared to the previous year
- Water withdrawn in 2022 decreased by **4.3%** compared to the previous year
- **11** climate risks and **4** climate opportunities identified using **TCFD**

### Governance Sphere 02

- Attendance rate of **100%** for all meetings of the Board of Directors, Remuneration Committee and Audit Committee
- Selected as one of the **top 6-20%** companies participating in the Corporate Governance Evaluation for the fourth consecutive year
- Selected as one of the "**TWSE CG 100 Index**" for the third consecutive year
- **100%** of the procurement employees signing the "Integrity Commitment Agreement"
- Supply chain ethics management implemented and utilization of compliant minerals reaching **100%**
- Continually passing the **ISO 27001** third-party verification

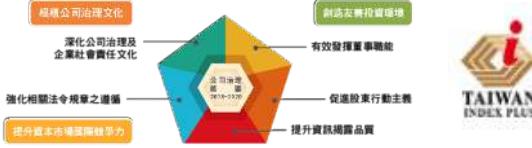


### Social Sphere 03

- "**Healthy Workplace Certification**" awarded by the Health Promotion Administration
- "**Taiwan i Sports**" mark for Sports Enterprise awarded by the Sports Administration
- Up to **a quarter** of our female employees holding positions in middle and top management
- **68.1** hours of employee educational training on average per person in 2022
- Retention rate of outstanding employees reaching **87.3%** in 2022
- **3,750** trees planted through a tree planting plan
- **101,250CC** blood collected through blood donation



# Sustainability Performance



We were ranked among the top 6%–20% of all listed companies participating in the Corporate Governance Evaluation, and selected as one of the “TWSE CG 100 Index.”



MiTAC Computer (ShunDe) Ltd. was recognized as an “Employee-Caring Advanced Enterprise in 2022 Shunde District Double Love and Double Evaluation of Non-public Businesses.”



MHC received two “Badges of Accredited Healthy Workplace” from the Health Promotion Administration, Ministry of Health and Welfare.

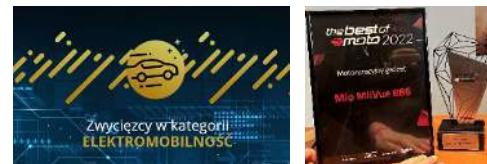


MIC, MDT, MCT received the Taiwan i Sports mark for Sports Enterprise. (2021-2024)



**TAIWAN EXCELLENCE**

MDT received the honor of the 2023 Taiwan Excellence Award for two products.



MDT's two products were recognized by the Best Product in Poland and the best Automotive Gadget



MDT won the **Best Choice Award 2022** in the COMPUTEX TAIPEI for its telematics management solution.



Mitac's carbon reduction commitment, calculated by the “Enterprise Carbon Reduction Thermometer” (TRIPs), complies with the Paris Agreement's goal of keeping the earth's temperature rise below 1.5°C by the end of this century

- MiTAC and MCT (Hsinchu Plant) took part in the “Application Promotion Project for Electronic Information, Smart Manufacturing and Service Robots” of the Industrial Development Bureau, Ministry of Economic Affairs, leveraging CFX-IPC-2591 and HERMES to set up demonstration lines that meet the future requirements of high-end smart manufacturing (AI and big data).
- We actively cooperated with the “Implementation Project of 2022 National Occupational Health and Safety Week Events” of the Occupational Safety and Health Administration, Ministry of Labor and received the participation certificate.
- MiTAC Computer (ShunDe) Ltd. was recognized in the “2021 Digitalized and Smart Demonstration Workshop in Foshan City” and the “2022 Digitalized and Smart Level-2 Demonstration Plant in Foshan City.”

# MiTAC's 40th Anniversary

**Engaging in Meticulous Management for 40 Years, MiTAC  
Seeks Talents via a Focus on Innovation, Explores  
Sustainability with Smart Technology and Interconnection, and  
Create a Bright Future through Digital Transformation**

MiTAC International Corp. (MIC) was separated from MiTAC Inc. and established in the Hsinchu Science Park in December 1982. Having gone through the changes in the IT industry and repeatedly experienced new developments, growth, frustration, transformation, prosperity, etc., we have matured through the struggle of intense competition and comparison, and gained the wisdom to be grateful for everything when looking back. The innovation DNA and team-based implementation are the greatest momentum that keeps us moving forward courageously. [Accordingly, we take "ESG" as the core of the sustainable operations to "realize a future for the sustainable development of a smart interconnected environment by combining innovative products and services."](#)

In the aspect of corporate governance (G), we enhance the control and drills for risks, boost the protection of information security and implement corporate governance, especially when the overall environment is full of uncertainties.

For the promotion of social (S), we have provided a safer and healthier workplace, upgraded the employee welfare with the additional "childbirth subsidy," held an internal "Health Promotion Event," arranged the "Creativity Contest" to encourage internal innovation, and devoted ourselves to more public welfare activities based on our specialty.

With regard to environmental protection (E), the Group has currently set specific goals: emissions reduction by 30% by 2030, and net zero by 2050. Meanwhile, we have installed solar power generation equipment in different plants, with the aim of achieving 10% clean energy by 2025. Regarding the launch of the tree planting plan, we have worked with the Tse-Xin Organic Agriculture Foundation on afforestation of the abandoned farmland in Fushoushan, and with the Highland Experimental Farm, National Taiwan University on their post-fire tree planting plan in Nantou, which directly contributes to the carbon reduction, ecology and biodiversity. Also, we are continuously moving towards the modes of green factory, green supply chain and eco-friendly product design.



# MiTAC's 40th Anniversary

Strategy Green Power Investment, Continuous Renewable Energy Ensured with Photovoltaic Panel Installation



The Group has set emissions reduction goals and installed photovoltaic panels in the plants in Shunde and Kunshan in China, California in the USA, and the Hsinchu Science Park in Taiwan. 2,431MWh of electricity was produced in 2022, and the supply is expected to be increased by 1,200MWh in 2023.



A Six-year Tree Planting Plan Launched in Taiwan's High Mountains, Increase Forest Carbon Sink and Enhance Climate Resilience



We have collaborated with the tree planting team of the Tse-Xin Organic Agriculture Foundation for the afforestation of the abandoned farmland in Fushoushan, in the hope to bring the temperate broadleaf and mixed forest back to the area. As the location is near the Techi Reservoir, some of the upstream parts of the Techi Reservoir are likely to work as catchment areas again. Also, we have worked with the Highland Experimental Farm, National Taiwan University on their post-fire tree planting plan in Nantou, intending to restore the primary forest in the Central Mountain Range through breeding and planting. In 2022, 3,750 trees were planted under the two programs. We expect to plant 26,250 trees native to Taiwan within 6 years through several stages so as to facilitate the enhancement of climate resilience, the development of biodiverse environment, and the protection of water resources.



Green and Smart Plants to Strengthen Resilience of Supply Chain and Boost Services and Value for Customers



In response to the digital transformation of the Group, we are transforming our manufacturing bases into "green and smart plants" by deploying the SMT equipment standard protocol, digitalizing the production processes, and introducing automated smart manufacturing. Meanwhile, we make use of the new technologies of AI, big data, IoT and cloud application to strengthen the resilience of supply chain and boost the services and value for customers. Our plant in the Hsinchu Science Park has played a role in the IPC CFX demonstration team organized by the Industrial Development Bureau, Ministry of Economic Affairs, adopting relevant quality standards of electronic assembly to set up an effective management process. Besides this, the MiTAC Computer (ShunDe) Ltd. in China was recognized as a "Benchmarking Developing Enterprise of Industrial Internet in Shunde District" as well as "Developing Area of 5G+ Industrial Internet Application in Shunde District" in 2021, and a "2021 Digitalized and Smart Demonstration Workshop in Foshan City" as well as "2022 Digitalized and Smart Level-2 Demonstration Plant in Foshan City" in 2022.

# MiTAC's 40th Anniversary

## Certifications and Recognition Received for Our Healthy and Safe Workplace that Ensures Both Health and Safety



As “pandemic control” has been the management focus and the key to business continuity and robust growth in recent years, we have placed continuous emphasis on human rights management, health and safety, and environmental protection. Accordingly, MiTAC Computer (ShunDe) Ltd. became one of the winners of the “Employee-Caring Advanced Enterprise in 2022 Shunde District Double Love and Double Evaluation of Non-public Businesses,” “2021 Asia Best Workplace Awards,” “2021 OneFLAG Awards: Best HR Management Project - Deputy Guidance Program” and “HRoot Awards 2021.” As for the bases in Taiwan, we organize the “Health Promotion Event” featuring diversified and interesting activities on an annual basis, and have received the “Healthy Workplace Certification” from the Health Promotion Administration and the “Taiwan i Sports” mark for Sports Enterprise from the Sports Administration.

## Physical Family Day Event and Happy 40th Anniversary Uniform Day for Better Consensus and Solidarity of Employees



We arranged a Family Day event for the employees and their families to gather when the pandemic-related restrictions were gradually lifted. Environmental education-related activities were devised, such as “Go Green,” a game that introduced the Green Mark, marine protection, and protected animal species in Taiwan, and “Throughout the Pushin Ranch,” a stamp collecting game designed based on the UN SDGs. Also, a professional entomologist and herpetologist was invited to educate the participants about the issue of biodiversity protection in an entertaining manner, and there were hand sanitizer and mosquito repellent gel DIY activities conducive to good health.

On December 8, which was the date we were founded, we invited all the employees to participate in the celebration and feel the happiness of being a part of MiTAC by wearing the MiTAC's uniform and submitting photos online, attending related pop-up events, and enjoying the cakes and bookmarks.

## Specialty-based Contribution to Public Welfare via Dashcam Donation and Other Social Welfare Activities



Based on our own specialty, we donated Mio’s cutting-edge high-end dual-lens car dashcams and motorcycle dashcams to the Guishan Precinct, Taoyuan Police Department, supporting the police to ensure the residents’ security and social order. MiTAC has also taken part in lots of social welfare activities, including those launched by ourselves or by external units, or voluntary donations by our internal clubs, in the belief that every little makes a mickle. These include sponsoring the CTBSAD, donating

MiTAC/Mio cycling jerseys to the cultural cycling team of White Organization, inviting public interest groups to perform in the year-end parties, buying atemoyas for employees to support the growers, arranging blood donation events, and assisting the Children Are Us Bakery, Angel Eden, Syin-Lu Social Welfare Foundation, Institute for the Blind of Taiwan, Taoyuan Dementia Association, and Hsinchu Dialysis Patient, etc.

# MiTAC's 40th Anniversary

## Creativity Contest for Promotion of Creativity, Vitality and Internal Innovation to Work towards the Group's Vision



As innovation has long been an important driving force behind the Group's development, we specially ran the MiTAC Creativity Contest on the topics of new transportation patterns in future, digitalized and smart work environment, new life of smart home, and energy saving and carbon reduction for a sustainable earth, which were all closely related to the Group's future development directions and the mainstream trends. The event provided space for the employees of all positions within the organization to show their creativity and dreams. They were given an opportunity to share the product designs they desired, which helped inspire the consideration from different perspectives, stimulate new possible corporate directions and development, and enable us to become a sustainable enterprise with innovation and competitiveness that creates a future for the sustainable development of a smart interconnected environment.

## Information Security-related Internal Challenge Game and Education for Better Awareness of Information Security



Knowing that one should not rely on luck when it comes to information security, MiTAC has not only obtained the ISO/IEC 27001 Information Security Management System Certification, but also arranged annual drills and courses to deeply develop the competence of information security of all employees. We even held an online game, Information Security Challenges for Rewards, which was promoted through multiple channels such as push notifications on the corporate communication platform, emails and advertising short films to encourage the employees' participation in a variety of interesting activities therein; the game concluded with the online livestream of the awards ceremony in which the President granted awards to the winners with the pandemic protection ensured at the same time.

## The Management Sharing the Philosophy of Sustainable Operations and the Group's Vision



The Future of the Group and Sustainability



Innovation DNA and Development Advantage



Customer Focus and Talent Cultivation

# Mio's 20th Anniversary



## New Journey and New Brand Records Based on Brand Capacity Accumulated for 20 Years

As of 2022, Mio has been founded for 20 years. During the two decades of the brand history, Mio was engaged in the businesses of PDA, smartphone and PND, and reached its first peak in the navigation market. In the face of the changes in the trend of navigation market, Mio later transformed into a total solution developer and provider for automotive electronics, professional tablets and AIoT products with the core technologies developed for years and the innovative brand power. Today, it has become a brand of automotive electronics products that not only has the largest market share in Taiwan but also plays a leading role in the major countries and markets in the world.

## Pioneers and New Employees of the Brand Creating a Gorgeous 20th Anniversary with Mio

In the staff meeting of Mio's 20th anniversary, 66 senior officers and partners from the units of marketing, production and sales, product development, sales, and R&D received the special Brand Pioneer Award as a token of our gratitude to them for contributing to the brand's 20-year development in the markets as the most reliable warriors that pioneered Mio's businesses for years. The efforts and support of the frontline entry-level employees have also been the factors that determine Mio's success. All the employees are part of the important driving force for the brand's remarkable achievements; they all incorporate the core spirit of thoughtful design into projects or personal work, developing consumables and professional products with the core feature of consideration for users based on the perspective of the markets.

## Moving Ahead with Mio and Never Stop

"Brand management is a long journey," the MDT Chairman Billy Ho said, "we hope that all the employees can jointly promote the brand across the world in an aggressive manner, moving ahead with Mio in the following one or two decades and never stop."

# Mio's 20th Anniversary

In the staff meeting, exclusive awards were also presented to honorable teams in relation to the projects of Mio with exceptional performance:

## Diligence Together Award:

In 2021, the dashcam products of the brand had a breakthrough development: recording quality of 4K high resolution, which enabled them to become an indicator of high-specification products second to none in the industry. In the same year, the MiVue 892D even won the 2021 Computex Best Choice Award.

## You-Are-My-Bro Award:

MioEYE K Series and VisionMax Back End reflect the development ranging from a new connected dashcam to the exclusive back-end management system. With the VisionMax Video Telematics Management Platform launched in 2022, MDT and Mio officially expanded the scope of products and became a total solution provider. Corresponding to MHC's vision of active digital transformation within the Group, MioEYE K Series and VisionMax have been recognized by not only the Computex Best Choice Award but also the 2022 and 2023 Taiwan Excellence Award in these two years.

## Cornucopia Award:

Mio has been engaged in the field of professional tablets for more than 10 years. Starting with the professional medical field, the brand has developed product lineups covering 5-inch, 7-inch, and 10-inch tablets throughout the years and accordingly got great recognition from the customers in different professional fields. In particular, the 7-inch MioWORK F740 / F740s Series professional tablets for in-vehicle use shows a steady shipment volume in the fields related to fleet management and transportation in Europe, making Mio a brand designated by the customers and generating revenue for Mio and the Company in a stable manner.

## Meritorious Contributor Award:

The employees of Engineering Support Division and Sales Division III of the Operation Center have made use of their innate and trained sensibility to be in precise control of the schedule, product cost quotation and materials for all projects.

## Resourcefulness Award:

The employees of the Production and Sales Coordination Division of the Operation Center have actively stayed on top of the progress of each project upon the confirmation of a customer order. The work includes complex details ranging from material preparation, shipment arrangement to close follow-up to the payment; these employees have to take account of various factors, ensure that every part goes as planned, and support the sales personnel to maintain a good relationship with each customer.



A photograph of a modern building with a large glass facade. In front of the building is a green roof garden with a wooden bench and some flowers. The sky is clear and blue.

# Sustainable Management

## 1

- 1.1 Sustainability Policies
- 1.2 Links between MiTAC and SDGs
- 1.3 Communication with Stakeholders
- 1.4 Material Issues

# 1.1 Sustainability Policies

Committed to sustainable operations, MiTAC works towards the goal of sustainable development based on the core values of integrity, responsibility and innovation. In 2022, the Company formed the "Sustainable Development Committee" consisting of the Office of the President and the corresponding units to put forward sustainable development policies, systems or relevant management approaches and concrete implementation plans, and put them into practice.

## Implementation Items of the Sustainable Development Committee

To foster corporate ESG, the committee decides the focuses and targets of MiTAC's sustainable development, and promotes Design for Environment (DfE) of products, energy saving and carbon reduction in plants, healthy enterprise, social inclusion, corporate governance and risk control in line with the UN's Sustainable Development Goals.

- (1) The committee is responsible for establishing sustainable development goals and supervising functional departments in the implementation of sustainability-related action plans and their effectiveness to ensure accomplishment of the sustainable operations of the Company.
- (2) The Sustainable Development Committee meets quarterly to identify material issues concerning stakeholders. Each unit makes plans for the respective issues, modifies the objectives and policies related to the issues, ensures the execution of the plans and assesses the implementation thereof. The implementation is reported to the Board of Directors at regular intervals (once a year).

The ESG Best-Practice Principles of the Company apply to all the subsidiaries, contractors and partners in the supply chain, in the hope that the partners in the supply chain can implement sustainability together.



MiTAC ESG Best-Practice Principles



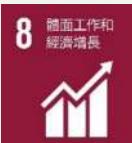
MiTAC Sustainability Policy

Key ESG-related Matters Reported to the BOD in 2022	
Date	Issue
2022/1/25	Report on the planning and implementation of intellectual property management Report on the liability insurance for the directors and supervisors
2022/2/25	Report on the outcome of the BOD performance evaluation Report on the operation and implementation of business integrity
2022/5/11	Scheduling of GHG inventory and verification
2022/8/11	Regular report on the GHG verification
2022/11/08	Implementation status of risk management Status of communication with the stakeholders Regular report on the GHG verification
2023/1/17	Report on the planning and implementation of intellectual property management Report on the liability insurance for the directors and supervisors
2023/2/24	Report on the outcome of the BOD performance evaluation Report on the operation and implementation of business integrity

Major Issues Discussed in the Sustainable Development Committee Meetings in 2022	
Date	Issue
2022/3/30	Report on public welfare activities   Risk issues   Environmental issues related to climate change
2022/6/24	2021 ESG operating results   2022 ESG Roadmap Tree planting plan and implementation
2022/9/23	Report on the progress of Q3 energy saving and emissions reduction   Identification report for 2022 risk management Report on BCP project   Report on ISO 14064 carbon emission verification plan
2022/12/30	Report on ISO 14064 carbon emission verification results   Precautionary description on in-plant chemical hazards Report on the progress of Q3 energy saving and emissions reduction   New GRI Standards 2021 and 2023 ESG reporting plan

## 1.2 Links between MiTAC and SDGs

MiTAC has identified seven sustainable development goals of the greatest relevance in accordance with the "Business Reporting on the SDGs" published by the UN and GRI. In relation to the public welfare strategy, we prioritizes the sustainable development goals of "SDG 3. Good Health and Well-being," "SDG 4. Quality Education," "SDG 8. Decent Work and Economic Growth," "SDG 11. Sustainable Cities and Communities," "SDG 12. Responsible Consumption and Production," "SDG 13. Climate Action" and "SDG 16. Peace, Justice and Strong Institutions."

	MiTAC's Strategy	Corresponding Management Indicator	Corresponding Chapter
	<div style="display: flex; align-items: center;"><div style="border: 1px dashed green; padding: 5px; margin-right: 10px;"> 3 良好 健康與福祉</div><p>Ensure healthy lives and promote well-being for all at all ages.</p></div> <ul style="list-style-type: none"><li>• Acquiring the Taiwan i Sports mark for Sports Enterprise from the Sports Administration, Ministry of Education.</li><li>• Constantly organizing health promotion and body fat reduction activities with attention to exercise as well as physical and mental balance.</li></ul>	<ul style="list-style-type: none"><li>• Health promotion activities and more than two health talks every year</li><li>• An employee health checkup rate of 90% ➤Employee health checkup rate in 2022: 92.44%</li></ul>	4.3 Employee Care 4.4 Occupational Health and Safety
	<div style="display: flex; align-items: center;"><div style="border: 1px dashed green; padding: 5px; margin-right: 10px;"> 4 優質教育</div><p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p></div> <ul style="list-style-type: none"><li>• Sponsoring the Y.S. Award to develop talents in design within the country and elevate the industrial competitiveness in an active manner.</li><li>• Valuing the competency of the employees and their educational training, and further encouraging those with managerial roles to enroll in on-the-job postgraduate programs and EMBA programs to refine their professional and management skills.</li></ul>	<ul style="list-style-type: none"><li>• 45 training hours / person on average every year ➤Training hours / person on average in 2022: 68.1 hours</li></ul>	4.2 Talent Attraction and Development
	<div style="display: flex; align-items: center;"><div style="border: 1px dashed green; padding: 5px; margin-right: 10px;"> 8 體面工作和經濟增長</div><p>Ensure healthy lives and promote well-being for all at all ages.</p></div> <ul style="list-style-type: none"><li>• Conducting performance evaluation every six months with dual-track promotion opportunities provided based on the individual's performance, and adjusting salary and distributing performance bonuses to share the business results with the employees.</li><li>• Practicing the global job rotation system to help the employees develop more than one professional skill as a means for long-term human resources development and stronger corporate competitiveness.</li></ul>	<ul style="list-style-type: none"><li>• A retention rate of outstanding employees of 85% ➤Retention rate of outstanding employees in 2022: 87.3%</li></ul>	4.2 Talent Attraction and Development

## 1.2 Links between MiTAC and SDGs

E



Make cities and human settlements inclusive, safe, resilient and sustainable.

- Conducting internal water audits and implementing various water-saving measures, with water intensity used as the observation indicator in order to respond to water resource risks caused by climate change in advance.
- With legal compliance as the basic requirement, having all operational bases operate according to the environmental management system (EMS) and establish responsible management units, and conducting irregular audits to ensure the proper disposal of waste.

- Water resources: With 2021 as the base year, annual reduction in water use intensity (water consumption per unit revenue) by 1% compared to the previous reporting year, and total reduction by 5% by 2026
- Waste: With 2021 as the base year, annual reduction in waste intensity (generated waste per unit revenue) by 1% compared to the previous reporting year, and total reduction by 5% by 2026
- The launch of the tree planting plan, in the expectation of planting 26,250 trees native to Taiwan within 6 years so as to facilitate the enhancement of climate resilience, the development of biodiverse environment, and the protection of water resources

3.7 Water Resources Management  
3.8 Waste Management  
4.5 Social Care

G



Ensure sustainable consumption and production patterns.

With regard to the conflict mineral issues, promptly requesting the suppliers to ensure the compliance of the supporting materials offered thereby for proper source management in the supply chain in response to the RBA's Responsible Minerals Initiative (RMI) while meeting the requirements of the customers.

- A CMRT survey response rate of 85%  
➤CMRT survey response rate in 2022: 87.06%

2.6 Supply Chain Sustainability Management

E



Take urgent action to combat climate change and its impacts.

Conducting annual inventory of the GHG emissions in the previous year; a third-party verification based on ISO 14064-1:2018 completed for the first time in 2022. The verification results are helpful for us to be better aware of the gap and progress of the Group's carbon reduction pathways.

- Emissions reduction pathways: Emissions reduction by 15% by 2025 and 30% by 2030; net zero emissions by 2050
- 10% renewable energy use by 2025

3.4 Energy Management  
3.5 GHG Emissions  
3.6 Actions and Effectiveness of Emissions Reduction

G



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

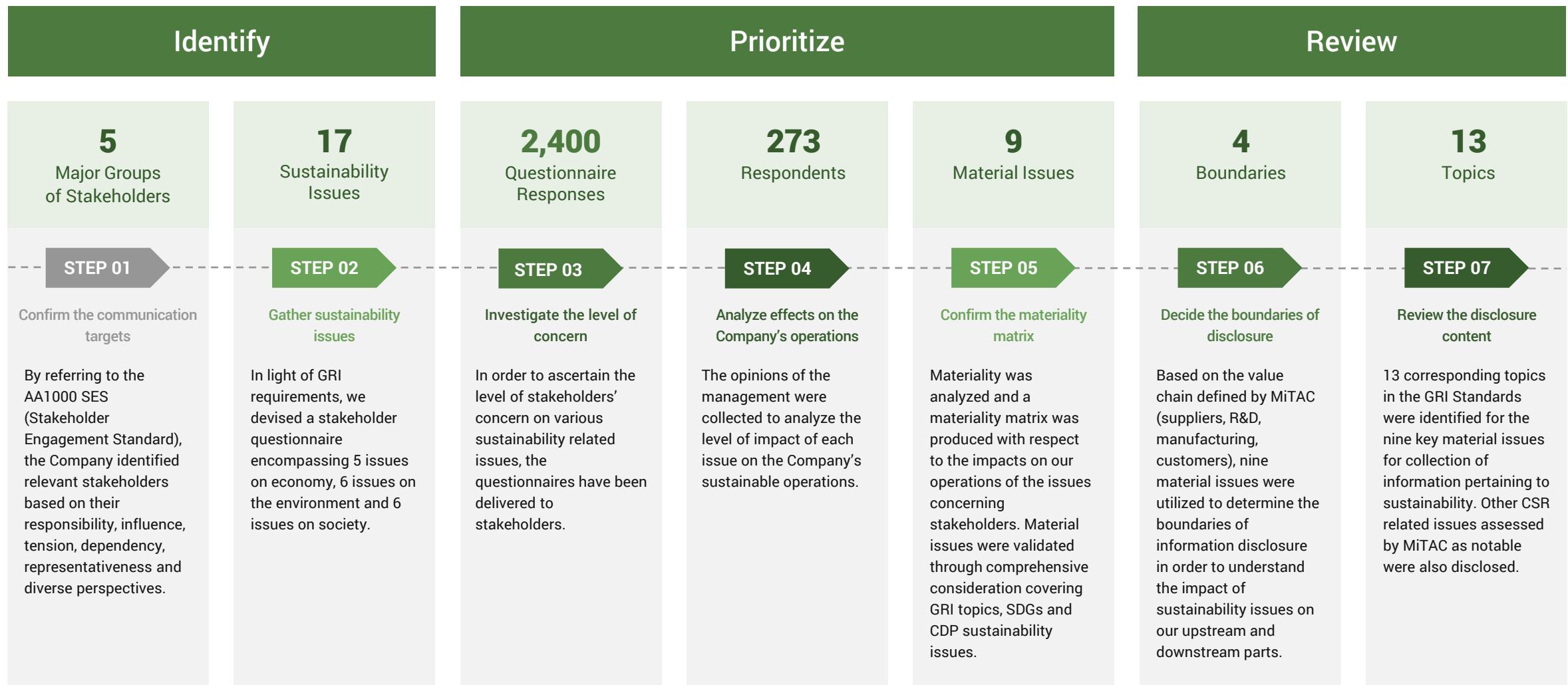
Providing management guidelines for anti-corruption on the intranet and extranet for reference, offering anti-corruption whistleblowing channels, and promoting the concept and giving tests to the employees through online courses in order to put the concept of business integrity into practice.

A variety of internal and external education and training courses related to business integrity every year  
➤2,865 people trained with their training hours totaling 2,805 hours in 2022

2.2 Business Integrity

# 1.3 Communication with Stakeholders

We have adhered to the GRI Standards and AA1000 Stakeholder Engagement Standards to establish the standardized materiality analysis model in order to gauge the level of concern for each issue, as well as the effect of the issues on MiTAC's operations, so that we can use them as the basis for formulating the sustainable management goals.



## 1.3 Communication with Stakeholders

Communication with stakeholders represents the foundation of CSR practices. MiTAC aims to gain a better understanding of relevant demands and provide relevant feedback through multiple platforms and communication with stakeholders. With reference to the A1000SES Stakeholder Engagement Standard (AA1000 SES), we have defined major stakeholder groups that relate to MiTAC's operations in terms of their responsibility, influence, dependency, tension, representativeness and diverse perspectives. These stakeholder groups included: employees, suppliers/contractors, shareholders/investors, customers and communities.

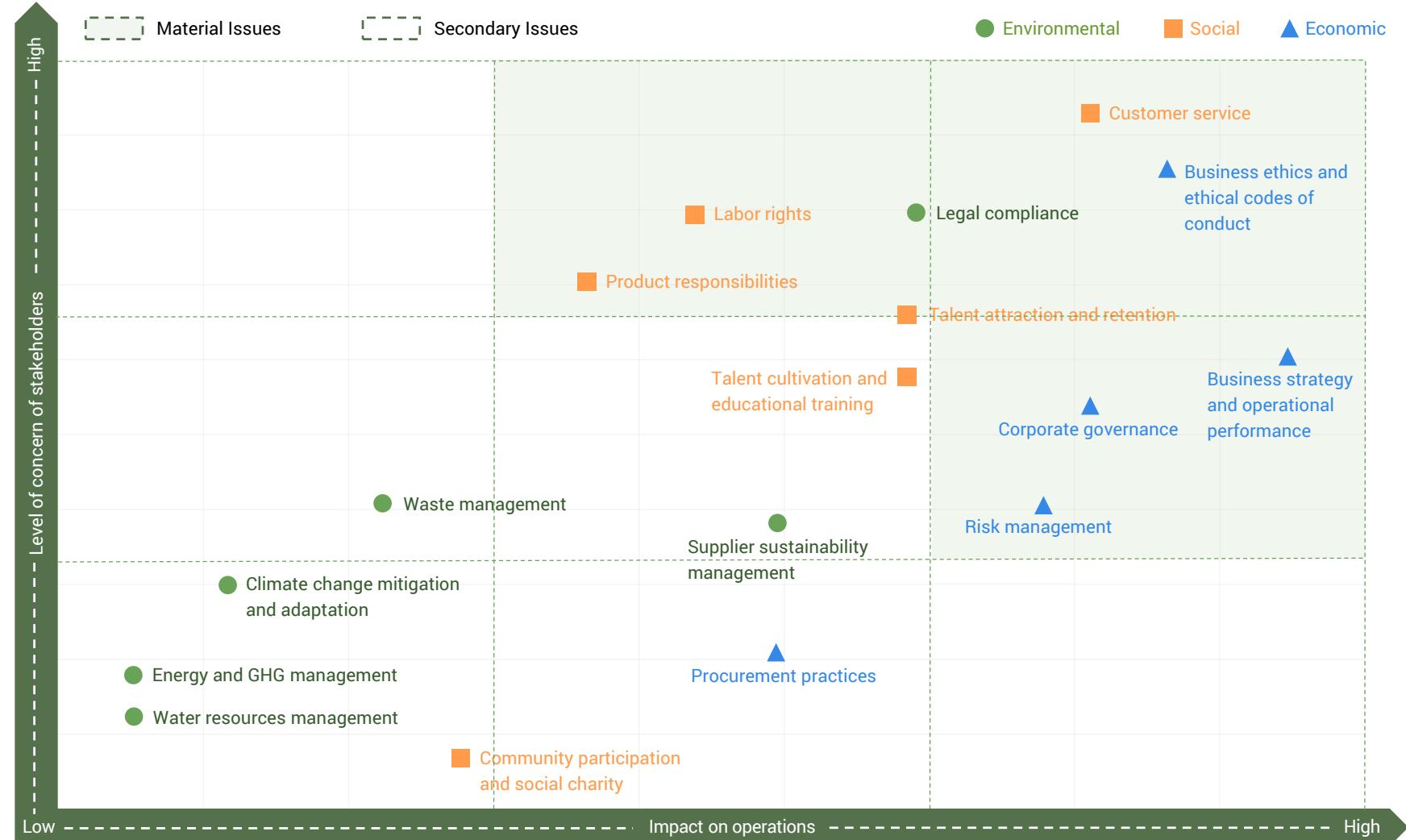
Stakeholder	Concerned Issue	Method and Frequency of Communication	Performance in 2022
Employees	<ul style="list-style-type: none"><li>• Business strategy and operational performance</li><li>• Business ethics and ethical codes of conduct</li><li>• Corporate Governance</li><li>• Talent attraction and retention</li></ul>	<ul style="list-style-type: none"><li>• Periodic labor-management meetings</li><li>• Setup of the physical employee suggestion box and internal "SpeakOut" mailbox for all employees to express their opinions and suggestions</li><li>• Setup of the audit and whistleblowing mailbox for the timely prevention of any breach of business integrity, fraud or corruption</li><li>• The MiTAC Portal, which shows the information on the status of operations and announcements on various company systems</li><li>• Periodic publication of Global Link to cover major news of the Company/Group, product information and events</li></ul>	<ul style="list-style-type: none"><li>• 4 labor-management meetings convened as per regulations</li><li>• 6 employee suggestion letters received</li><li>• 0 cases reported through the audit and whistleblowing mailbox by internal and external personnel</li><li>• 126 portal announcements</li><li>• 6 issues of Global Link published</li><li>• Article and video series on special interviews for MiTAC's 40th Anniversary released through 9 internal e-newsletters, with the positive feedback (77% like and 23% good for articles and 77% like and 23% good for videos) received</li></ul>
Investors (Shareholders)	<ul style="list-style-type: none"><li>• Business strategy and operational performance</li><li>• Business ethics and ethical codes of conduct</li><li>• Corporate Governance</li><li>• Legal compliance</li></ul>	<ul style="list-style-type: none"><li>• Periodic report of financial and business status</li><li>• Convention of shareholders' meetings to announce the operating results and resolve on important matters of the Company</li><li>• Arrangement of investor conferences to provide financial information and report future development directions</li><li>• An investor section on the Company website and a designated team to maintain positive interaction with investors in the long run</li><li>• "The Ethical Corporate Management Best-Practice Principles" ratified by the Board to establish a corporate culture based on integrity and ensure sound operations</li></ul>	<ul style="list-style-type: none"><li>• Publication of monthly turnover data and quarterly financial reports</li><li>• 1 shareholders' meeting and 2 investor conferences</li><li>• 277 investor inquiries</li></ul>
Customers	<ul style="list-style-type: none"><li>Business strategy and operational performance</li><li>Business ethics and ethical codes of conduct</li><li>Corporate Governance</li><li>Legal compliance</li></ul>	<ul style="list-style-type: none"><li>• Responses to the customers' requests for CSR of suppliers with respect to the Code of Conduct of the Responsible Business Alliance (RBA)</li><li>• Communication with customers on the products' conformity with the Green Mark and legal compliance</li><li>• Participation in CDP (Carbon Disclosure Project) to disclose the status of corporate operation, carbon emission and management</li></ul>	<ul style="list-style-type: none"><li>• RBA-VAP certification received for Hsinchu Plant in Taiwan and MSL Plant</li><li>• Green Mark-related projects for 5 customers</li><li>• CDP (Climate Change): Level C</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• Business strategy and operational performance</li><li>• Business ethics and ethical codes of conduct</li><li>• Legal compliance</li></ul>	<ul style="list-style-type: none"><li>• Information survey and collection is conducted through e-SCM</li></ul>	<ul style="list-style-type: none"><li>• A total of 195 copies of questionnaires for the customized parts supplier BCP (business continuity planning) risk survey and supplier information/cyber security self-evaluation survey distributed, with response rates of 42% and 50%, respectively</li></ul>
Communities	<ul style="list-style-type: none"><li>• Business strategy and operational performance</li></ul>	Active social participation through Y.S. Educational Foundation, the PR Division and employee clubs, such as the organization of Y.S. Award, donations to vulnerable groups, arrangement of blood donations, and sponsorship of marathons every year	<ul style="list-style-type: none"><li>• 1,727 participants for 702 hours of activities</li></ul>

# 1.4 Material Issues

## Material Issues

With reference to the GRI Standards and the AA1000 Stakeholder Engagement Standards (AA1000 SES), MiTAC identifies the material issues on a two-year basis for the determination of sustainability strategies, long-, mid- and short-term goals, and the information disclosures in the sustainability report. Meanwhile, we transparently disclose the positive and negative information as a reference for the related parties in all sectors to optimize their quality of decision-making. In 2021, 17 sustainability issues were identified upon the resolution by the CSR Team, and nine material issues were prioritized based on the level of impact on the operations and the level of concerns of the stakeholders.

In 2022, the CSR Team resolved to not only remain the material issues in 2021, but also include the “energy and GHG management” as one of the material issues in response to the trends and requirements of the international supply chain and the corporate governance 3.0 of FSC.



# 1.4 Material Issues

## Material Issues and Value Chain

Communication with stakeholders represents the foundation of CSR practices. In conjunction with materiality analysis, we identify the most important issues for the stakeholders and MiTAC and take the necessary measures in order to reinforce the content of information disclosure.

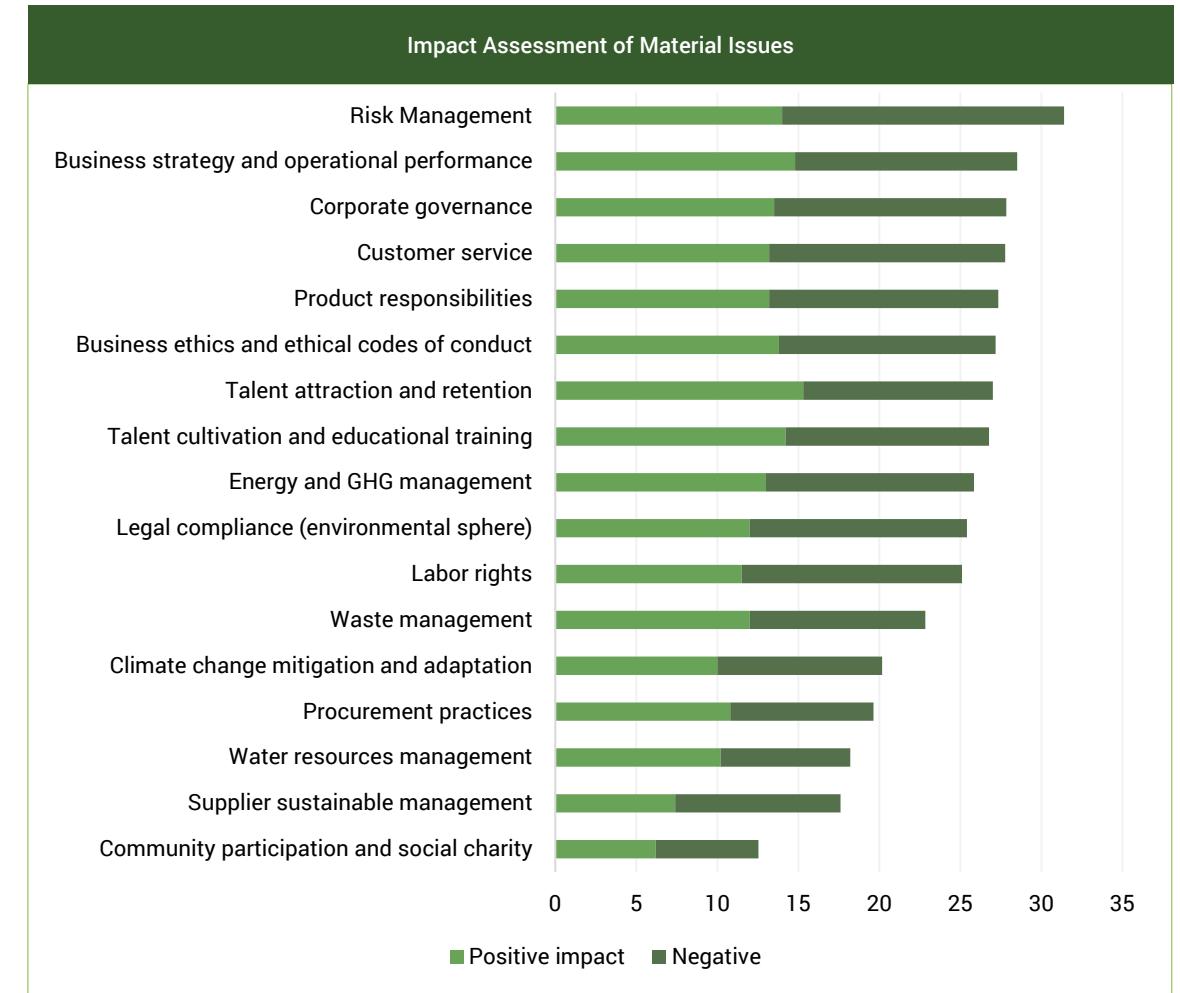
Category	Material Issue	GRI Topic	Importance to MiTAC	Corresponding Chapter
Governance	Business strategy and operational performance	201 Economic Performance	This can create value increment for the corporation and can be shared with society, environment and stakeholders, which forms a virtuous cycle.	About MiTAC 2.1 Corporate Governance Structure
	Business ethics and ethical codes of conduct	2 General Disclosures, 205 Anti-corruption	Incorporating integrity and ethical values into corporate operation strategies is the foundation for the maintenance of corporate goodwill.	2.2 Business Integrity
	Corporate Governance	2 General Disclosures	A sound corporate governance system ensures the effective monitoring mechanism for the corporate management.	2.1 Corporate Governance Structure
	Risk management	2 General Disclosures	An effective risk management system develops better management strategies in maintaining corporate resilience.	2.3 Corporate Risk Management
	Customer service	418 Customer Privacy	Raising the customer satisfaction level by strengthening product functions and improving services helps enhance customer trust.	2.5 Customer Service and Satisfaction
Social	Talent attraction and retention	401 Employment, 403 Occupational Health and Safety, 404 Training and Education	It is important to create quality work environment and competitive remuneration/benefits package to attract and retain key talents and build a healthy, happy work culture for employees.	4.2 Talent Attraction and Development 4.3 Employee Care
	Labor rights	405 Diversity and Equal Opportunity, 406 Non-discrimination	In compliance with international human rights treaties, we need to provide a fair workplace for employees so as to promote talent development and to lower labor risks.	4.1 Human Rights Protection 4.3 Employee Care 4.4 Occupational Health and Safety
Environmental	Legal compliance	2 General Disclosures	This prevents the Company from facing penalties and helps maintain corporate goodwill.	3.1 Green Commitment 3.2 Green Product Design
	Product responsibilities	301-2 Recycled Input Materials Used, 416 Customer Health and Safety	We have to prevent the substances used in products from generating risks to humans and harming the environment, in order to ensure the health and safety of the customers and increase the confidence and recognition by customers towards the products of the Company.	3.2 Green Product Design
	Energy and GHG management	305 Emissions	It is important to mitigate the impact of global warming on the corporate operations, develop relevant adaptation measures such as reduction of GHG emissions and minimization of climate change risk, and increase the awareness and transparency of climate change.	3.5 GHG Emissions

# 1.4 Material Issues

In 2022, the Sustainability Development Team resolved to retain the 17 sustainability issues identified in 2021. The external impacts of the issues (on the economy, environment and human), along with the potential sustainability issues and the sustainability issues to be managed, were further discussed in accordance with the GRI 2021; the positive and negative impacts are disclosed below:

Ranking by Positive Impact (Impact Level*Likelihood)	
Ranking	ESG Topic
1	Talent attraction and retention
2	Business strategy and operational performance
3	Talent cultivation and educational training
4	Risk management
5	Business ethics and ethical codes of conduct
6	Corporate Governance
7	Product responsibilities
8	Customer service
9	Energy and GHG management
10	Waste management

Ranking by Negative Impact (Impact Level*Likelihood)	
Ranking	ESG Topic
1	Risk management
2	Customer service
3	Corporate Governance
4	Product responsibilities
5	Business strategy and operational performance
6	Labor rights
7	Legal compliance (environmental sphere)
8	Business ethics and ethical codes of conduct
9	Energy and GHG management
10	Talent cultivation and educational training



# Corporate Governance

2

- 2.1 Corporate Governance Structure
- 2.2 Business Integrity
- 2.3 Corporate Risk Management
- 2.4 Information Security Management
- 2.5 Customer Service and Satisfaction
- 2.6 Supply Chain Sustainability Management



# Corporate Governance

MiTAC believes that corporate sustainable operations should be grounded in robust corporate governance, and complies with the government's relevant laws and regulations in relation to the operations based on the core value - "business integrity." Through the evaluation of the external body, we have been selected as one of the "**TWSE CG 100 Index**" for three consecutive years and ranked among the top **6-20%** in the Corporate Governance Evaluation for four consecutive years! With regard to the system of risk management, we conduct information security management drills and hold information security-related competitions to stay on top of the information security risks in a continuous manner. In 2019, we passed the certification of the **ISO 27001** third-party information security audit.

As a part of the international supply chain, MiTAC responds to the requirement for legal compliance concerning conflict minerals by conducting due diligence with the upstream suppliers and downstream customers through the digital supply chain management platform, in order to ensure **100%** legal compliance of the minerals used in the products. Since risk management is one of the key items of corporate governance, we include the identified high-risk items (fire, earthquake, epidemic, etc.) in the countermeasures for management and development and the recovery and handling mechanism for negative impacts of our business continuity plan (BCP) in accordance with the "Risk Management Policy and Procedure," set up the risk monitoring and management mechanism, and report to the Board of Directors on the projects.

## TWSE CG 100 Index

Selected by the TWSE for 3 consecutive years

**100%**

Attendance rate for all meetings of the Board of Directors,  
Remuneration Committee and Audit Committee

## Top 6-20%

Selected in the Corporate Governance Evaluation for 4 consecutive years

**100%**

Use of legally compliant minerals by requesting the suppliers to  
purchase non-conflict materials

## ISO 27001

Third-party audit certification constantly passed

**100%**

Procurement employees signing the "Integrity Commitment Agreement"

# Material Issues of Corporate Governance

Material issue the Chapter responds to	Business strategy and operational performance	Business ethics and ethical codes of conduct	Corporate Governance	Risk management	Customer service
Management approach and purpose	Ensuring that the Company achieves steady long-term operating growth and value in the competition in the industry so as to meet the expectation and needs of the shareholders and the customers.	Ensuring that all the organizations within the Company's value chain adhere to the moral principles and ethical codes of conduct to protect the rights of the customers and the public as well as promoting the healthy development of the electronics industry.	Ensuring that the management of the Company takes charge of the Company in a responsible manner to guarantee the rights of all stakeholders and enhance the corporate value and competitiveness.	Building a healthy, steady and sustainable organizational operating environment, which helps increase the effectiveness and efficiency of the business operation.	Ensuring that the customers are given quality services in the process of receiving and using the products, especially the complete privacy and security when using the products.
Management policy	Holding regular meetings over the strategies and operation of the Company, in order to make sure that the positioning of products and technological innovation are consistent with the industrial trends. Incorporating the digitalized and intellectualized management system into the corporate culture for better operational efficiency of the Company.	Putting the concept of business integrity into practice by establishing various anti-corruption management guidelines and strengthening the advocacy and evaluation through the Company's internal and external websites and online courses to ensure the employees understand the Company's requirements for ethics. Meanwhile, building a sound anti-corruption whistleblowing system to provide anti-corruption complaints channels.	Establishing the Audit Committee and the chief corporate governance officer (CCGO), and having the related units review the relevant laws and regulations. Supporting the directors to be engaged in continuing education, providing them with materials needed for their duties, and assisting them in their compliance with regulations for the enhancement of their competency.	Formulating the "Risk Management Policy and Procedure" for the annual assessment of quality procedures, environmental safety, labor rights, internal control and self-evaluation, information security, climate change, etc., for greater corporate resilience.	Organizing the Personal Data Protection Committee and developing the "personal data protection policy" to completely safeguard the personal data and customer rights. For ODM customers or those of consumer products, ensuring that the customer privacy is one of the important items of customer services, with the products of the Company exported to Europe meeting the GDPR requirements. Adopting the ISO 27001 information security certification for the product specifications and design documents of the ODM customers, and enhancing the awareness of cyber security to avoid illegal disclosure of each customer's data.
Management target	• A sustainably growing company	No violation of the Ethical Corporate Management Best-Practice Principles	<ul style="list-style-type: none"> <li>• TWSE Corporate Governance 100 Index</li> <li>• Top 6%-20% in Corporate Governance Evaluation</li> <li>• Participation in international ratings</li> </ul>	At least 1 risk-related ISO certification	No events in violation of the customer privacy
Achievement result of the annual target	The 2022 consolidated revenue was NT\$47.833 billion.	<ul style="list-style-type: none"> <li>• 2,865 employees were trained in the 2022 education and training in business integrity, with their training hours totaling 2,805 hours.</li> <li>• No violation of the Ethical Corporate Management Best-Practice Principles</li> </ul>	<ul style="list-style-type: none"> <li>• We were selected as one of the TWSE Corporate Governance 100 Index.</li> <li>• We were ranked among the top 6%-20% in Corporate Governance Evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>• We acquired the ISO 27001 certification.</li> <li>• We passed the international customers' audit of disaster recovery.</li> <li>• No business interruption, data corruption, data leakage or other material information security events occurred in 2022.</li> </ul>	No complaints concerning breaches of customer privacy and losses of customer data.
Chapter of report	About MiTAC 2.1 Corporate Governance Structure	2.2 Business Integrity	2.1 Corporate Governance Structure	2.3 Corporate Risk Management	2.5 Customer Service and Satisfaction

## 2.1 Corporate Governance Structure

Ranked among the top **6%-20%** companies participating in the Corporate Governance Evaluation for 4 consecutive years

Selected as one of the TWSE CG **100** Index

The information on corporate governance, including the organizational structure, the relevant education background, experience, concurrent position and BOD participation in other companies, participation in training and continuing education about corporate governance of the governance members, the operation of functional committees, the contact information and other disclosures, have been made available in the annual report of the year. The real-time information on corporate governance may also be accessed via the following channels:

Market Observation Post System <http://mops.twse.com.tw> (Stock Code: 3706)

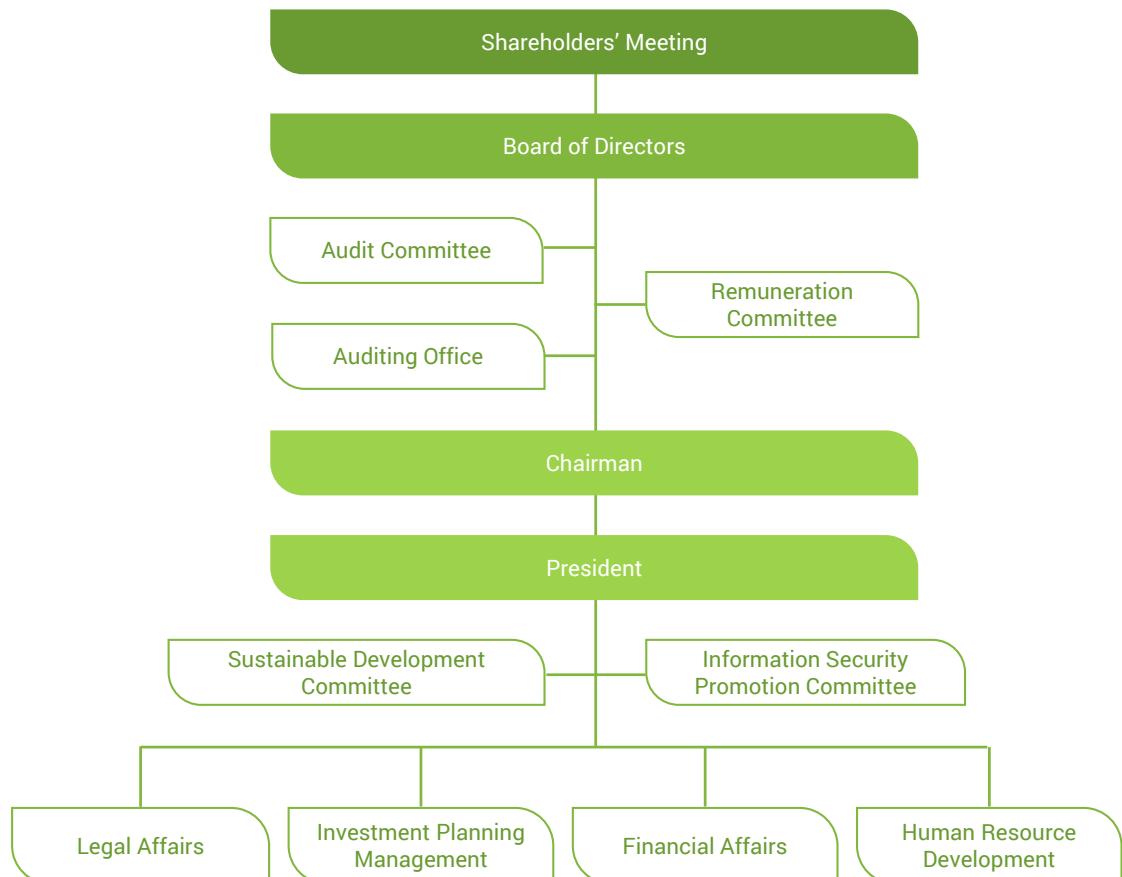
MiTAC IR Information Section [https://www.mitac.com/zh-TW/corporate\\_governance/index](https://www.mitac.com/zh-TW/corporate_governance/index)

MiTAC Corporate Governance Section [https://www.mitac.com/zh-TW/sustainability\\_overview/index](https://www.mitac.com/zh-TW/sustainability_overview/index)

Corporate Social Responsibility Report [https://www.mitac.com/zh-TW/investors\\_overview/index](https://www.mitac.com/zh-TW/investors_overview/index)



MiTAC Corporate Governance  
Best-Practice Principles



## 2.1 Corporate Governance Structure

The members of the Company's Board of Directors are all subject to the candidate nomination system under the Articles of Incorporation. According to the relevant laws and regulations, the list of director candidates may be submitted to the Company in writing by a shareholder holding more than 1% of the total shares issued, or the Board of Directors of the Company may nominate the number of director candidates. In addition, the candidates for the independent directors must meet the requirements under the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The 4th Board of Directors consists of ten directors, including three independent directors; all of them are all male. We hope to make use of their diversified management perspectives and professional knowledge to foster a more comprehensive vision and better decision making, so that the corporate governance and the business quality can be boosted. The Chairman, Matthew Miao, does not concurrently hold the position of the President. In 2022, MiTAC's Board of Directors held seven meetings, with the average attendance rate of the directors reaching 100%. Regarding the continuing education received by the directors in 2022, the hours of education have met the requirements, and the details have been disclosed in the "Corporate Governance" section on the Market Observation Post System.

To prevent the conflicts of interest, the Company has shaped the policies in relation to the "Ethical Corporate Management Best-Practice Principles," "Codes of Ethical Conduct" and "ESG Best-Practice Principles." Our directors and managers perform their duties in an objective and effective manner, and are not allowed to utilize their positions in the Company to create inappropriate interest for themselves, their spouses or relatives within the second degree of kinship. Regarding the monetary loan or provision of guarantee, material transactions of assets and procurement/sales in relation to the affiliates they belong to, they shall explain whether there are any potential conflicts of interest between them and the Company with the appropriate channels provided therefor. When a proposal at a given Board of Directors meeting concerns the personal interests of, or the interests of the juristic person represented by, any of the Company's directors, managers, and other stakeholders attending or present at the Board meeting, the concerned person shall state the important details of the interests at the given Board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as a proxy for another director.

The Company has developed the Regulations for Board Performance Evaluation according to which the Board of Directors internally evaluates the Board performance at least once a year. The evaluation indicators include the understanding of the goals and missions of the Company, awareness of the director duties, involvement in the operations, internal relationship management and communication, professionalism and continuing education of directors, internal control and provision of specific opinions, etc. The evaluation is for ensuring the effective operation of the Board and rating the performance of each director so that there is a reference for the selection of directors. The evaluation indicators for 2022 were approved by the Remuneration Committee on January 17, 2023, with the scope covering "the overall Board," "each director" and "the functional committees (Remuneration Committee and Audit Committee)." "The overall Board" particularly included the evaluation indicator of the issues regarding sustainable environment. As the Company properly reported to the Board on the countermeasures in response to climate change, and the Board fully understood the Company's implementation of CSR and therefore assessed the risks of ESG issues concerning the Company's operation and maintained sustainable management, the average score was 4.7 (out of 5), and the Board performance in 2022 was "excellent" according to the evaluation results, suggesting that the Board operations were complete and in line with the governance standards. The results have been reported to the Board of Directors on February 24, 2023 and disclosed in the "Corporate Governance" section on our official website. The Remuneration Committee has also undertaken reviews and provided relevant standards and specific figures with regard to the distribution of remuneration based on such evaluation results.



## 2.1 Corporate Governance Structure

### Remuneration policies of the directors and managers



In accordance with Article 25 of the Articles of Incorporation, up to 1% of the profit in a fiscal year may be distributed as the remuneration to directors for the year, and reasonable compensation shall be given in consideration of the Company's operating results and their individual contribution to the Company's performance. The Regulations for Board Performance Evaluation serve as the evaluation basis for the procedures of remuneration determination. The reasonable compensation is decided with reference to not only the Company's overall operational performance and future business risks as well as development trends in the industry, but also the directors' personal performance target achievement rate and contribution to the Company's performance. Meanwhile, the remuneration system is promptly reviewed based on the actual business conditions and relevant laws to find a balance between the sustainable management and the risk control of the Company.

### Remuneration Committee



MiTAC has established the Remuneration Committee consisting of three external professionals with independent status. The committee meets at least twice a year and performs the following duties from a professional and objective perspective, and presents their recommendations to the Board of Directors for discussion.

1. Regular review on the "Remuneration Committee Organization Regulations" and provision of suggestions for amendment.
2. Establishment and periodical review of the performance evaluation standards, annual and long-term performance goals, and the policy, system, standard and structure of the salary and remuneration of directors and managers.
3. Periodical assessment of the target achievement of directors and managers, and determination of the contents and amounts of their respective salary and remuneration based on the performance evaluation results.
4. The Remuneration Committee met three times in 2022, with the average attendance rate of the members reaching 100%.

#### Major resolutions of the Remuneration Committee in 2022:

1. Review and approval of the indicators for the evaluation of Board performance
2. Suggestions on the remuneration to directors
3. Suggestions on the year-end bonuses and salary adjustment for managers

### Audit Committee



The Company has replaced supervisors with the Audit Committee composed of all the independent directors since May 2019. The committee works in accordance with the "Audit Committee Organization Regulations" of the Company for supervision of the following matters:

1. The fair presentation of the Company's financial statements
2. The selection (and dismissal), independence and performance of the Company's certificated public accountants
3. The effective implementation of the Company's internal control system
4. The Company's compliance with the relevant laws and regulations
5. The management of the Company's inherent or potential risks

The Audit Committee met six times in 2022, with the average attendance rate of the members reaching 100%.

### Participation in external associations



The Company grasps the opportunities of exchange and collaboration with organizations in the same or different industries. By sharing our practical experience and professional knowledge, we form good partnership or obtain membership, expand the scope of exchange and participation, and negotiate or discuss the industrial policies with the government. We keep track of the international changes and trends.

#### List of associations and organizations we joined in 2022:

The Allied Association for Science Park Industries  
Taipei Computer Association  
Taiwan Electrical and Electronic Manufacturers' Association  
Taiwan Telematics Industry Association  
Cloud Computing & IoT Association in Taiwan  
OCP (Open Compute Project) Platinum Membership  
PCI-SIG  
O-RAN Alliance

## 2.2 Business Integrity

"Integrity and honesty" have been the foundation of MiTAC's sustainable business. We firmly maintain the transparency of operations, implement internal management, and strengthen the professional ethics of the employees through comprehensive educational training and advocacy; such requirements are not merely for ourselves but also for our suppliers. Systematically tracking, identifying and observing the relevant regulations, we have become the trustworthy partner of the stakeholders. To put the concept of business integrity into practice, the Company has provided management guidelines for anti-corruption on the internal and external official websites for reference, offered anti-corruption whistleblowing channels, and promoted the concept and tested the employees for understanding the Company's requirements for ethics through online courses in order for them to value the spirit of integrity in daily work. We have also thereby enhanced the employees' awareness of legal compliance and ethical competence, in order to avoid any damage to the Company due to short-term profitability. When any significant legal changes take place, we announce the letters of important laws sent by the competent authorities on our internal website, and increase the employees' understanding of relevant regulations through internal email dissemination or departmental education and training. When there are any illegal practices, an investigation committee is required to be formed as per the "Regulations Governing the Internal Procedures." A major case is defined as the case that causes a loss of more than NT\$3 million to the Company; there were no occurrences of related major violation events in 2022.

To ensure that the directors, managers and employees know well of and adhere to the regulations regarding business integrity, the Company arranges a variety of internal and external education and training courses related to business integrity (including the topics of compliance with business integrity regulations, educational promotion of the Company's policies, RBA, audit and accounting systems, internal control and internal audit systems, and prohibition of insider trading) on a regular basis every year to enhance the awareness of compliance. In 2022, 2,865 employees were trained in Taiwan, with the training hours totaling 2,805 hours. In particular, the training rate for "business integrity and ethical management policy" reached 98%. Five people, including some directors, managers and the chief corporate governance officer, were trained for 21 hours in total.



## 2.2 Business Integrity

The Company monitors and audits the incidents of corruption through the internal control and internal audit systems; the material risks related to corruption identified based on risk assessment include violation of trade secrets, misappropriation of public funds, stealing and selling of the Company's assets, and acceptance of kickbacks or inappropriate interests. As of the end of 2022, no whistleblowing reports on the violation of professional ethics were found or received.

To prevent the employees from infringing upon the Company's rights for the purpose of their personal interests, all our employees are not allowed to accept any inappropriate presents. Meanwhile, they have the responsibility for keeping the trade secrets of the Company or other parties. Management measures for the prohibition of offering and accepting bribes, illegal political donations, illicit charity donations or sponsorships, and insider trading have been devised in the prevention programs for the business operations that are vulnerable to unethical business practices. In addition, all the procurement employees have signed the "Integrity Commitment Agreement," and we have further included the partners in the scope of such requirement, entering into the "Agreement on Undertaking of Business Integrity" with essential suppliers in business transactions. Systematically tracking, identifying and observing the relevant regulations, we have become the trustworthy partner of the stakeholders.

To ensure the timely prevention of any breach of business integrity, fraud or corruption, MiTAC has developed the "Regulations for Whistleblowing of Corruption and Malfeasance" under which the audit unit forms a project investigation committee within three days upon receiving the whistleblowing report for investigation; if the fact of the report is confirmed, the relevant unit will be required to make improvements within the specified period, and the employee neglecting his/her duty will be punished as per regulations. To report a case, one must provide the whistleblowing complaint (in writing or verbally) that covers the information of the whistleblower and the subject against whom the report is made, the matter and the evidence; a case reported verbally will be recorded in writing by the audit unit. Written documents or files of the accepted report and the investigation process as well as results thereof shall be retained by the audit unit for at least 5 years. If there are any lawsuit concerning the reported matter before the end of the retention period, the data shall be kept until the end of the lawsuit.

Whistleblowing mailbox (Head of the Auditing Office) [audit\\_mic@mic.com.tw](mailto:audit_mic@mic.com.tw)



MiTAC Ethics Policy



MiTAC Ethical Corporate Management  
Best-Practice Principles



MiTAC Codes of Ethical  
Conduct

### Anti-Corruption Management Guidelines

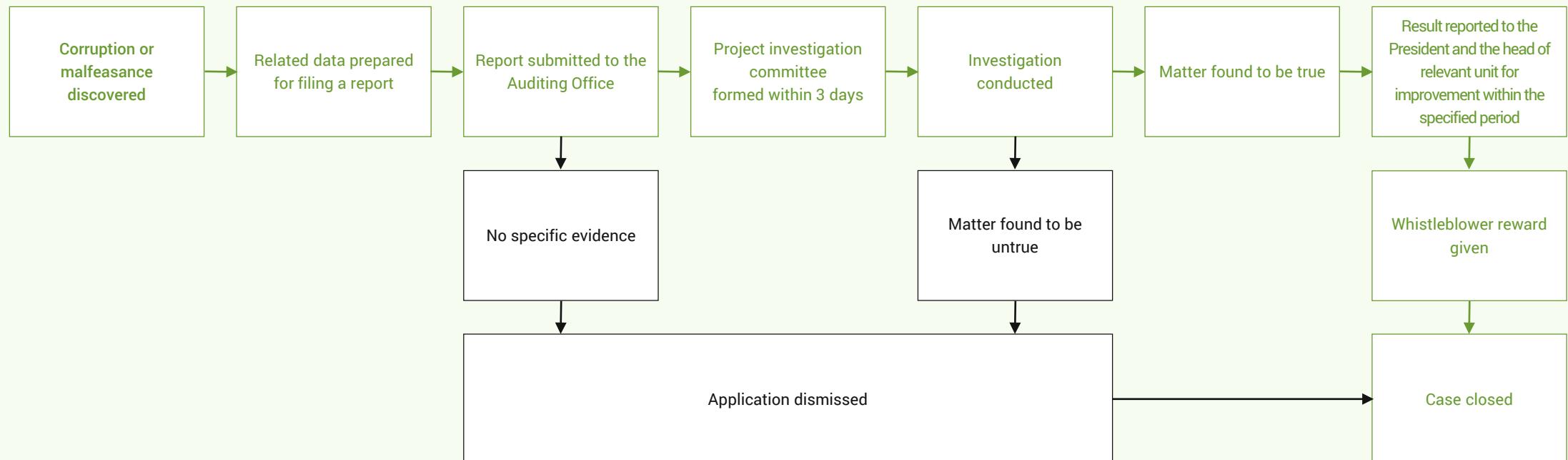
 <b>Ethical Corporate Management Best-Practice Principles</b> The highest guiding principles of the corporate governance applicable to directors, managerial officers and employees	 <b>Supplier Procurement Agreement</b> Guarantee of no presents or attached expenses
 <b>Regulations for Whistleblowing of Corruption and Malfeasance</b> Prevention of illegal acts and fraudulence cases An investigation committee formed by the audit unit within three days after receiving the report to conduct the investigation	 <b>Employment Agreement</b> Ethics and codes of conduct for cooperation with suppliers
 <b>Integrity Commitment Agreement</b> Integrity Commitment Agreement signed by procurement personnel	 <b>Employee Codes of Conduct, Reward and Discipline</b> Ethics and codes of conduct for cooperation with suppliers

## 2.2 Business Integrity

### Whistleblower Protection System

For the purpose of protecting whistleblowers, the whistleblowing complaints or related documents are kept strictly confidential to prevent the whistleblowers from being retaliated against. Also, a competent whistleblower system has been established; no unfavorable treatment against the whistleblowers is acceptable, and NT\$200 thousand or 5% of the loss is given as the case-solving bonus.

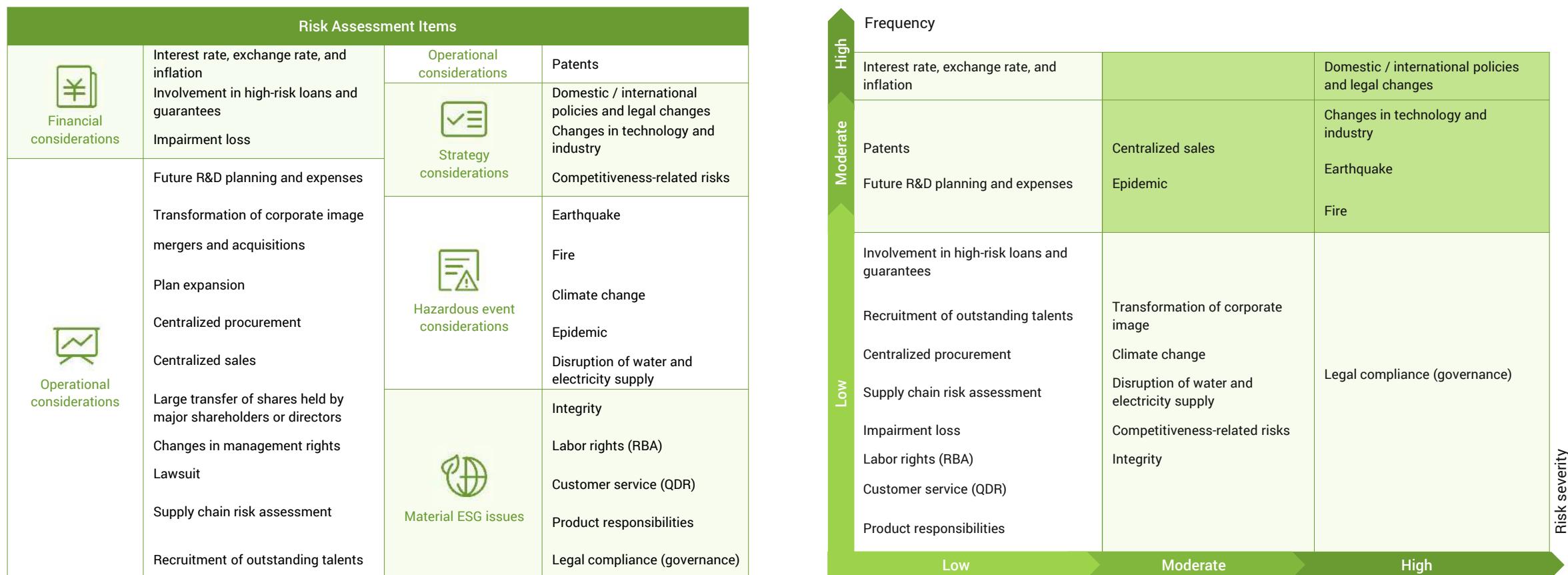
Flowchart of the “Regulations for Whistleblowing of Corruption and Malfeasance”



## 2.3 Corporate Risk Management

The world has been facing challenges economically and environmentally - the outbreak of COVID-19 has made enormous impact upon global health and economy, and climate change as well as sustainable development have become issues that the world pays attention to, which stimulates the development of energy transformation, environmental protection and sustainable investment. Also, there are risks of considerable uncertainty that could keep companies away from steady development, such as geopolitical conflicts, risks in supply chain, and natural disasters. To ensure greater corporate business resilience, flexible management strategies and decision-making mechanism, and rapid adaptation to changes so that responses to various potential risks and disasters can be made, the Company integrates and manages the risks identified by the Risk Management Team, implements risk management plans and promotes the recovery and handling mechanism for negative impacts according to the "Risk Management Policy and Procedure."

The risks in 2022 were identified based on internal questionnaire and further confirmed by the Sustainable Development Committee. By internal questionnaire again, six items of high risk were determined according to the frequency and the severity of risk impact.



## 2.3 Corporate Risk Management

MiTAC assesses and manages the risks through the following cyclical process under the "Risk Management Policy and Procedure":



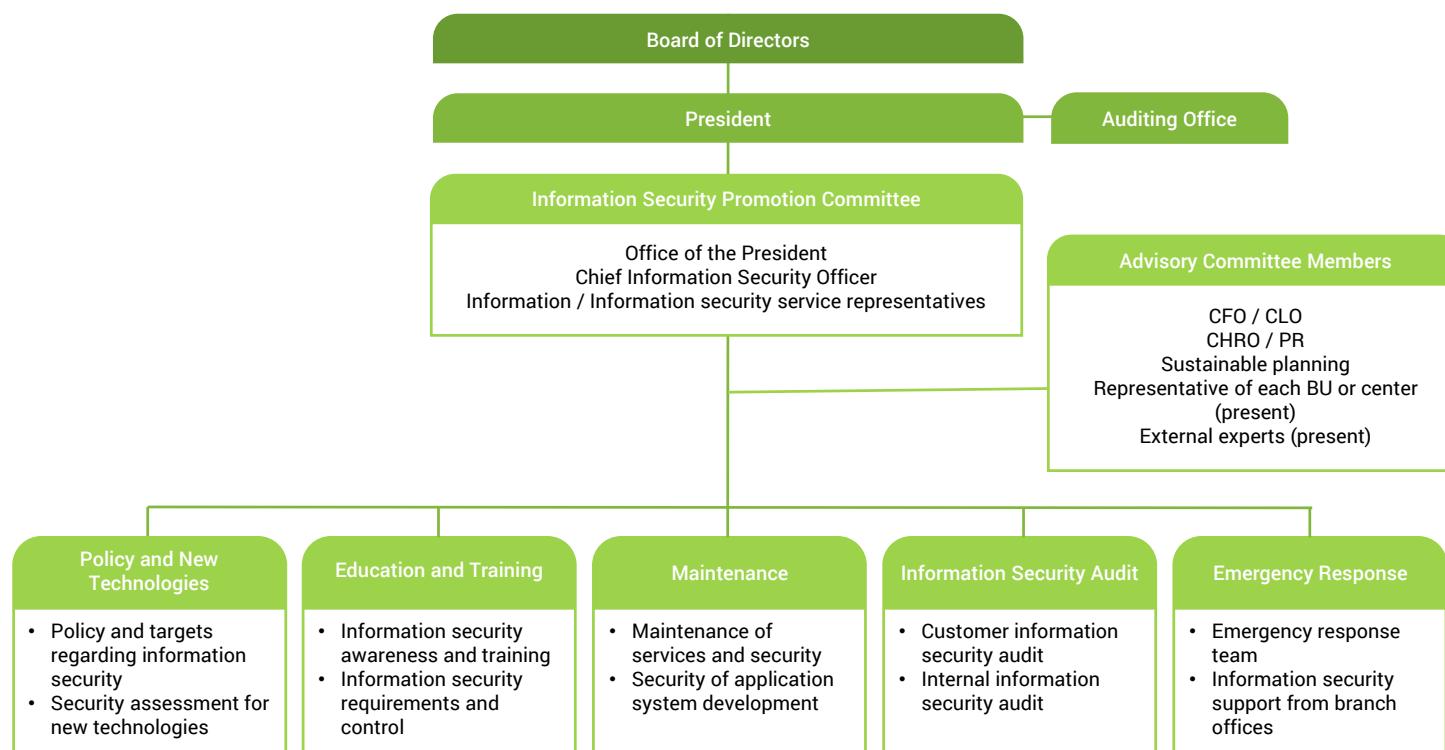
In 2022, appropriate countermeasures for the six high-risk items were developed and included in the countermeasures for management and development and the recovery and handling mechanism for negative impacts of our business continuity plan (BCP). The risk monitoring and management mechanism was established as well. By devising preventive measures and assessing and managing risks based on the cyclical process under the "Risk Management Policy and Procedure," we were able to rise to the challenges in high-risk scenarios, restore the operational capacity faster, and mitigate the negative impacts at the same time.

 Centralized sales	 Changes in technology and industry	 Domestic / international policies and legal changes	 Earthquake	 Fire	 Epidemic
<ul style="list-style-type: none"><li>To distribute the risks of customer centralization, we increase the product lines and fields of application in terms of products, increase the diversity of customers in terms of customers, and increase the number of medium-sized customers with regard to the number of customers.</li></ul>	<ul style="list-style-type: none"><li>The projects of digital transformation are launched for better competitiveness and less manpower for data processing.</li><li>Regarding product R&amp;D, we independently develop the tools and software for product testing automation so as to reduce the R&amp;D expenses while enhancing the efficiency.</li></ul>	<ul style="list-style-type: none"><li>MiTAC's global deployment is a strength in the face of the US-China trade war.</li><li>The geopolitical issues related to Taiwan have been an international focus. It is important to have countermeasures such as mapping out the strategy of production in places other than Taiwan, ensuring greater stability of the supply chain, and developing technologies and talents.</li></ul>	<ul style="list-style-type: none"><li>We have set up the response and recovery procedures for earthquake.</li><li>The emergency response drills for earthquake are enhanced.</li><li>An internal (employee) reporting mechanism is in place.</li><li>A reporting mechanism for suppliers and customers is in place.</li></ul>	<ul style="list-style-type: none"><li>We have set up the response and recovery procedures for fire and explosion.</li><li>The firefighting system is regularly inspected and the fire drills are periodically arranged for better response capability in the case of a disaster.</li><li>An internal (employee) reporting mechanism is in place.</li><li>A reporting mechanism for suppliers and customers is in place.</li></ul>	<ul style="list-style-type: none"><li>The Company has established the "Epidemic Control Response Team" to formulate the regulations for response and management. We also thereby identify, respond to and monitor the dynamic emergencies caused by the epidemic, receive the epidemic-related reports from employees, take immediate preventive actions, and carry out the response plans.</li><li>We ensure the WFH regulations and cyber security.</li></ul>

## 2.4 Information Security Management

### Information Security Promotion Committee

MiTAC has set up an Information Security Promotion Committee in which the President serves as the chair, the Vice President of the Digital Development Center serves as the deputy chair, and the Chief Information Security Officer (CISO) serves in the position of executive secretary. The Company has a department dedicated to cyber security. An information security manager and several information security personnel were appointed to be responsible for promoting, coordinating, overseeing and reviewing matters in relation to cyber security management. The cyber security department reports on the implementation of cyber security measures to the management or the Board of Directors on a regular basis to ensure the appropriateness and effectiveness of the operation.



To continue enhancing the information security protection and management, MiTAC received the ISO 27001:2013 Information Security Management System certificate in 2019, and passes the audit every year. In 2022, MiTAC passed the audit conducted by a third-party verification institution to confirm the validity of the information security management system and relevant certificates.

### Educational Training and Promotion of Information Security

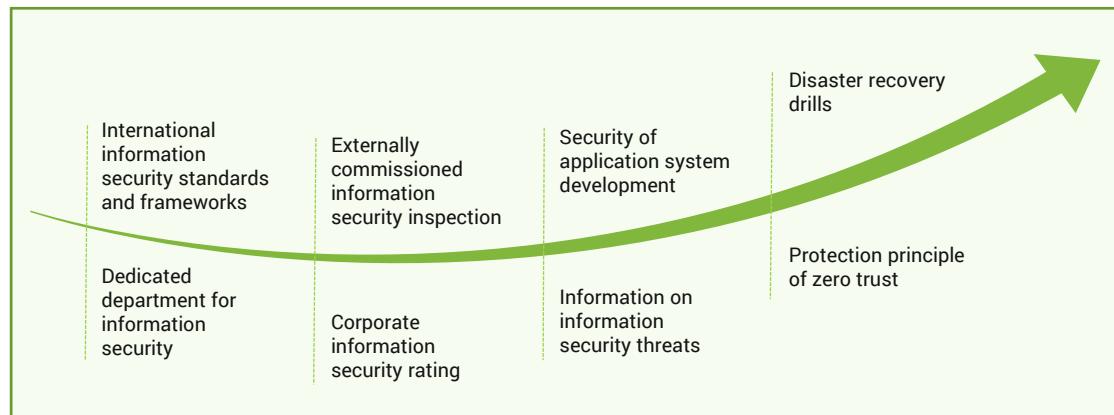
MiTAC communicates the significance and necessity to observe the information security policy of the Company to the employees on an ongoing basis. All personnel using the information systems must participate in information security courses every year. The managers and personnel responsible for information security shall take part in professional information security training annually. Social engineering drills and relevant reviews are regularly arranged to constantly increase the employees' awareness of information security, and competitions related to information security are held to develop the employees' competence of information security in an educational but entertaining manner.



## 2.4 Information Security Management

### Cyber security protection and control measures

We constantly gather various cyber security risk analysis indicators externally through external information security risk rating service to continuously monitor and lower information security risks. The CDM (Cyber Defense Matrix) is used to analyze and review the requirements for information security protection, in order to optimize the process of budget planning and control as well as protection measures for cyber security.



### Cyber security incident response and threat intelligence

The information security incident response, handling and reporting procedures are established, including the assessment for impacts and damages caused by incidents, internal and external reporting procedures, methods for informing other affected departments, contact persons and methods for reporting of incidents.

The Company has participated in the Taiwan Computer Emergency Response Team & Coordination Center (TWCERT / CC) for receiving cyber security alerts as well as information security threat and vulnerability information in order to take preventive actions, improve information security protection capabilities and reduce the risk of being hacked.



### Information Service Continuity Plan

For key application systems directly related to business operations, such as production, R&D, and sales systems, the drills of backup and recovery, remote backup and remote recovery are arranged every year to maintain the response capability and operations. Ten disaster recovery drills and reviews were conducted in 2022, with the scope covering the key application systems, Internet services, power supply and air conditioning; the results all met the recovery time objective (RTO) and the recovery point objective (RPO) set.

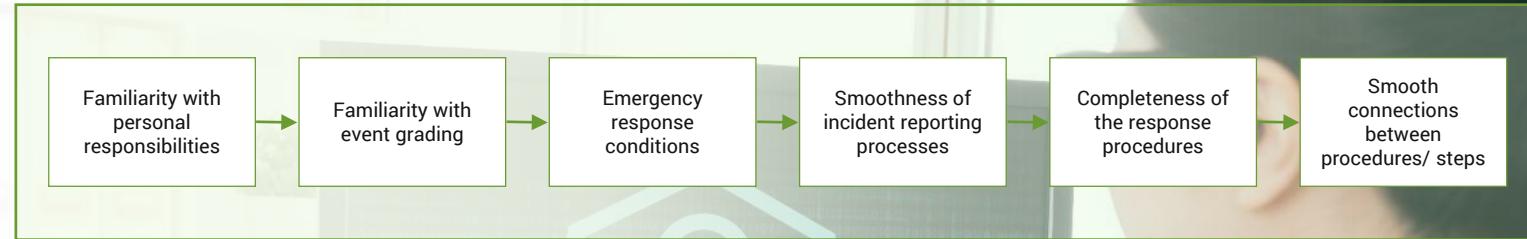
ERP drill outcome	Projected results	Drill outcome
RPO	0	0
RTO	< = 4 hrs	3.95 hrs



## 2.4 Information Security Management

### Ransomware Attack Drills

Considering the endless emergence of domestic and foreign ransomware attacks that can easily cause serious impacts on the operation and production, the IT departments of the Group's important production locations jointly carried out the emergency drill for response to the ransomware attacks in 2022. Through the scenario planning of the table-top exercise, we made sure that the Group could effectively handle disasters and reduce losses with its response structure and capability in case of emergency. The drill was performed to improve the personnel's crisis management and response skills.



### Information Security Target

No business interruption, data corruption, data leakage or other material information security events occurred in 2022.

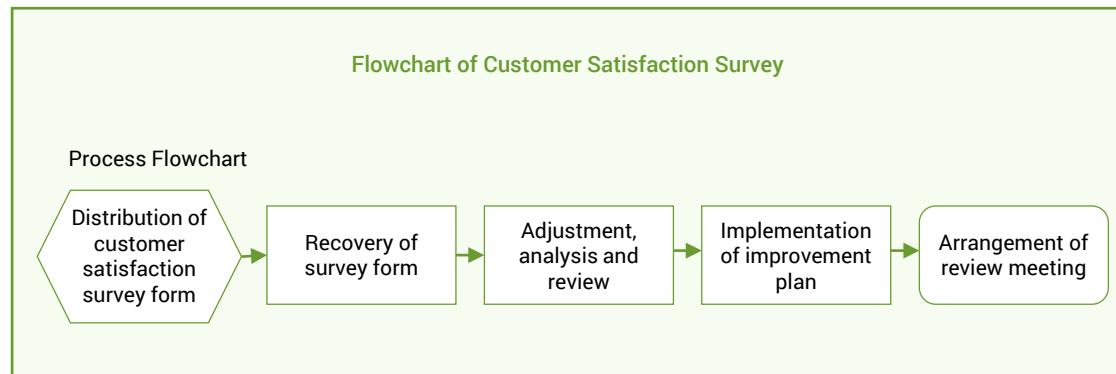
Target	2020	2021	2022
Events causing business interruption, data corruption, data leakage or other material information security events < 1 case	<b>0 cases</b> No business interruption, data corruption, data leakage or other material information security events	<b>0 cases</b> No business interruption, data corruption, data leakage or other material information security events	<b>0 cases</b> No business interruption, data corruption, data leakage or other material information security events

## 2.5 Customer Service and Satisfaction

### Customer Satisfaction Survey

Customer satisfaction is the core value of MiTAC in sustainable corporate development. The routine VOC (Voice of Customer) evaluation (quarterly / semi-annually / annually) is essential for improvement. MiTAC makes ceaseless efforts in continued improvement on the basis of the feedback of consumers in the market. The feedback is taken as the indicator of product design in the aspects of quality, technology, price and delivery, so that the products can meet the customers' demands and expectations and thereby enable the growth of customer satisfaction.

When a customer inquiry about a product or service is received through any of the customer inquiry channels, our customer service unit is required to actively follow up and know the specific reason, and set up the KPI of replying to the incoming customer opinion within two business days. The unit also verifies the attribution of liability with the internal units according to the customers' words, and sends notification for support. All the feedback and complaints are certainly recorded and followed up until the concerned problem is solved. Reports are made based on the monthly summary of three main directions - product analysis, overall performance of the customer service center, and customer suggestions - to serve as the reference for the departments of technology R&D, financial affairs, and product design and business.



### Repair Service Satisfaction Survey

In addition to our emphasis on the customers' feedback for product optimization, our Mio TW annually distributes the satisfaction questionnaire about the customer service/repair service to the end customers by means of regular sampling. By doing so, the customers' rating on the service quality and repair efficiency can be understood and the corresponding actions based on the analysis results can be taken, which is helpful for us to know more about the customers' demands, improve the aspects that have problems, and further provide better service experience.

### Customer Feedback Channels

Product official website: <https://www.mio.com>

Customer service mailbox: <https://support.mio.com/OnLineFaq/OnlineFAQ>

\*Service mailbox - The messages are completed and sent to the system based on the technical support of the official website.

Customer service tel.: 03-286-6668

Line: @mio.tw



## 2.5 Customer Service and Satisfaction

### Customer Privacy Protection

The privacy of the customers of ODM or consumer products is a critical part in customer service. MiTAC has formed the Personal Data Protection Committee to develop the protection policy and regulations as well as the management mechanisms regarding personal data, so that there are clear definitions of the protection principles, processing purposes, scope of use, sharing mechanism, information security measures, etc., in terms of the customers' personal data. In accordance with the principle of legitimacy, the engagement in activities related to personal data must be aligned with the national laws regarding personal data and the requirements specified by the Company, and even with the regulatory requirements of the EU General Data Protection Regulation (GDPR) if concerning the personal data of EU residents, with a view to processing the customers' personal data with great carefulness so that such data are well protected.

To effectively manage the customers' information with a single system, there is a strict access control process for customer visits, and the Company has deployed relevant DLP software worldwide to monitor and prevent the leakage of sensitive data. Also, the measures stipulated by ISO 27001, such as risk assessment, security policy, security control and monitoring, have been implemented; the MiTAC headquarters have thus successfully passed the ISO 27001 certification in 2020. In 2022, there were no complaints that the Company damaged the privacy rights of the customers.

Category	Management Strategy
Management of Organization	<ul style="list-style-type: none"><li>Establishment of the Personal Data Protection Committee</li><li>The headquarters' successful certification of ISO 27001 Information Security Management System since 2020</li></ul>
Management of Policy	<ul style="list-style-type: none"><li>Announcement about the personal data protection policy and the regulations of the implementation of such protection on our internal website</li><li>Setup of the management procedures for confidential documents</li><li>Provision of the protective functions such as consumer inquiry into and view of personal data, suspension of marketing messages, deletion of personal data, etc., in accordance with the Personal Data Protection Act in Taiwan</li></ul>
Management of Personnel	<ul style="list-style-type: none"><li>100% conclusion of non-disclosure agreement by all the employees</li><li>Designated access management for customer database</li><li>Arrangement of promotion and training sessions with regard to the laws related to personal data</li></ul>



## 2.5 Customer Service and Satisfaction

### Mio Milestones and Credentials



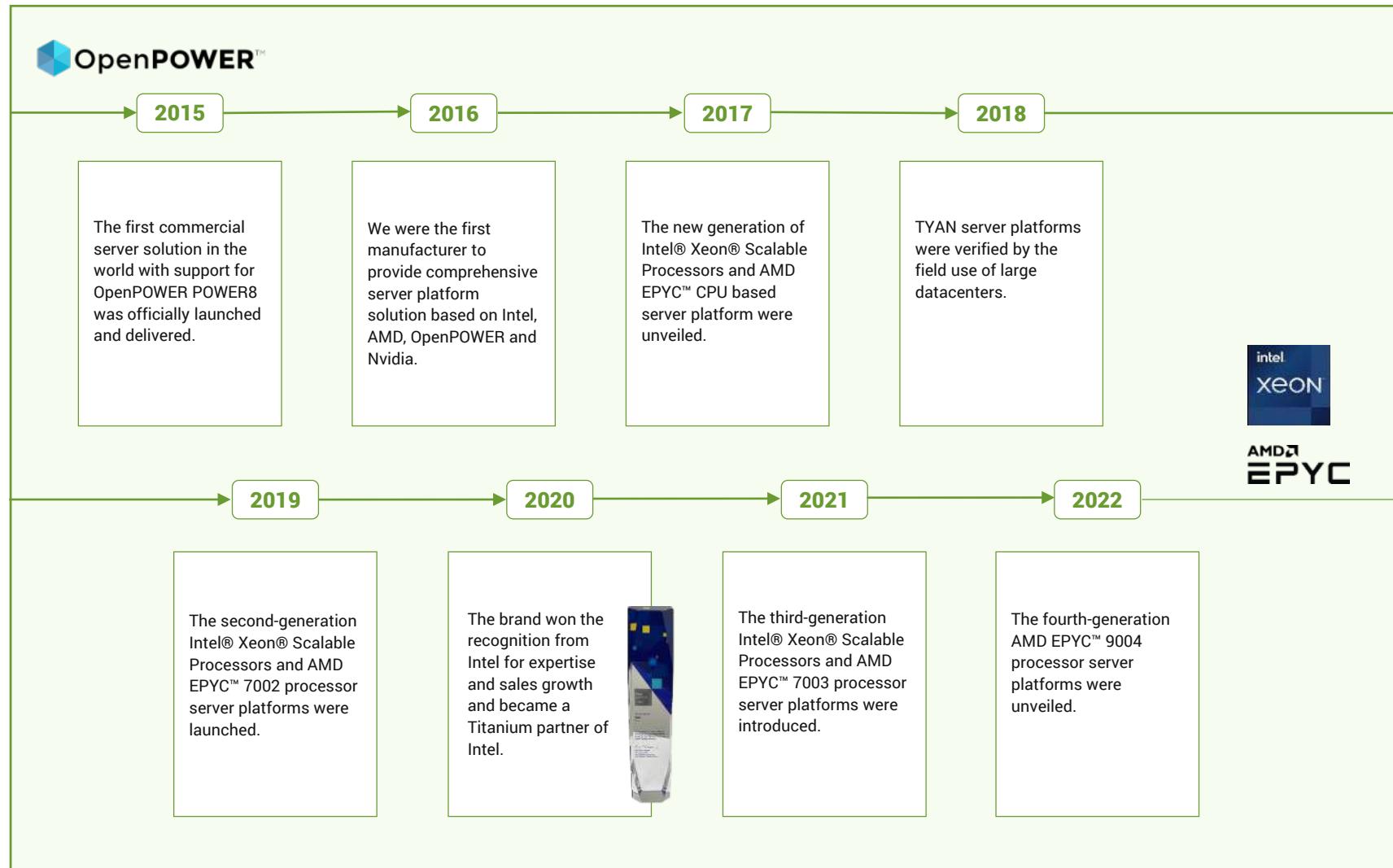
Taking on the responsibilities towards the consumers, the Company's customer service team has been making efforts to develop innovative patterns and the logistics support system, and sharing the concept and the system with the service teams of the other branches across the world.

Implementation status: Our brands, Mio/NAVMAN/MAGELLAN, have introduced the following for the consumers:

- "Online repair," which allows the customers to ask for repair at any place and time;
- "Online service," which is in place 24 hours to reply to any questions as to the products of Mio anytime;
- "Online update," which enables product updates with simple process using the Internet.

## 2.5 Customer Service and Satisfaction

### TYAN Milestones and Credentials



## 2.6 Supply Chain Sustainability Management

For the CSR of the suppliers, the Company requests the suppliers to perform not only the quality and operation audits, but also the RBA audits that cover employee ethics, environmental health and safety, etc., with the improvement measures taken for the defects, if any, within a specified period.

New suppliers must pass the supplier evaluation and comply with the supplier code of conduct. If a supplier is found to have any behaviors that could negatively impact the environment or society while the impact is mild, the supplier will be asked to make immediate improvement and provide the plan and schedule, which is a means to ensure that they adopt the necessary improvement measures; if a supplier is found to have such behaviors that amount to serious non-compliance, the partnership with it might, upon the Company's internal assessment, be terminated to protect the rights of the stakeholders.

The essential certifications that the key suppliers should have are shown below:

- Material suppliers related to the manufacturing process: Must pass the ISO 9001 quality management system certification
- Contractors of plant affairs and related operations: Must obtain the ISO 45001 occupational health and safety management system certification
- Local suppliers: Must obtain the valid factory registration certificate issued by the local government in accordance with the business category as well as ISO 14001 environmental certification

The Company also makes use of the supplier management platform e-SCM to ask the suppliers to provide test reports on the environmental specifications of products such as HSF (Hazardous Substance Free), so as to ensure that the products meet the RoHS requirements. With regard to the conflict mineral issues, promptly requesting the suppliers to ensure the compliance of the supporting materials offered thereby for proper source management in the supply chain in response to the RBA's Responsible Minerals Initiative (RMI) while meeting the requirements of the customers.

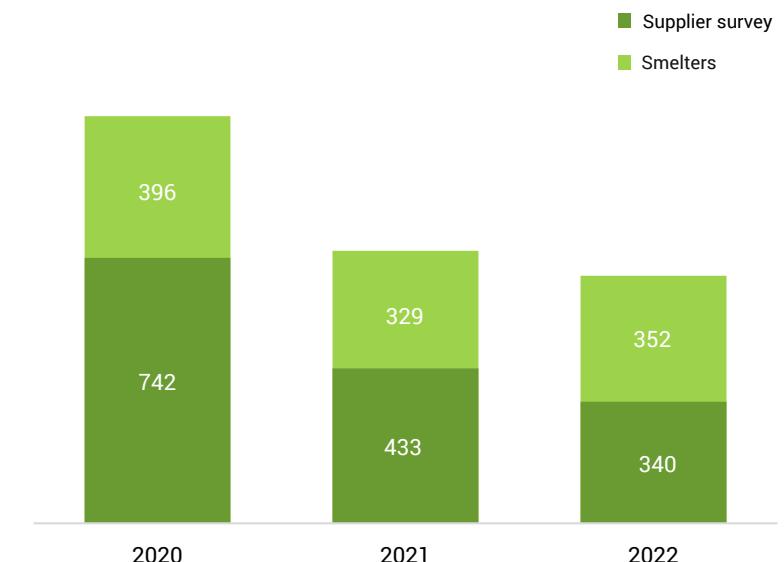
### MiTAC Conflict Mineral Policy

The “conflict mineral purchasing policy” is part of the supplier green product management of the Company. We achieve “management at source” by implementing investigations of smelters, and investigate all raw materials annually purchased for use in the processes based on the CMRT / EMRT survey questionnaire for the non-use of conflict minerals, to understand whether the materials contain conflict minerals and where they are sourced from. These ensure that the Company and its suppliers abide by relevant regulations with utmost effort. In 2022, MiTAC conducted investigation on 340 suppliers and compiled the profits on 352 mining companies in order to ensure that the suppliers of the Company and the Group comply with relevant requirements.

In addition, in response to the dynamically updated announcement of compliant smelters on the RMI website and the requirements of the customers, 21 questionnaire surveys were undertaken, and responses were made to the customers for 58 times and to the suppliers for 223 times. 35 smelters were eliminated.

Conflict Mineral Purchasing Policy
MiTAC's suppliers shall shoulder relevant social and environmental protection responsibilities.
MiTAC's suppliers shall establish and implement an adequate and effective Conflict Minerals Policy and Management Program under which the due diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas is carried out.
MiTAC's suppliers shall adopt a policy and exercise due diligence on the source and chain of custody of tantalum, tin, tungsten, gold, cobalt and mica in the products they produced, to ensure the compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals or an equivalent and generally recognized due diligence framework.
MiTAC's suppliers shall relay these requirements to their upstream suppliers.

### Supplier conflict mineral audit



## 2.6 Supply Chain Sustainability Management

### Supplier Responsibility Counseling and Auditing

We observe the RBA Code of Conduct and establish mechanisms for the guidance and audit of supplier responsibility and the concrete commitment of various topics. Assessments include business ethics, labor human rights, environmental protection, safety and health, and management systems. In order to make sure that the suppliers abide by relevant policies and codes of conducts, audits and evaluations are conducted from time to time to ascertain performance. The status of RBA management of suppliers since the implementation in recent years is described below.

Supplier RBA audit - Analysis of deficiency categories:

	2020	2021	2022	Total	%
Labor	8	8	5	21	36%
Health and safety	4	4	4	12	21%
Environmental Protection	6	5	4	15	26%
Management system	1	1	0	2	3%
Ethics	3	3	2	8	14%

The Company continuously tracks the improvement status of the suppliers to make sure that they comply with the RBA regulations and relevant management requirements. The failure to reach a general improvement rate of 100% was mainly due to the overall labor environment in China, which seems impossible to be thoroughly enhanced for now.

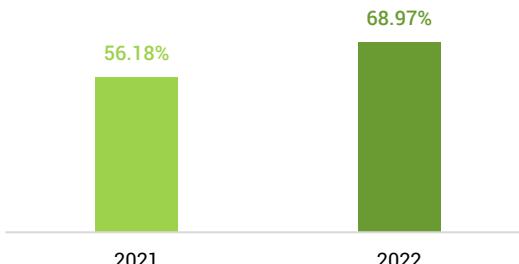
Audit-based Supplier Improvement Rate (2020–2022)



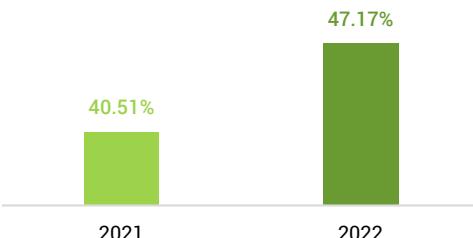
### Localization Management

Localizing the supply chain requires the consideration of the demands and features of the local market. For MiTAC's supplier management model, we have developed a model of globalized task division and manufacture with the R&D and design processes in Taiwan and the USA, the module and semi-finished product manufacture in the production sites in China, and the FCL and assembly processes in the USA. To build close relationship with local partners, the parts, components and systems that are of a low level or need a long period of shipment are produced in Taiwan and China, while the major components with high unit price are procured and used for assembly at the production bases in close proximity to the customers.

Percentage of Suppliers for Local Procurement



Percentage of Local Procurement Amount



The Company knows very well that risk management for key suppliers and key materials is integral to the steady supply chain. Hence, we pay close attention to the market trends and industrial changes so as to identify the factors that might impact the supply chain, such as supply disruption, price fluctuation, shipment problems, climate change factors and natural disasters, and make corresponding strategies and plans for the identified risks.

Supply Chain Risk	Response Strategy/Plan
Supply disruption	1. Avoid undue reliance on a single supplier. 2. Set up the mechanism of second source.
Price fluctuation	3. Prepare sufficient key materials.
Shipment problems	4. Review the risk management strategies of suppliers on a regular basis.
Climate change	5. Establish harmonious relationship and regular communication with suppliers.
Natural disasters	

In 2022, a total of 195 copies of questionnaire were distributed to the suppliers of customized parts for the BCP (business continuity planning) risk survey, with the response rate reaching 42%. 90.24% of such suppliers have assessed a variety of operational risks and taken necessary measures for the risks, and 82.93% of such suppliers have devised the plans of backup production sites/lines.



# Environmental Protection

# 3

- 3.1 Green Commitment
- 3.2 Green Product Design
- 3.3 Climate-related Financial Disclosures
- 3.4 Energy Management
- 3.5 GHG Emissions
- 3.6 Actions and Effectiveness of Emissions Reduction
- 3.7 Water Resources Management
- 3.8 Waste Management

# Environmental Protection

To respond to the global issue of climate change, MiTAC, as a citizen of the Earth, is committed to **net zero emissions** by **2050**. With a view to ensuring that the Group is on the path to emissions reduction, we took specific actions in 2021 to set clear emissions reduction pathways and targets, including reduction by **15%** by 2025, by **30%** by 2030, and **net zero** emissions by 2050 (with the emissions in 2020 as the baseline). With a great deal of resources invested, the Company completed the **ISO 14064** verification for two R&D centers and five production locations for the base year and 2021 in 2022; the opportunities of carbon reduction were thus identified through such verification. There is also a target of reaching **10%** renewable energy use by 2025. We intend to install PV equipment in four plants of the Group and adopt green energy procurement for the other aspects, in order to move towards the Group's target of net zero emissions by 2050. As of 2022, the PV equipment has been set up at those **4** places to provide 3,389MWh of self-generated renewable energy per year.

We have performed carbon reduction actions in an even more proactive manner in recent years, enhancing the energy efficiency and developing the renewable energy. Around NT\$23 million has been invested in the PV installation and the implementation of **7** programs for energy saving and emissions reduction that help save 4,785GJ of energy and reduce 715 metric tons of emissions annually. Meanwhile, we use the SASB industry-specific metrics of the category we fall into to undertake activities of **reducing** water use and waste; the reduction targets were all met in 2022. As for the risks and opportunities related to climate change, we identify the physical risks stemming from global warming for the major production and operating locations, in the hope of boosting the operational resilience of all plants. Also, we recognize the transition risks and opportunities based on the different scenarios that may occur due to the energy policies of local governments, to have a reference for the assessment of financial investment or transition strategy in the future.

## TCFD

11 climate risks and 4 climate opportunities identified based on it

**49.5%**

Increase in renewable energy compared to the previous year

**7.4%**

Decrease in total waste in 2022 compared to the previous year

**715 metric tons**

Reduction of carbon emissions through the seven energy conservation programs

## ISO 14064

Completion of third-party verification from the base year to 2022

**4.3%**

Decrease in water withdrawn in 2022 compared to the previous year

# Material Issues of Environmental Protection

Material issue	Legal compliance (environmental sphere)	Product responsibilities	Energy and GHG management
<b>Management approach and purpose</b>	Ensuring that all the business operations and product sales are in line with the laws of different countries and local regulations. Reducing the risk and loss of non-compliance while following the international trends of Design for Environment (DfE) of products.	Making sure that the products satisfy the requirements of the legal and industrial standards, and taking account of the scenarios of each PLC stage in the process of design and R&D, in order to achieve emissions reduction with the design and mitigation of environmental burdens and impacts.	Based on the fact that GHG emissions have become a global concern that stimulates the development of relevant regulations and standards in different countries and regions, ensuring that we fulfill the requirements of related regulations for energy and GHG management, or even performing better than such requirements in the aspect of GHG management, and reducing environmental burdens.
<b>Management policy</b>	Having the Environmental Engineering Division develop the process system for product environmental compliance based on the internal institutions and environmental policy requirements of suppliers, and ensuring the compliance of review mechanism via the contract management system. Also, having the administrative unit of each plant identify and manage the requirements of local regulations.	Ensuring that the products suit the safety requirements for use through the collaboration between the product safety lab and external certification bodies, and achieving reduction of product resource use and waste based on the standards of DfE and Green Mark application, in order to build an ecosystem of circular economy with the customers.	Proactively managing and adopting energy saving and carbon reduction measures, which helps cut the Company's energy costs, enhance energy efficiency, and reduce the reliance on non-renewable energy. With the ISO 14064 GHG inventory introduced in 2022 and the verification results, ensuring better control over the Group's progress towards carbon reduction.
<b>Management target</b>	The factory staff and administrative personnel regularly review environmental safety and health regulations through the ISO 14001 procedure for identification and to ensure internal compliance.	We achieved 100% product conformity with the requirements of the Green Mark.	Absolute reduction of GHG emissions of 15% by 2025 with 2020 as the base year. 10% clean energy in energy use by 2025 with 2020 as the base year.
<b>Achievement result of the annual target</b>	There were no occurrences of related violation events and fines.	We achieved 100% product conformity with the requirements of the Green Mark.	With 2020 as the base year, the GHG (Category 1 + 2) emissions increased by 6.4% in 2022 (as the MISK Plant was put into operation in 2022).
<b>Chapter of report</b>	3.1 Green Commitment 3.2 Green Product Design	3.2 Green Product Design	3.5 GHG Emissions

## 3.1 Green Commitment

To ensure sustainable development of the Earth, we supply green products. In consideration of the environmental impacts during the product lifecycle, we reduce the carbon footprint from product design, to shipping and packaging.

### Product Design

We demand that the suppliers' raw materials, semi-finished products and our production processes comply with specific environmental and safety regulations as well as industry standards in order to achieve environmental protection and energy conservation. All products comply with the EU RoHS Recast Directive and the EU ErP Directive. Our systems products (servers) have passed various 80Plus certifications in accordance with the Energy Star system, thereby ensuring the systems will increase efficiency, decrease greenhouse gas emission and attain the goals of energy conservation and carbon reduction.

### Packaging Design

We have adopted the green environmental concept for product internal and external packaging design, where low-toxic, low-polluting, resource-saving, reusable and recyclable raw materials are applied to minimize waste and pollution and materialize the concept of sustainable Earth.

- External packaging materials: 100% recycled paper pulp is used for the cartons to decrease deforestation and conserve water resources that are consumed during the manufacturing of paper products.
- Internal packaging materials: Non-toxic, low-polluting and recyclable environmental materials are utilized. We use the same existing design for the packaging of different products as our first choice, to decrease resource and energy depletion caused by opening molds and producing new packaging materials.
- In response to the in-plant testing as well as external marketing needs during the Company's production process, when products or samples are transported internally, the used packaging materials are always considered first to minimize the consumption of new materials.

### HSF (Hazardous Substance Free) Management

#### MiTAC Product Environmental Management Specifications

To produce eco-friendly products, all the parts, components, and materials we use are in line with the international regulations, such as EU directives including RoHS recast, WEEE recast, REACH, POPs, Section 6(h) of TSCA, per/polyfluorinated alkylated substances (PFAS), California Proposition 65, Italy CONAI packaging labelling requirements, and China VOC and Measures for the Control of Pollution from Electronic Information Products. We also request the supply chain to strictly comply with the MiTAC Product Environmental Management Specifications (GP-1-00001). Through the green supply chain management and hazardous substance management, MiTAC is able to provide products with low toxicity and low pollution, in turn minimizing hazards to the environment and people's health.

518 types of chemical substances are under special control, including:

- 153 types of prohibited substances
- 97 types of restricted substances
- 268 types of declarable chemical substances



MiTAC HSF Policy

## 3.2 Green Product Design

Facing the increasingly severe challenges of global warming and energy and resources depletion, MiTAC engages in product eco-design to reduce the environmental impact of products. Based on international environmental protection laws and regulations and customer requirements, we include energy conservation, materials reduction, ease of disassembly and waste recovery simplification in product design. In the control of hazardous chemical substances, we set short- and medium-term goals for the reduction of hazardous substances, reduce environmental impacts in the manufacturing process, establish the environmental management system and develop various environmental management SOPs to control the waste produced and energy/resources used in the process.

In addition to the existing foundation, we continued to promote the concept of circular economy in 2022 to progressively realize our green commitment in CSR.

The Company abides by the applicable national/international laws and the code of ethics. In the regions where we operate, we promote fair competitions, ensure the safety of products and services for customers, comply with labor laws and practices, the Universal Declaration of Human Rights and international standards, and protect copyright. The Company's assets and all forms of intellectual property rights are aligned with the regulatory requirements. Meanwhile, in order to ensure the health and safety of the users, MiTAC conducts electromagnetic compatibility (EMC) or electromagnetic interference (EMI) testing on all ITE products and complies with mandatory legal requirements in every sales region. The Company did not receive any fines for non-compliance with laws and regulations in 2022.

In the aspects of international environmental regulations, DfE and acquisition of ecolabels, we constantly realize our green commitment described as follows:

**International environmental regulations:** With the developing international regulations of environmental protection as the requirement for product DfE, we start with the control on hazardous substances to further comprehensively control the whole product life cycle. An example of such regulations could be the EU ErP directive proposing that all energy-using products must adopt a design for the environment to minimize resource depletion and pollution emission.

- **Design for environment:** MiTAC has stipulated DfE (Design for Environment)/eco-design as one of the prerequisites of product design, therefore demanding the R&D personnel take into consideration the products' environmental impact during different stages, including design, production, packaging, transportation, usage, recycling for reuse, and waste disposal.
- **Ecolabels:** We distribute products that meet the highest eco-standards and eco-design requirements of different countries, such as the EPEAT and Energy Star of the USA, the SEPA and CEC of China, the Green Mark of Taiwan, the EU Flower of Europe, and the Blue Angel of Germany, in response to the customer's sales needs. To meet the green procurement threshold of different countries, we strive to fulfill the environmental protection requirements for the design, use, recycling, energy consumption and toxin allowance right at the product development stage.
- The server products put into mass production in 2022 include but not limited to the following: Thunder SX TS65-B7126, Thunder HX TS75-B7122, etc. that have obtained the 80 plus Platinum (PSU) certification and passed the test of the EU ErP lot9 regulation.



## 3.2 Green Product Design

The Company is dedicated to mitigating excessive resource depletion, increasing resource utilization efficiency and lowering the use of high energy consumption resources. In terms of raw materials for the mass production of core products, the usage quantity is not only directly associated with operating performance, but also related to the consumption of environmental resources. Therefore, we regularly keep track of the raw material consumption, hoping to improve raw material usage efficiency year by year and decrease the amount of materials needed for packaging and shipping. All products comply with the restriction of the use of certain hazardous substances in electrical and electronic equipment as in the RoHS Recast Directive (2011/65/EU) and the RoHS Commission Delegated Directive (2015/863/EU). Based on the design requirements in the WEEE Recast Directive (2012/19/EU), the recycling rate of all materials used in products is over 80%.

### Packaging Materials

Packaging materials are divided into sales/primary packaging, grouped / secondary packaging and transport / tertiary packaging. In order to minimize packaging materials' environmental impact, we have recycled all the materials of grouped / secondary packaging and transport / tertiary packaging used by our component suppliers for reuse during product shipment, thereby reducing the total volume of packaging materials used.

For procurement strategy related to the packaging of core products, besides complying with the Packaging and Packaging Waste Directive (94/62/EC), we have also introduced PVC-free packaging materials. EPE (extended polyethylene) is used in place of EPS (extended polystyrene) to protect products during transport, which in turn decreases environmental impact. As for decreasing the materials of transport/tertiary packaging, optimized packaging designs are adopted for shipping and air freight to maximize the product weight each pallet can carry.



### Cases of Product DfE

Product type: Datacenter enterprise server and storage server systems with materials use efficiency included in product design to reduce materials wastage and extend product lifetime.

1. Modular design of structure
2. Convenient product disposal by waste collectors considered at the stage of design
3. Attention to the composition of key materials in products

The following four practices are implemented to fulfill the above three requirements:

1. Ease of disassembly of key parts and components: This is helpful for the future maintenance and repair, product upgrading, part and component reuse and EOL material sorting.
2. Provision of the important information on the weight of globally concerned key materials in product parts: Currently, information of the cobalt in batteries and neodymium (Nd) in the hard disk drives is provided.
3. Provision of continuous software updates for customer systems: We allow the customers to use our systems for long without worrying about forced disposal of products due to discontinued software maintenance, and enable the users of pre-owned MiTAC systems to have system software support after system refurbishment and upgrading. The target of prolonging product lifetime is also thereby achieved.
4. Provision of software that allows customers to expunge the data stored in system: With such software, our customers can ease the worries about information security after system disposal or transfer, which enhances the willingness of system transfer and the chance of product reuse.

## 3.2 Green Product Design

Sticking to the EU Directive on the Waste Electronics and Electrical Equipment (WEEE), the Company takes account of the feasibility and convenience of future collection, disassembly and recycling for reuse of products right at the stage of design. The following is an example of the main sales products, have renewable materials constituting more than 88% of their respective weight.

Product	Weight (g)			Percentage of Renewable Materials
	Whole Product	Renewable Materials	Non-renewable Materials	
Dashcam - N678	168.96	152.26	16.70	90%
Dashcam - N695	400.46	373.83	26.63	93%
Dashcam - N704	137.69	121.26	16.43	88%
In-vehicle navigation - N650	564.62	513.80	50.78	91%
Server - TS75 B8252	31,801.99	28,949.35	2,852.64	91%
Embedded PC - ME1-108T / 118T	600.00	545.00	54.00	91%

Starting from the stage of product design, we demand that the suppliers' raw materials, semi-finished products and our production processes comply with specific environmental and safety regulations as well as industry standards in order to achieve environmental protection and energy conservation. All products comply with the EU RoHS Recast Directive and the EU ErP Directive. As for the systems products (servers), they are in line with the Energy Star system with the use of high-efficiency and high-power-factor PSUs meeting the global 80 PLUS specifications to reduce energy consumption. Meanwhile, we progressively enhance the energy efficiency level of PSUs every year, upgrading from the commonly used 80 PLUS Gold to 80 PLUS Platinum in 2019 and intending to further move towards 80 PLUS Titanium in 2023 to reflect even higher energy efficiency.



### 3.3 Climate-related Financial Disclosures

#### TCFD Governance Framework and Strategy Planning

Since 2022, MiTAC has adopted the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to identify climate risks and opportunities, and accordingly established relevant measurement indicators and management by objectives upon discussions.

An ESG Committee has been organized under the subsidiary of MIC to supervise and manage the climate change adaptation strategies. In the ESG Committee, there is an Environmental Management Team responsible for the identification of climate change risk factors, and the analysis of risks and opportunities under different scenarios. In addition, the annually collected GHG emissions data are verified and further submitted to the Board of Directors so that the Board can refer to the physical risks in different places caused by climate change when making decisions for worldwide deployment in response to the Group's future development, and encourage the business units to consider the transition risks and opportunities stemming from climate change when they develop low-carbon products.

The climate change strategies are implemented in several aspects:

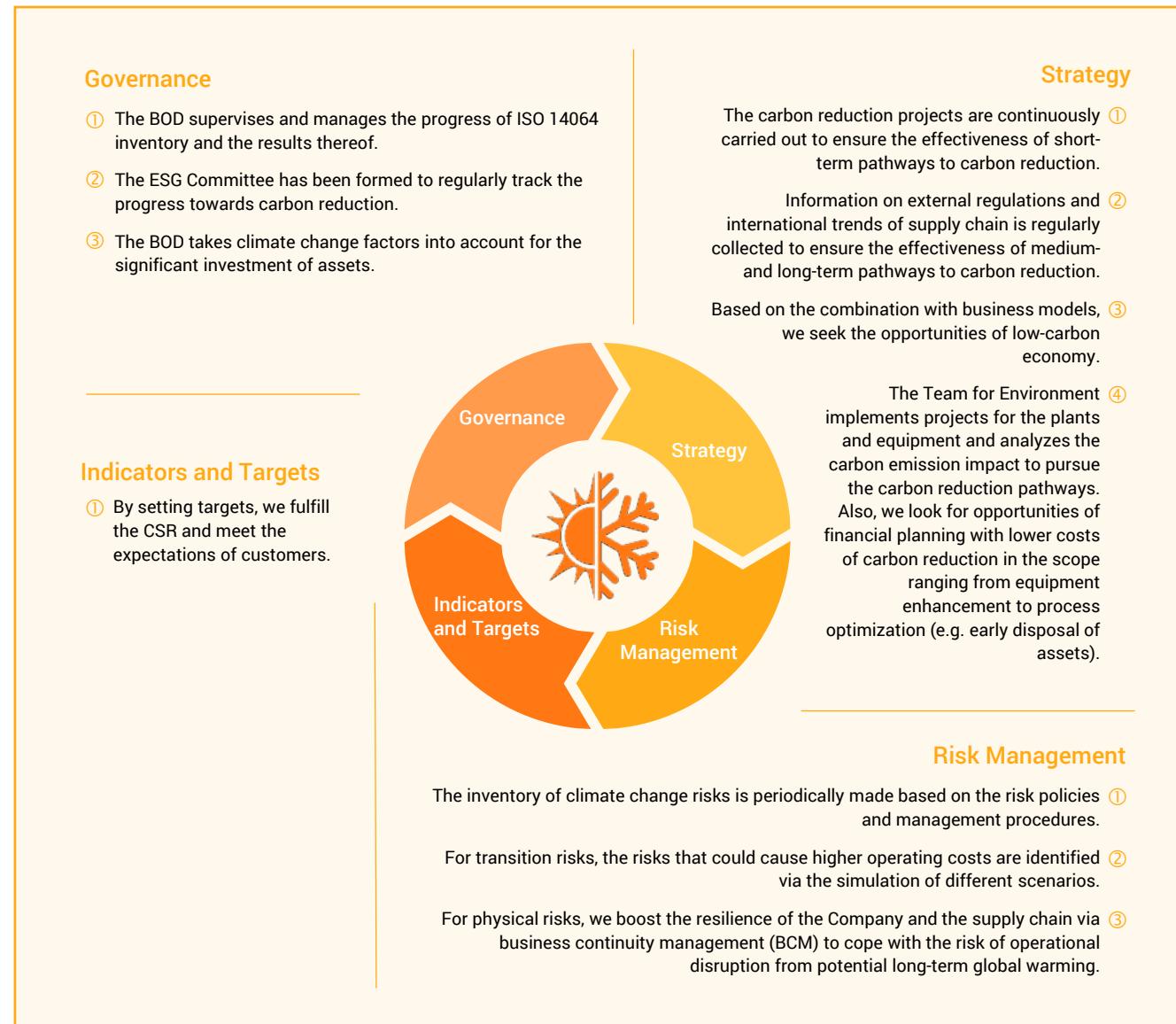
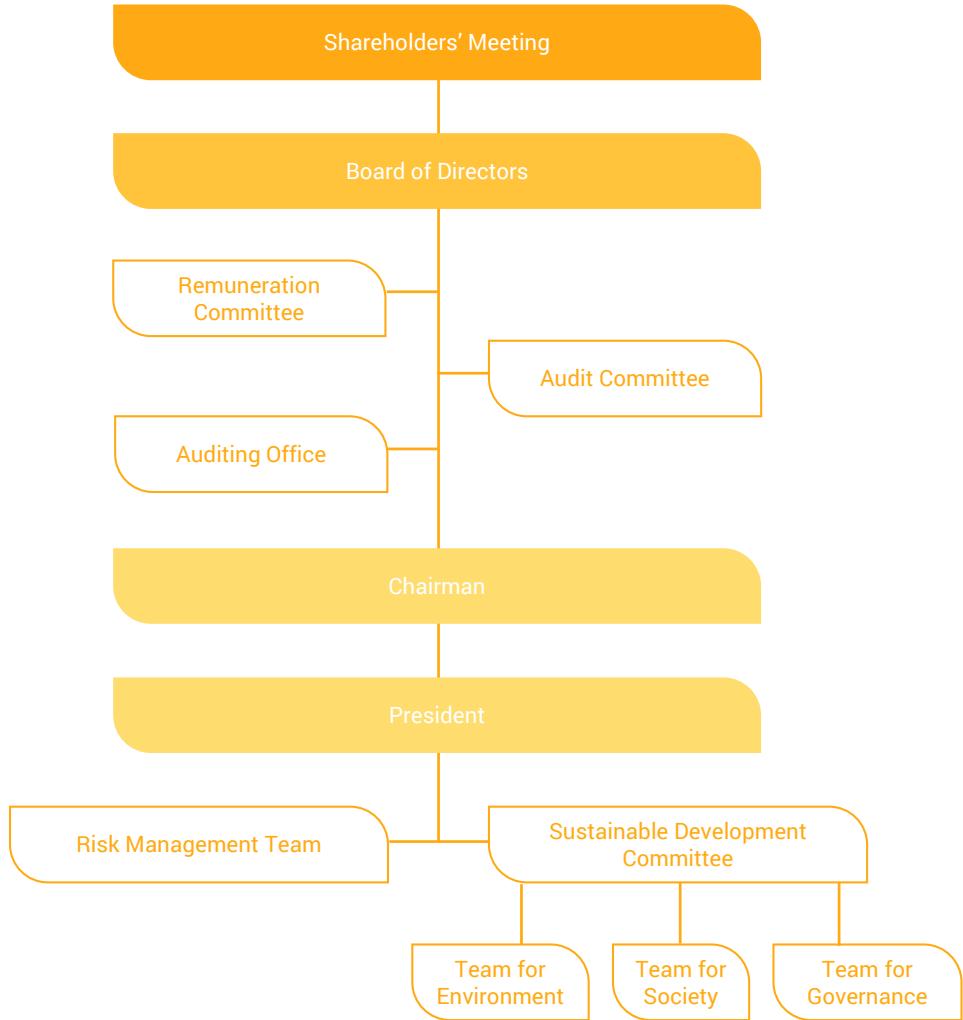
- A. External environment: To formulate response strategies, we collect information of the climate change related laws in different countries that are associated with our businesses. Corresponding measures are devised in accordance with how well the countries fulfill their climate commitment. For example, the progress of clean energy has an impact on the local electricity carbon emission factor, and is thus taken as a reference in the assessment of green power purchase.
- B. Business models: As low-carbon products and services will be the main requirements of the two scenarios-APS and NZE, it is necessary to think about the strategies of investment in new technologies and input of resources when it comes to the design of new products.
- C. Internal implementation: The impact of climate change results from physical and transition risks. In addition to national commitments, enterprises make their own commitments on net zero as well, with the adopted strategies most commonly including the use of low-carbon or clean energy, independent installation of solar power generation facilities, and procurement of green power. With regard to the strategies of energy saving, we focus on the replacement of internal equipment and assets to meet the requirements of carbon reduction, and requests that the analysis of carbon emission impact of new equipment to be introduced be made to boost the energy utilization efficiency.

Risk management is a topic in the face of climate change. It can be described based on the following points:

- A. Risk inventory: For the Company, the risks related to climate change include the disruption at production locations, the material supply disruption due to the ceased production of suppliers, and the higher costs as a direct or indirect result of climate change. The Company adopts risk management procedures to regularly make an inventory of risks concerning operation and governance, in order to analyze the risk appetite and employ risk strategies.
- B. Risk strategies: In terms of high-risk items, we analyze the risk impact based on three scenarios for transition risks. In the future, we will link the risks to the financial aspect by including climate change factors into the analysis of investment efficiency. As for physical risks, we emphasize the need for stronger mechanisms for disaster prevention and backup to reduce the risk impact.



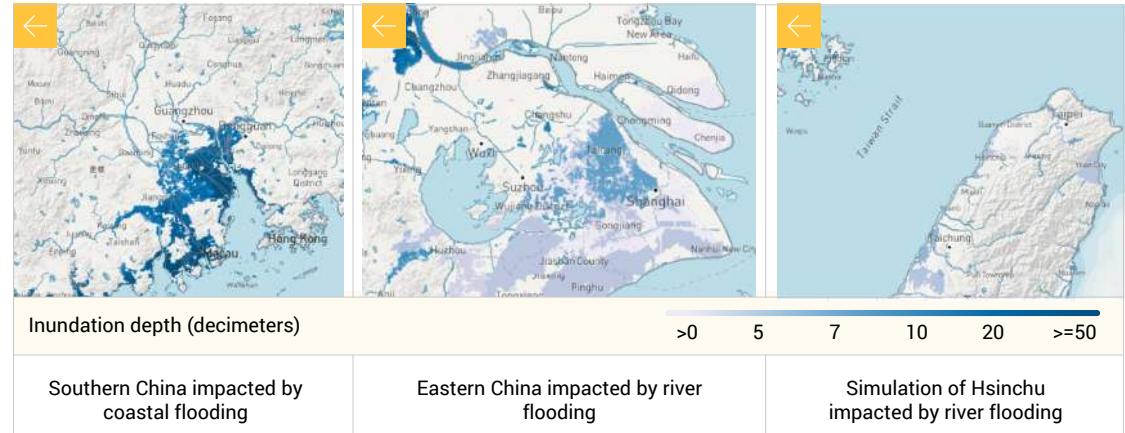
### 3.3 Climate-related Financial Disclosures



### 3.3 Climate-related Financial Disclosures

#### Mitigation and Adaptation

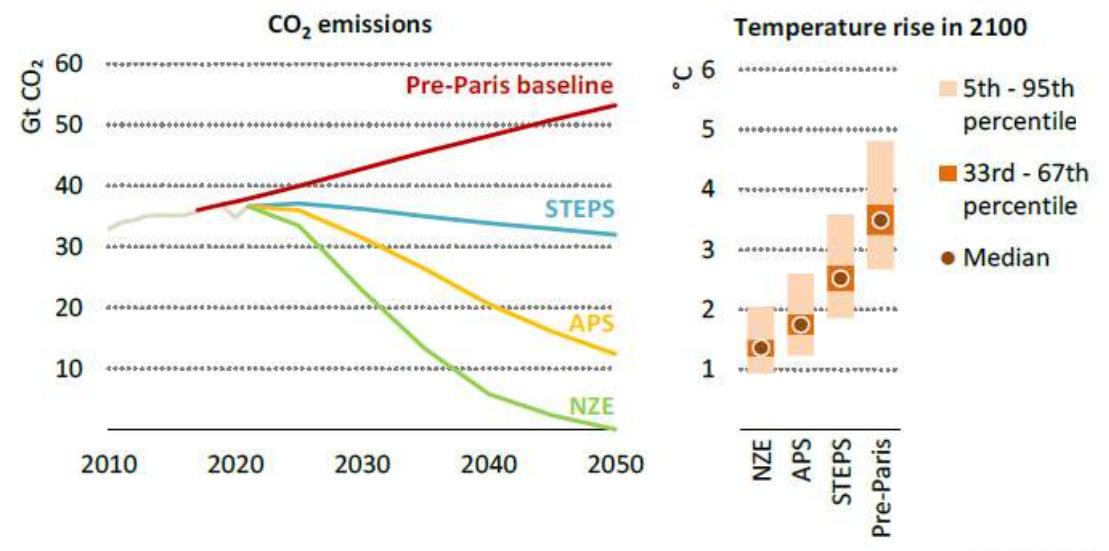
With regard to the future effectiveness of reducing carbon emissions by human, the Company took IEA's 2022 Outlook as reference to analyze transition risks based on three scenarios. As for physical risks, we used the Aqueduct tools provided by WRI (World Resource Institute) to assess the risks of floods in 2050 as a result of global warming at the major production locations (Southern and Eastern China and Hsinchu, Taiwan) under the scenario similar to STEPS. Based on the simulation of extreme natural disasters that could probably only happen once in five decades, we found that Southern China might be impacted by coastal flooding caused by storms, while Eastern China might be impacted by river flooding. Hsinchu, Taiwan also has a chance of being impacted by river flooding, but with the impact level lower than that in China.



The three scenarios of IEA (International Energy Agency) are described below:

1. APS (Announced Pledges Scenario): This scenario takes into account all commitments on clean energy policies and GHG reduction measures of different countries, and limits the global temperature increase to 2.1 degrees Celsius until 2100. According to this scenario, the GHG emissions in 2050 are to be reduced to one-third of the emissions in 2020. Currently, when we assess the total consumption of polluting energy and the carbon emission factors of different countries, we somewhat use the APS to calculate the sources of carbon reduction.
2. STEPS (Stated Policies Scenario): This scenario takes into account all the existing policies, including the nationally determined contributions under the "Paris Agreement," of different countries. As the countries will not naturally pursue all the energy policies, however, the emissions reduction targets achievable with the relevant regulation, market assessment, infrastructure and financial status of each country need to be considered. This scenario sets a global temperature increase of 2.6 degrees Celsius and emissions reduction performance in 2030 less than 15% of the performance in 2020.
3. NZE2050: As its name implies, this scenario shows a path for the global energy system to achieve net zero emissions by 2050, and limits the temperature increase in 2100 to less than 1.5 degrees Celsius. In this scenario, global carbon emissions need to be reduced by 50% in 2030. Thus, the carbon reduction requirements for different industries will be stricter, and brands, manufacturers and national legislation are part of the means to achieve this scenario.

IEA provides three scenarios to explain the amount of carbon emissions and the temperature rise of the Earth in the future.



### 3.3 Climate-related Financial Disclosures

The table below further describes the measures in the operation processes or business management of the Company and involved upstream suppliers and downstream customers under the potential impact in four different climate scenarios.

Type of Climate Scenario	Scenario	Impact	Period	Premise Parameter	Analysis Result		
					Upstream	MiTAC	Downstream
Transition	IEA NZE2050	The proportion of clean energy will increase, the production of relevant raw materials will be restricted, and the materials used in production will be replaced more rapidly. High carbon fees and taxes will be imposed on enterprises.	2025-2050	Temperature rise below 1.5°C	The suppliers with high energy consumption might experience the stress of high carbon tax and be eliminated, and they will pass the production costs on to the Company.	With the demand for clean energy significantly growing, we will have higher operating costs due to the price increase of green power at the production sites.	The low-carbon products will bring the customers with capability of circular economy management to a higher level, and the ability to manage carbon emissions throughout the product life cycle will be a decisive factor of the product design.
	IEA APS	Governments will follow the policies they promised to adopt, with carbon fees and taxes as the means thereof, which will increase the corporate operating costs.	2025-2100	Temperature rise more than 2.1°C	The suppliers, which are in the industry with great electricity consumption, will be restricted by energy saving and carbon reduction regulations. Managing multiple suppliers requires attention to the carbon emission performance of suppliers in different regions.	As the assembly industry requires low density of electricity consumption while the customer requirements vary from industry to industry, we will purchase green power based on the production locations of the product lines.	Some customers will place importance on the emissions reduction management of key suppliers when adopting low-carbon products.
	IEA STEPS	Global warming will increase the impact of climate change and make business continuity more challenging.	2025-2100	Temperature rise of 2.6°C	The supply chain will be cost-oriented, so it will be hard for the suppliers aware of transformation to receive orders.	The external transformation stress will be insufficient, and the corporate solutions to carbon reduction will cost a lot due to the scale of carbon reduction programs.	As different countries and regions have regulations that are unlike, customers have different requirements for the carbon emissions of products. The management of customer differentiation is thus a focus of management.
Physical	IPCC RCP8.5	The increase in rainfall and the rise of sea level will impact the operating locations at a low altitude, e.g. the production location on the coast of China.	2030-2050	Inundation depth	For the suppliers with production sites in the scope of hotspots of flood risk, the effectiveness of their alternative plans will need to be ensured based on the supplier BCM survey.	The production or transportation in Eastern and Southern China and Hsinchu might be disrupted due to floods.	If the customers have VMI in the high-risk areas, special agreements or insurance for risk avoidance will be required for the assets deposited in the warehouse.

### 3.3 Climate-related Financial Disclosures

#### Risks and Opportunities

For climate change risks, the commitment to net zero made by the Company for the countries where the production sites are located in response to the issue of climate change will be displayed in relevant regulations. By keeping track of the development and implementation status of such regulations, we keep aware of the risks in the policies and regulations. For example, China aims to achieve carbon neutrality by 2060 and Taiwan aims to reach net zero emissions by 2050, so there are national laws for emissions reduction requiring enterprises to reduce their carbon emissions or purchase green power. Moreover, developed countries generally use protective tariffs to ask importers to pay carbon taxes, for the purpose of protecting their domestic companies whose operating costs (electricity use or materials) have become higher due to the emissions reduction goals they proactively set. These are the aspects that the Company continuously observe and formulate strategies for.

When low-carbon products become the mainstream of the market, the development of alternative products or services or the changes in consumer habits will be consequently stimulated. Such technical or market risks pose even greater challenges to the Company: in addition to the investment in new technologies, it is also important to assist customers in thinking about the future development opportunities of low-carbon products, or there would be a big risk of being replaced.

Since most of our revenue comes from hardware manufacturing, we have large production bases and a great deal of suppliers. Extreme weather events resulting from climate change (e.g. heavy rain and flooding caused by sea level rise) bring risks to the production locations of the plants established along the riverside or coastline in the light of transportation. For instance, flooding might directly interrupt the operation, or indirectly lead to material supply disruption or make the employees unable to commute to work normally and safely. Corresponding measures must be developed to save the equipment and human assets.

For manufacturing industries, the opportunities created by climate change are less than the risks stemming from it. As mentioned in the preceding paragraph, the Company owns large production bases. By installing rooftop solar power system, we are able to have a certain proportion of clean energy, and the energy costs will be lower than that of purchased power. Further, if we take the lead to launch the new low-carbon products or solutions developed to meet customers' expectations and requirements for energy saving and carbon reduction, we will be able to generate even more profits or revenue.

The following table shows the potential financial risks and corresponding management approaches regarding the climate change risks and opportunities, which is helpful for the follow-ups and setting of necessary targets for risk management.

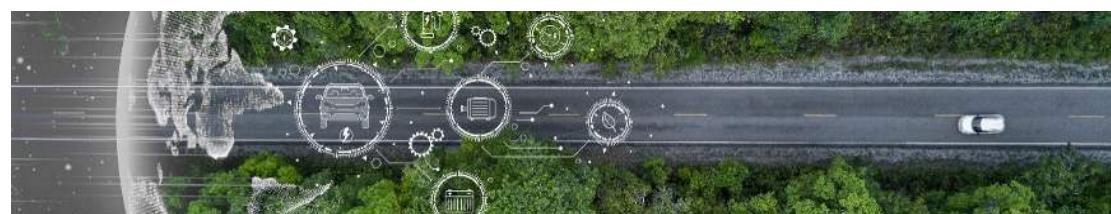
#### Potential Climate Change Risks

Risk Category	Description of Risk	Potential Financial Risk	Management Approach
Transition risks	Policy and legal risks	Large electricity-consuming company & emissions reduction regulations	Higher equipment amortization expenses due to the increase in assets resulting from increase in energy-saving assets Cooperate with ESCOs to find suitable replacement for existing equipment, and make a list of items to be replaced for the year.
	Policy and legal risks	Carbon border tax	Higher costs due to fines Support the customers to develop and manage low-carbon products and develop ISO 14067.
	Market risk	Customers' requirement for involvement in carbon reduction goals of ER100 or SBT	Higher operating costs due to green power purchase Form partnership with renewable energy companies in the global market, and assess the feasibility of the plans for direct purchase of renewable energy.
	Technology risk	Our products being replaced by low-carbon products	Lower revenue Develop a map of low-carbon products and technologies, and work with the IP Department to observe the peers' application for patents.
	Technology risk	Failed investment in new technologies (low energy-consuming platform, high-performance cooling capacity)	Higher R&D costs & failure to schedule the R&D of other products Include low-carbon products in the scope of management regulations for new technologies and businesses.
	Market risk	Changes in the behaviors of end consumers	More stocks and lower revenue due to the falling demand for existing products Make use of the Company's channels and brands to detect the signs of changes in consumer behaviors, in order to have reference for the discussion on product development plans with ODM customers.
	Market risk	Higher material costs	Limited gross margin due to the suppliers' higher input costs and output waste recovery/disposal Develop guidelines for designs with less emissions and waste.
Physical risks	Greater intensity of floods caused by typhoons	Greater intensity of floods caused by typhoons	Lower production capacity Prepare a BCM and disaster risk reduction plan for typhoon floods, and pay attention to the diversification of suppliers in high-risk areas.
	Equipment in high-risk areas being impacted by disasters	Equipment in high-risk areas being impacted by disasters	Early discarding of existing assets Prepare a BCM and disaster risk reduction plan for typhoon floods, and carry out scenario-based disaster prevention drills.
	Increase in average temperature	More electricity consumption due to high temperature	Higher operating costs Adopt green building designs for new plants and make plans to optimize the AC and chillers in old plants.
Sea level rise	Operational risks in high-risk areas	Higher insurance expenses for the plants in high-risk areas	Make integrated insurance plans.

### 3.3 Climate-related Financial Disclosures

#### Potential Climate Change Opportunities

Opportunity Category	Description of Opportunity	Potential Financial Opportunity	Management Approach
Energy utilization efficiency	Application of low-carbon energy (self-installed rooftop solar power system)	Lower operating costs	Have all the plants assess the ROI of rooftop solar power system for the ESG Committee to make decisions.
Market	Entering the fleet management market	Higher revenue	Regularly assess the GHG reduction strategies of the existing customers, and provide solutions for those with requirements of Scope 3 emissions reduction and product carbon footprint.
Resilience	Active collaboration with the supply chain to choose low-carbon suppliers and ensure the alternative plans of suppliers in high-risk areas.	Better operational efficiency and output	Conduct surveys on carbon management and BCM of suppliers to analyze their risks, or work with a third party to analyze the resilience of supply chain.
New technologies	Introduction of new water cooling technology in replace of the traditional air cooling technology that will no longer work when the servers have been at peak performance, with the carbon reduction effect of the new technology 45% better than that of the old one	Expected demand of US\$400 million for immersion servers in the market of North America by 2030	Make an inventory on the datacenter requirements of the existing customers by country and meet the R&D schedule, given that the carbon emissions of servers have made up 1% of the total carbon emissions in the world and that countries are restricting the carbon emissions of the companies emitting a great deal of carbon.



#### Indicators and Targets

We make efforts to proactively respond to climate change and determine specific targets. With 2020 as the base year, we have set the short term target of reducing GHG emissions by 15% by 2025, the medium-term target of reducing GHG emissions by 30% by 2030, and the long-term target of achieving net zero emissions by 2050. In terms of clean energy, it made up around 5% of the Company's energy use in 2022, and we aim to increase such percentage to 10% by 2025. The actual percentage of clean energy in 2022 was 3.4%.



## 3.4 Energy Management

### MiTAC's Energy Utilization

Type of Energy		Unit	2020	2021	2022	
Input	Energy	Purchased power	MWh	66,500.77	67,669.42	68,653.26
		Natural gas	MWh	704.41	628.50	523.56
		Diesel	MWh	238.15	312.08	297.00
		Gasoline	MWh	309.17	287.45	199.79
	Renewable energy	Solar power	MWh	559.00	562.00	2430.61
	Water resources	Tap water	million liters	436.61	482.14	469.84
	Materials	Packaging / transportation materials	metric tons	2,791.83	2,453.43	1,842.67
Output	Greenhouse gases	Direct emissions (Scope 1)	ton-CO2e	2,705.41	2,732.56	3,846.67
		Indirect emissions (Scope 2) - Purchased power	ton-CO2e	35,612.30	35,775.55	36,947.69
		Scope 1 + 2 emissions	ton-CO2e	38,317.71	38,508.11	4,0794.35
		Indirect emissions (Scope 3) - Employee overseas business travel	ton-CO2e	304.01	78.98	148.386
		Indirect emissions (Scope 3) - Product cross-national transportation	ton-CO2e	3,286.66	3,010.61	7,872.76
		Indirect emissions (Scope 3) - Company cars	ton-CO2e	-	-	30.66
		Indirect emissions (Scope 3) - Cleanup and disposal of waste	ton-CO2e	-	-	102.82
	Wastewater	Domestic wastewater	million liters	209.02	239.83	237.43
	Waste	General industrial waste	metric tons	531.24	484.77	474.96
		Hazardous industrial waste	metric tons	96.96	137.11	134.63
		Recyclable waste	metric tons	1,509.07	1,727.10	1,614.67
		Total waste	metric tons	2,137.26	2,348.63	2,224.26
	Waste gas	Volatile organic compound	metric tons	0.26	0.68	2.69

As MiTAC is mainly involved in assembly, our impact on the environment is relatively minimal. Energy efficiency is always our priority when it comes to the planning, installation and operation of the production facilities in the plants. Meanwhile, we continuously measure and manage our environmental performance. The total input (energy, resources, materials) and total output (GHG, air pollutants, waste, wastewater) of MiTAC's major production locations around the world in 2022 are summarized below. In 2022, the Company expanded the PV installation with the aim of reaching 10% use of renewable energy by 2025.

Type of Energy	Unit	2020	2021	2022
Purchased power	MWh	66,500.77	67,669.42	68,653.26
Natural gas	MWh	704.41	628.50	523.56
Diesel	MWh	238.15	312.08	297.00
Gasoline	MWh	309.17	287.45	199.79
Total energy consumption	MWh	67,752.50	68,897.44	69,673.61
Energy intensity	MWh/NT\$ million	1.62	1.66	1.46

#### Note:

1. The GHG emissions of "company cars" and "cleanup and disposal of waste" were additionally included in the inventory items in 2022.

2. In 2022, the plants in Kunshan and Taiwan were included in the GHG emissions inventory scope of "product cross-national transportation," covering all the production locations.

## 3.5 GHG Emissions

The Company cares about global climate change, protecting the Earth's resources and fulfilling our CSR. Besides continuing to promote greenhouse gas emission control in order to decrease costs, we also strive towards sustainable energy development that encompasses resource efficiency, energy conservation and environmental protection, so as to help materialize a low carbon economy and society.

### Carbon Reduction Goal

To take our social responsibility for the environment, we implement progressive energy conservation and carbon reduction. Based on the initiatives and guidelines such as SBTi and TCFD, we first developed the emissions reduction pathways for the following decade in 2021 in consideration of the GHG data over the past years, the electricity consumption necessary for future operational growth, and the clean energy policies of places where our operating sites located. The pathways were further reported to the Board of Directors and communicated in important internal meetings. In our plans, the product designs featuring energy saving and emissions reduction are to be an essential development direction.

### GHG Inventory

Each year, the Company conducts the inventory of the GHG emissions in the previous year. The ISO 14064 third-party verification was completed for the first time in 2022, covering the data in 2020-2021. As for the inventory data of 2022, it was verified in the first half of 2023, with the inventory scope covering direct GHG emissions, indirect GHG emissions from imported energy, indirect GHG emissions from transportation (business trips, product transportation), indirect emissions from cleanup and disposal of waste, etc. The verification results are helpful for us to be better aware of the progress of the Group's carbon reduction pathways.

#### Group GHG emissions and intensity

	2020 (base year)	2021	2022
Category 1 Total GHG emissions (ton-CO2e)	2,705	2,733	3,847
Category 2 Total GHG emissions (ton-CO2e)	35,612	35,776	36,948
Categories 1 + 2 Total GHG emissions (ton-CO2e)	38,318	38,509	4,0794
Revenue (NT\$M)	41,146	42,186	47,833
Categories 1 + 2 Intensity of GHG emissions (ton CO2e/per NT\$ million revenue)	0.93	0.91	0.85
Categories 3–6 Other in emissions GHG emissions (ton CO2e)	3,591	3,090	8,155
Categories 1–6 Total GHG emissions (ton-CO2e)	41,908	41,598	48,949

Note:

1. Sources of the carbon emission factor of the plants: Taiwan – 2021 emission factor announced by the Bureau of Energy; China – Notice on the Management of Greenhouse Gas Emissions Reporting by Enterprises in the Power Generation Industry from 2023 to 2025; California – PG&E Climate Strategy Report, June 2022.
2. GHG emissions were quantified using the GWP of IPCC AR6 (2021).



Environmental ISO Certification

## 3.6 Actions and Effectiveness of Emissions Reduction

Under the effects of global warming, the Company, as one of the citizens of the Earth, shall continue reducing the GHG emissions during the operating process to reduce the negative effect on the climate. Based on ISO 14064, we found that electricity consumption is the main source of GHG emissions for Category 1 and Category 2 (constituting more than 92%). With energy saving as a means for the reduction of carbon, we implement the GHG emission reduction plan in line with the greenhouse gas management guidelines of the local government and the reduction target of the Company.

### Power / Energy Saving Measures and Programs

There were a total of seven energy saving programs in 2022, helping save 4,785GJ of energy and reduce 715 metric tons of carbon emissions annually.

Plant	Item	Annual Energy Saving (MWh)	Annual Energy Saving (GJ)	Annual emission reduction (ton-CO2e)
Taiwan - Huaya Plant	Improved cooling water system efficiency	725	2,610.0	369.19
Taiwan - Hsinchu Plant	Inverter Vacuum Pump Replacement	73	262.8	37.12
China - MSL Plant	Replacement of servers in the server room	40	144.0	23.24
	Introduction of selective wave soldering	271	975.6	157.22
	Cancelation of MI process (Phase I)	162	583.2	94.12
China - MKL Plant	Installation of four energy-saving water pumps	32	115.2	18.45
	Workshop fine management for production	26	93.6	15.11
Total		1,329	4,784.4	714.45

### Renewable energy construction

The Company has constantly installed solar power equipment at major operating locations. In 2022, around NT\$110 million was invested in renewable energy. Apart from the solar heat pumps (546MWh) already installed, we additionally set up PV equipment (power generation of 2,431MWh) in 2022. The power generated by these two totaled 2,977 MWh (10,717 GJ). It is expected that in 2023, the total power generation 3,655 MWh.



**4,785 GJ**

Seven Energy Saving Programs

Total power savings



**715 tons**

Seven Energy Saving Programs

Reduction of carbon emission



**10717 GJ**

Renewable energy

Total power generation

## 3.7 Water Resources Management

The Company's water consumption at major production locations worldwide mainly comes from domestic water use (approx. 95%). Most of the water is tap water; no ground water is used. In water resource protection, various water conservation programs are established for corporate sustainable development and management of water consumption for operations is achieved with various water conservation and water reclamation/reuse measures. Internal water audits are conducted while various water-saving measures are implemented, with water used as the observation indicator in order to respond to water resource risks caused by climate change in advance.

Target set in 2022: With 2021 as the base year, annual reduction in water use intensity (water consumption per unit revenue) by 1% compared to the previous reporting year, and total reduction by 5% by 2026

### Information on Water Consumption in 2022

Item	Unit	2020	2021	2022
Water withdrawal Tap water	million liters	436.61	482.14	469.84
Water discharge Domestic wastewater	million liters	209.02	239.83	237.43
Water consumption	million liters	227.60	242.31	232.42
Water use intensity million liters/NT\$1 million		0.0106	0.0114	0.0098

### Water resource policy

- Collaborate with regional authorities and utilities companies to coordinate water resource deployment.
- Identify short-term and long-term water resource risks.
- Stipulate water conservation targets for various plants to conserve water.

Take the plant in Taiwan as example. The domestic wastewater is discharged to the sewage treatment plant established in the science park, and the management center regularly conduct wastewater sample testing. According to the testing results, the wastewater of the plant has met the water quality conditions specified by the wastewater (sewage) discharge standards. The domestic wastewater is further discharged to the municipal sewage treatment plant. There is no industrial wastewater.



## 3.8 Waste Management

By setting legal compliance as the basic requirement, all operational bases are operated according to the environmental management system (EMS) and responsible management units are established. As waste sorting and management are enhanced and waste disposal is outsourced, qualified contractors are selected based on the ability to provide optimal disposal of corresponding waste type. In addition, irregular audits are conducted to ensure the proper disposal of waste. We implement recovery and reuse, heat treatment and incineration or burial according to waste categories to make sure that secondary pollution will not happen to the environment.

Targets established in 2022: With 2021 as the baseline year, annual reduction in waste intensity (generated waste of unit revenue) by 1%, and total reduction by 5% by 2026.

Item		Unit	2020	2021	2022
Non-recyclable Waste	Hazardous industrial waste	metric tons	96.96	137.11	140.65
	General industrial waste (including non-recyclable waste)	metric tons	1,231.24	1,154.77	1,027.46
Recyclable Waste		metric tons	1,376.26	1,546.02	1,475.00
Total Weight of Waste		metric tons	2,704.45	2,837.91	2,643.11
Percentage of Hazardous Waste			3.59%	4.83%	5.32%
Percentage of Recycled Waste			50.89%	54.48%	55.81%
Waste Intensity	Ton/NT\$ million		0.0657	0.0673	0.0553

waste	Managed via centralized classification, commissioned qualified subcontractors for treatment, and divided into recyclable and non-recyclable waste.
Recyclables	These include wastepaper, scrap metal (metal), waste plastics, scrap aluminum, waste batteries, and IC trays, of which paper accounts for about 90%. In addition, the suppliers recycle and reuse them as recycled resources for waste tin slag to reduced production of waste materials.
Non-recyclables:	These consist of mixed metal scrap, printing plating board, domestic waste.

## 3.8 Waste Management

### Waste Reduction Strategies (Taiwan Region)

MiTAC puts diversity into practice and continuously implements sustainability actions. We also ingrain the awareness of sustainability in employees through internal systems, environmental awareness lectures and sustainability related activities. The contact tracing form at the counter and application for food and tea for visitors, both paper-based, have been changed to the process of online QR Code and e-Form application. In 2022, the employee cafeteria stopped providing single-use tableware, and started to implement action plans such as providing meals in a way requiring low environmental costs and offering friendly dining environment, in order to reduce the impact on environment. In May 2023, we acquired the Green Restaurant Certification from the Environmental Protection Administration.

#### 1. Implementation of Waste Reduction at the Source

The Company completely suspends the provision of single-use tableware.  
All employees shall prepare their own eco-friendly tableware for meals.



#### 2. Reduction of End-of-Pipe Treatment

Increasing the recovery of resources:  
Drinking (paper and plastic) cups and used paper meal boxes



### 綠生活公約

#### 綠色交通

- 1.以步行或騎乘自行車作為短程接駁交通工具
- 2.善用大眾運輸工具，停車省時減少空氣污染
- 3.與和居住地相同的同事共乘通勤上下班
- 4.停車等待逾三分鐘關閉引擎，減少怠速運轉
- 5.車子剛發動低速起步不重踩油門，省油又愛車
- 6.維持汽車空調適當冷氣溫度，減低油耗
- 7.購買有環保標章的汽機車
- 8.外出旅遊，選擇環保旅宿或環保標章旅行社

#### 綠色飲食

- 1.自備環保餐具用餐
- 2.視個人食量點餐
- 3.選擇綠色餐廳用餐，環保又安心
- 4.下一餐請食，身體健康少碳排
- 5.剩餘食物打包走，糧食不浪費
- 6.優先採買國產在地食材

#### 綠色行動

- 1.随手關閉無人區域的辦公室電燈、拔除不使用的電器插頭
- 2.随手關閉會議室電燈、空調及投影機電源
- 3.冷氣設定26度，節能又環保
- 4.上下三樓層多走樓梯，少搭電梯
- 5.使用雙面列印/背面空白回收紙影印，節省用紙
- 6.使用環保餐具杯，不用一次性餐具
- 7.節約用水，洗手/洗物調整龍頭適當水流量
- 8.自備手帕，減少使用擦手紙
- 9.使用回收信封製作內部傳送袋，減少公司信封耗用
- 10.依廢棄物種類標示，確實做好資源回收分類
- 11.辦公區域擺設綠色植栽，綠化辦公環境



# 4

## Happy Workplace and Social Participation

- 4.1 Human Rights Protection
- 4.2 Talent Attraction and Development
- 4.3 Employee Care
- 4.4 Occupational Health and Safety
- 4.5 Social Care

## Happy Workplace and Social Participation

The MiTAC Group initiated a **tree planting project** in 2022. In collaboration with planting teams of the Tse-Xin Organic Agriculture Foundation, we restored 1,250 trees that were Taiwan's native species, and planted 2,500 Taiwan native trees for the "additional trees and afforestation for reservoir protection" plan for the idle Fushoushan agricultural lands. The tree planting project not only helped improve the environment and protect ecosystems, but also showed our attention and contribution to environmental sustainability.

With an active, open, equal, respective and diverse corporate culture as our goal, we strive to improve the employees' satisfaction as well as happiness in the workplace by creating an environment that facilitates the employees' development and achievements. This year, the employees took educational training for an average of **68.1 hours per person**, and the retention rate of outstanding employees reached **87.3%**. In addition, up to **a quarter** of our female employees held positions in middle and top management. We value the employees' physical and mental health at the same time. Each year, we hold a series of diverse health promotion activities and periodically invite doctors to interview our employees as well as providing guidance on health. Due to our attention and efforts to employee health along with the provision of good work environments and health-related welfare, we received the "**Healthy Workplace Certification**" badge from the Health Promotion Administration and the "**Taiwan i Sports**" mark for Sports Enterprise from the Sports Administration. Furthermore, the MiTAC Group proactively joins institutions and organizations and cares about vulnerable groups. By donating the products of the Mio brand, we have shown the Group's core value of "**taking from society and giving back to society.**" We believe that the growth of the Company is connected with the constant improvement of the society; thus, we will continue to uphold this value and commitment in the hope of bringing positive impact to the society.

**1/4**

of our female employees holding positions in middle and top management

**87.3%**

of outstanding employees retained in 2022

**3,750 trees**

planted for the tree planting project

**Taiwan i Sports mark for Sports Enterprise**

awarded by the Sports Administration

**Healthy Workplace Certification badge**

awarded by the Health Promotion Administration

**68.1 hours/person**

for the total employee training hours in 2022

**101,250CC**

of blood collected through blood donation

# Material Issues of Happy Workplace and Social Participation

Material issue	Labor rights	Talent attraction and retention
Management approach and purpose	Ensuring the basic employee rights and protection at work in the value chain to make sure that labor productivity can meet the Company's needs under fair and healthy conditions.	Ensuring that the Company have talents of all kinds to meet our requirements for long-term development and operational growth, and achieving the Company's goal of sustainable operations through effective talent management measures.
Management policy	Establishing management systems that comply with the Code of Corporate Conduct in the electronics industry, developing proper supplier management specifications, and incorporating the systems into the Company's culture.	Providing talents needed for business development through various talent recruiting channels, and retaining competitive talents with systematic training and talent development mechanisms; providing flexible measures to arrange works in accordance with local living environments.
Management target	Promotion of obtaining RBA-VAP certification by the Group's production plants	45 training hours / person on average every year A retention rate of outstanding employees of 85%
Achievement result of the annual target	1. RBA-VAP certification received for Taiwan and China plants. 2. CMA certification received for manufacturing plant	68.1 training hours / person on average every year A retention rate of outstanding employees of 87.3%
Chapter of report	4.1 Human Rights Protection and Employee Care 4.4 Occupational Health and Safety	4.2 Talent Attraction and Development 4.3 Employee Care

## 4.1 Human Rights Protection

The Company duly observes the “Universal Declaration of Human Rights,” “United Nations Guiding Principles on Business and Human Rights,” and “ILO Convention,” follows the requirements defined by the Responsible Business Alliance (RBA), and respects the internationally recognized basic human rights, including the prohibition of the employment of children, elimination of forced labor in any form, eradication of employment discrimination, and prevention of workplace violence. Meanwhile, the Group also establishes the regulations and rules governing employees’ rights and obligations, including the “Declaration of Employment Policy,” “Operational Standards for Prohibition of Child Labor and Protection of Minor and Female Employees” and “Regulations for Freedom of Occupational Choice, Humane Treatment and Non-Discrimination” in accordance with the labor laws and regulations of the places where it operates, and updates the same in a timely manner in response to policy amendments, if any. In order to promote the employees’ understanding of legal labor rights, the Company has incorporated human rights education into the compulsory training for all the employees and compiled textbooks that cover the Responsible Business Alliance (RBA) Code of Conduct. In addition to the compulsory training for new employees, all the employees must participate in online retraining every year.

MiTAC's human rights policy includes respecting the employees' right to freedom of association. We support the employees to form clubs themselves and participate in activities held by labor unions. Moreover, we hold periodical skip-level meetings, management meetings and labor-management meetings to build a sound two-way communication mechanism. Currently, the coverage rate of collective agreements and labor unions is 63.66% (including scope). In addition, the HR unit has established the employee relationship and dedicated management rules. The employees can propose advice through multiple channels, including the employee feedback box at offices, hotlines and the SpeakOut email address, etc. The escalation process is absolutely confidential. We are committed to building a fair and gender-friendly working environment.



### Talent Inclusion and Non-Discrimination

- ✓ MiTAC treats every employee equally and provides them the same opportunities including wages, promotion, rewards and training irrespective of race, age, skin color, gender, sexual orientation, language, education, religion, occupation, political affiliation, nationality, region, birth, social background, caste, property or any other identity differences. In the process of recruitment and work, the managerial personnel of any department must treat the employees equally without any discriminatory action.
- ✓ In Taiwan Region, MiTAC hires personnel with mental and physical disabilities, who account for more than 1% of our employees, in accordance with the “People with Disabilities Rights Protection Act” of the Ministry of Health and Welfare.



### Gender Friendly Workplace

- ✓ MiTAC has established the “Regulations Governing the Prevention of Sexual Harassment in Workplace and Complaints” and handled the complaints confidentially. Where the fact of the case is confirmed, disciplinary actions shall apply, and those involved in serious cases may be dismissed. In 2022, MiTAC had no cases of sexual harassment and discrimination.
- ✓ We have also developed the “Regulations for Maternal Health Protection and Management in Workplace” and set up friendly facilities such as nursing rooms (please refer to Chapter 4.3 Employee Care for implementation details).

## 4.1 Human Rights Protection



### Prohibition of Child Labor

- ✓ MiTAC absolutely prohibits the employment of children aged under 16. We are set against any action regarding child labor and do not work with suppliers that employ children on purpose. During recruitment, we inspect the actual age of the employee to confirm that no child is employed.



### Prohibition of Forced Labor

- ✓ MiTAC respects the employees' right to freedom and prohibits the adoption of forced labor in any form as well as restrictive actions on freedom of workers.



### Freedom of Association

- ✓ All employees of MiTAC have the rights to peaceful assembly, freely form clubs and join labor unions, participate in collective bargaining and all other relevant actions in line with the laws.



### Prevention of Unlawful Infringement in the Workplace

- ✓ We have established the "Regulations for Prevention of Unlawful Infringements in Execution of Duties" and relevant handling procedures to protect the employees from bullying or violence in the workplace.



### Fair Wages

- ✓ All employees are paid equal wages for equal work. We adopt public and transparent performance evaluation as the standard of wage payment, and provide the employees in each operating location with wages that are higher than the minimum wage specified in local laws.



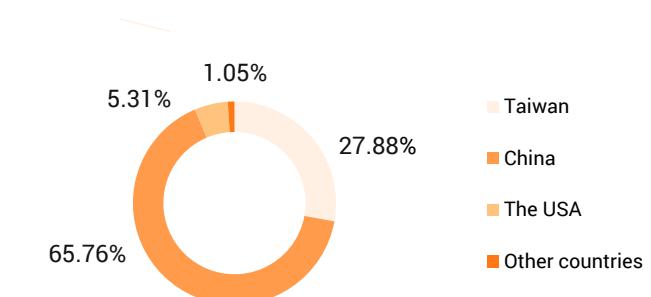
MiTAC Labor Policy

## 4.2 Talent Attraction and Development

### MiTAC Global Employee Distribution Chart

MiTAC recognizes contributions from diverse talents, hence we strive to employ local people and those who are physically and mentally impaired as the first priority. With the capacity of the people in performing the required duties as the criteria for employment, we provide diverse job opportunities without discrimination against gender, religion, race, nationality or political affiliation. In 2022, we hired an indigenous worker and 17 employees with physical and intellectual disabilities in Taiwan Region while hiring 34 employees with physical and intellectual disabilities in mainland China. In addition, the employment policy of MiTAC explicitly states that all applicants and employees be fairly treated in recruitment, employment, development, evaluation, reward and remuneration.

Region	Taiwan	China			USA			Other Countries
	Headquarters & production bases	Material production bases	Other operating locations	Total	Material production bases	Other operating locations	Total	
Number of employees	1854	4097	277	4374	303	50	353	69
Percentage	27.88%	61.61%	4.17%	65.77%	4.56%	0.75%	5.31%	1.04%



Category	Item Gender	Taiwan Headquarters & Production Bases				Material Production Bases in China				Material Production Bases in the USA				Total			
		Male		Female		Male		Female		Male		Female		Male		Female	
		Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio
All employees		1127	60.79%	727	39.21%	2512	61.31%	1585	38.69%	169	55.78%	134	44.22%	3808	60.89%	2446	39.11%
Direct and Indirect	Indirect	1042	68.06%	489	31.94%	1005	59.68%	679	40.32%	76	62.81%	45	37.19%	2123	63.64%	1213	36.36%
	Direct	85	26.32%	238	73.68%	1507	62.45%	906	37.55%	93	51.10%	89	48.90%	1685	57.75%	1233	42.25%
Position Category	Manager	263	76.68%	80	23.32%	156	71.23%	63	28.77%	31	70.45%	13	29.55%	450	74.26%	156	25.74%
	Employees	864	57.18%	647	42.82%	2356	60.75%	1522	39.25%	138	53.28%	121	46.72%	3358	59.45%	2290	40.55%

Note: The above are the ratio of male employees to female employees of each item. The baseline date of the data is December 31, 2022.

## 4.2 Talent Attraction and Development

Category	Item Gender	Taiwan Headquarters & Production Bases				Material Production Bases in China				Material Production Bases in the USA				Total			
		Male		Female		Male		Female		Male		Female		Male		Female	
		Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio	Number of employees	Ratio
Employment Contract	Lifelong employees	1113	60.03%	720	38.83%	529	12.91%	391	9.54%	101	33.33%	57	18.81%	1743	27.87%	1168	18.68%
	Regular contract	14	0.76%	7	0.38%	1983	48.40%	1194	29.14%	68	22.44%	77	25.41%	2065	33.02%	1278	20.43%
Type of Employment	Full-time	1119	60.36%	725	39.10%	2496	60.92%	1576	38.47%	169	55.78%	134	44.22%	3784	60.51%	2435	38.94%
	Part-time	8	0.43%	2	0.11%	16	0.39%	9	0.22%	0	0.00%	0	0.00%	24	0.38%	11	0.18%

Note: The above are the percentage of male and female employees in each item.

### Percentage of Local Talents in Managerial Positions

	Taiwan Headquarters & Production Bases	Material Production Bases in China	Material Production Bases in the USA
Number of Senior Officers	30	12	3
Number of Local Residents as Senior Officers	30	0	3
Percentage of Local Residents in Senior Officers	100%	0%	100%

Note: The definition of a local resident is an employee holding the nationality of the country.

### Percentage of Female Employees in Managerial Positions

	Taiwan Headquarters & Production Bases	Material Production Bases in China	Material Production Bases in the USA
Percentage of Female Employees	39.21%	38.69%	44.22%
Percentage of Female Grassroots Managers	85.19%	43.59%	0.00%
Percentage of Female Middle Managers	23.00%	29.95%	32.35%
Percentage of Female Senior Officers	26.67%	8.33%	66.67%
Percentage of Female Employees in Business Related Units	62.00%	91.07%	80.00%
Percentage of Female Managers in Business Related Units	60.00%	83.33%	0.00%
Percentage of Female Employees in STEM Positions	17.48%	22.76%	20.83%

Note: Grassroots manager: Team leader, monitor, foreperson  
 Senior officer: Senior director and above  
 Business related: Positions that directly generate revenue, e.g. salespersons.  
 STEM: Positions related to science, technology, engineering and math.

## 4.2 Talent Attraction and Development

### Status of new employees and their retention

The Company values each employee's development and provides comprehensive training program and career counseling in order to assist them to maintain growth momentum and constantly upgrade their skills. MiTAC encourages the retention and development of talents within the group; if suitable job positions become available, employees may apply for transfer via the internal transfer mechanism. At the same time, through personnel recruitment operations, we cultivate new employees to maintain the growth momentum of the Group. During recruitment, we strictly comply with the Responsible Business Alliance's Code of Conduct as well as the requirements of national labor laws and regulations to protect the employees' human rights, irrespective of race, skin color, gender, language, religion, political affiliation or opinion, nationality, social background, wealth, birth, or any other identity differences, from any discriminative treatment in employment or work. For new employees, we provide a complete counselor system to help them quickly become familiar with the work environment and integrate themselves into the Company's culture. We also designate job instructors to guide new employees in swiftly adapting to their jobs. In relation to severance management, as soon as an employee decides to leave the Company, our human resources unit will arrange for an interview with the employee depending on the circumstances in order to understand the cause for his resignation. Furthermore, if suitable job openings in other departments become available, we will strive to retain the employee and offer our care.

### Number and Ratio of New Employees in 2022

Company		New Employment (Number of Employees From Jan 1 to Dec 31)					New Employment Rate	
		Gender		Age				
		Male	Female	Employees aged ≤ 30	Employees aged 31–50	Employees aged ≥ 51		
Taiwan Headquarters and Production Base	Indirect	241	108	118	216	15	22.81%	
	Direct	120	228	157	181	10	107.74%	
	Total	361	336	275	397	25	37.59%	
Material Production Bases in China	Indirect	190	99	213	65	11	17.16%	
	Direct	464	342	603	203	0	33.40%	
	Total	654	441	816	268	11	26.73%	
Material Production Bases in USA	Indirect	7	4	7	2	2	9.09%	
	Direct	2	3	0	3	2	2.75%	
	Total	9	7	7	5	4	5.28%	

New employment rate: Number of new employees in the year/total employees in the year

### Number and Ratio of Resigned Employees in 2022

Company	Total Turnover Rate (Number of Employees From Jan 1 to Dec 31)						Total Turnover Rate	
	Gender		Age					
	Male	Female	Employees aged ≤ 30	Employees aged 31–50	Employees aged ≥ 51			
Taiwan Headquarters & Production Bases	Indirect	189	81	70	178	22	17.64%	
	Direct	14	46	23	36	1	18.58%	
	Total	203	127	93	214	23	17.80%	
Material Production Bases in China	Indirect	157	76	163	63	7	13.84%	
	Direct	388	280	470	198	0	27.68%	
	Total	545	356	633	261	7	21.99%	
Material Production Bases in the USA	Indirect	9	5	2	9	3	11.57%	
	Direct	2	3	1	2	2	2.75%	
	Total	11	8	3	11	5	6.27%	

Company	Voluntary Turnover Rate (Number of Employees From Jan 1 to Dec 31)						Voluntary Turnover Rate	
	Gender		Age					
	Male	Female	Employees aged ≤ 30	Employees aged 31–50	Employees aged ≥ 51			
Taiwan Headquarters & Production Bases	Indirect	172	74	63	172	11	16.07%	
	Direct	14	36	22	27	1	15.48%	
	Total	186	110	85	199	12	15.97%	
Material Production Bases in China	Indirect	140	65	151	53	1	12.17%	
	Direct	213	168	251	130	0	15.79%	
	Total	353	233	402	183	1	14.30%	
Material Production Bases in the USA	Indirect	8	5	9	2	2	10.74%	
	Direct	1	3	0	2	2	2.20%	
	Total	9	8	9	4	4	5.61%	

Turnover rate: Number of employees resigned in the year/total employees in the year

## 4.2 Talent Attraction and Development

### Talent Cultivation and Development

#### Diverse Learning Resources for the Creation of Environments Suitable for Talents

Since a new employee, employee in a professional position or managerial employee joins MiTAC, we have promoted the continuous learning and growth of the employee by combining the training carousels of employee career growth and corporate development planning in conjunction with diverse resources for learning, such as online learning courses, OJT, study groups, professional external training, and self-learning. We have also built an environment that is suitable for the employee to cultivate his/her capabilities, and established a bridge for employee communication. These enable each employee to leverage his/her strength, work without worries, have a long-term dedication to work and continuously contribute deeply to the development of MiTAC. In 2022, the total training hours of the employees reached 405,140 hours, with an average of 68.1 training hours per person (Note).

Note: The subjects of this disclosure are based on Taiwan and China regions for 2022.

#### Training New Employees to Accelerate the Integration Process

MiTAC values every new partner. We provide guidance and training on the day the new employee takes office along with a series of new hire training courses. Information with respect to the Company is included in these courses, such as our operating philosophy, organizational history, promotion of labor safety and information security, personnel rules and regulations as well as employee benefits. In each department, work instructions are provided by the unit head. He or she is also responsible for assigning counselors to assist new employees in becoming familiar with the team and the environment. By adopting multiple methods at the same time, we help new employees quickly understand and integrate themselves into the operation of the organization.

#### Management Competency Training for Improvement of Communication and Leadership

The managerial employees are facing more challenges in terms of management issues as trends including labor shortages in the market and cross-generational talents. We aim to assist managerial employees in enhancing their management competencies, fostering effective talent selection and suitability, and facilitating cross-generational communication and leadership for talent retention in response to the change in the labor market. To achieve this, the Company provides management training that is both practical and theoretical to enhance the managers' awareness and confidence while providing them with skills and tools for management. Through case studies, practices and interactive sharing, we help the managers clarify management concepts and solve practical issues of the operation and leadership of their departments.



##### Competency Training for New Manager

- The role and duties of managers
- PDCA and objective management
- Performance evaluation, interviewing and counseling
- Effective meeting management



##### Recruitment and Interviewing Skills

- Basic awareness before, during and after an interview
- Various tools and skills for interviewing
- Asking the right question and successfully learning about the meaning behind other people's words



##### Cross-Generational Communication and Leadership

- Understanding the difference between generations
- Management concept of leading across generations
- Effective leadership for new-generation teams

Basic short-term courses for managers: Recruitment and Employment, Performance Evaluation, Training and Development, Remuneration and Benefits, Daily Management

94% of the managers in Taiwan region completed the training, and 79 new managers/management trainees were cultivated. The satisfaction rate of the courses reached 9.4 out of 10 points.

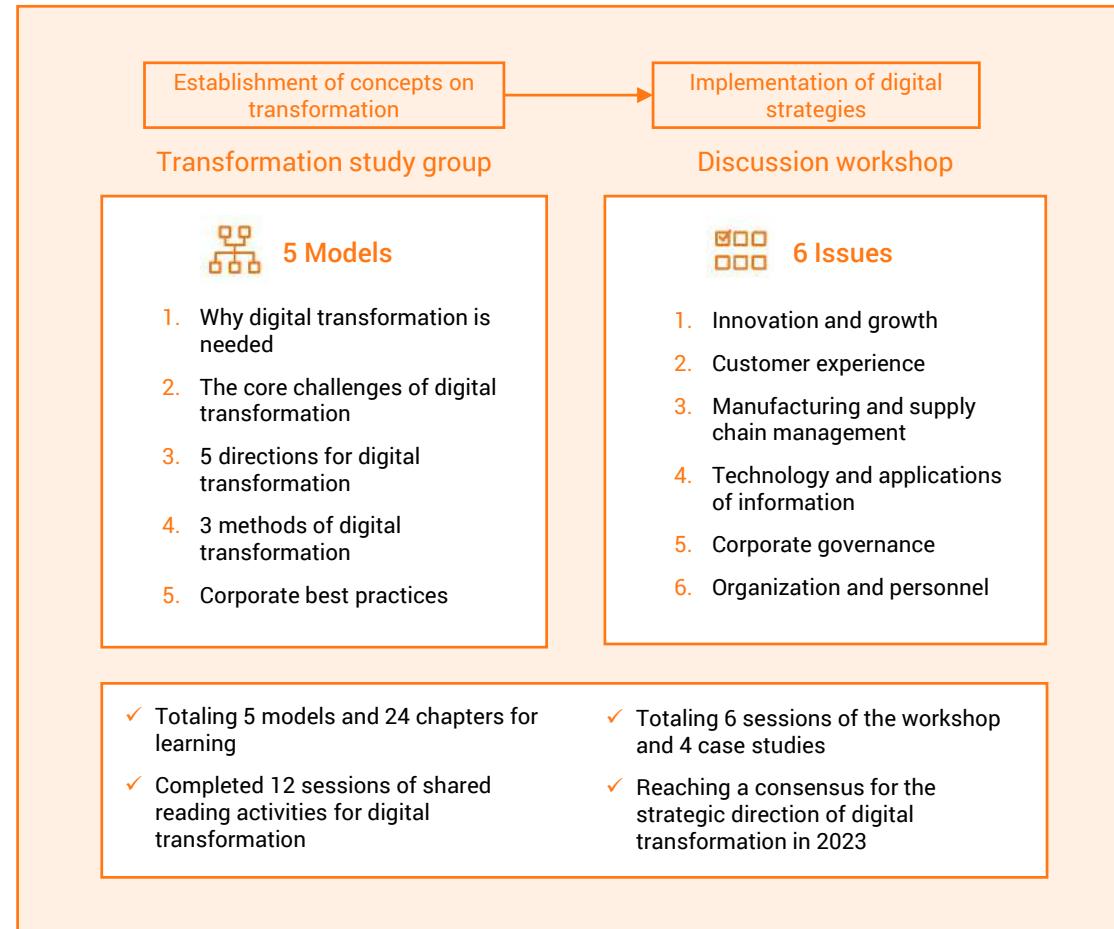
## 4.2 Talent Attraction and Development

### Encouragement of OffJT to assist in career development

In order to assist the employees in making career plans, the Company implements a biannual two-way discussion between the manager and the employee to make plans for the employee's career development. In addition, the head of the unit concerned is responsible for training the employees of his/her department in professional techniques and capabilities. At the same time, MiTAC has also practiced the global job rotation system to assist its people to develop more than one professional skill as a means for long-term human resources development and strengthening the competitiveness of the Company. Furthermore, we encourage the managerial employees to enroll in on-the-job postgraduate programs and EMBA programs to refine their professional and management skills. Further to the subsidy of tuition fees, MiTAC also permits relevant personnel to take leave during study every month. Under this arrangement, related personnel can concentrate on learning.

### Digital transformation and learning for the improvement of digital competitiveness

In the era of VUCA (volatility, uncertainty, complexity and ambiguity) when the business market and customer requirements are ever-changing, it is more important that the Company utilizes the power of digital technologies, optimizes the organization's operation process and seeks innovative business modes. More importantly, digital transformation has to start from the correct formation of employees' awareness and organizational culture. The Company forms a digital transformation case study group in order to let the managers work together and establish a common language for digital transformation, and further learn from the digital transformation best practices of benchmark companies. In the periodical meeting, the managers take turns leading the study, sharing their opinions, and then discussing in groups before presentation. This allows us to explore opportunities for applying internal digital transformation, and to practice learning while conducting the strategy of improving the Company's digital competitiveness.



## 4.2 Talent Attraction and Development

Average Hours of Educational Training for Employees

SelfImplemented in 2022	Taiwan Headquarters & Production Bases			Material Production Bases in China		
	Total participants	Hours	Average hours per person	Total participants	Hours	Average hours per person
Male	1,127	14,244	12.6	2,512	223,789	89.1
Female	727	13,796	19.0	1,585	153,311	96.7
Total	1,854	28,040	31.6	4,097	377,100	92.0



Taiwan Region

Statistics of Actual Performance in Educational Training Implementation in 2022			
Sessions of self-implemented training	Self-implemented training hours	External training hours	Total educational training (internal & external) expenses
191	27,031	1,009	1,452,338

Employee Type	Taiwan Headquarters & Production Bases			Material Production Bases in China		
	Total training hours (hour)	Total participants (person)	Average training hours (hour/person)	Total training hours (hour)	Total participants (person)	Average training hours (hour/person)
Management capacity	3,111	343	9.1	38,636	214	180.5
Non-management capacity (General employee)	24,929	1,511	16.5	338,465	3,878	87.3
Total	28,040	1,854	15.1	377,100	4,092	92.2



## 4.2 Talent Attraction and Development

The Company perceives tremendous importance in our colleagues' remuneration and benefits. MiTAC conducts annual survey on salary level in the market and consults with the macroeconomic indicators based on which the salary scales for all employees will be adjusted to attract talents to join the Company with competitive salaries. The employees' remuneration is adjusted in accordance with their education, expertise, experience, seniority and personal performance, not by gender. New employees' starting salary is not differentiated based on race, religion, political stance, gender and marital status.

MiTAC's remuneration policy meets local laws and regulations. Appropriate remuneration is paid based on market value and employee productivity combining with performance management system. The starting salary of new employees not only conforms to the local law but should also be competitive on the market. To encourage employees who are able to create performance and make contributions continuously, performance bonuses are given based on the Company's annual operation and personal performance to stimulate the morale of the employees.

Ratio of our wage to local minimum wage	Taiwan Headquarters & Production Bases		Material Production Bases in China		Material Production Bases in the USA	
	Male	Female	Male	Female	Male	Female
	1.04	1.02	1.46	1.47	1.39	1.28
Note: "Wage": The cardinal number of the wage is the full-time salary of a grassroots-level employee without bonuses, overtime fees and allowances. "Grassroots-level employee": Referring to direct employees.						

Male / Female Remuneration Ratio	Taiwan Headquarters & Production Bases		Material Production Bases in China		Material Production Bases in the USA	
	Male	Female	Male	Female	Male	Female
Management capacity	1.00	0.89	1.00	0.93	0.92	1.00
Non-management capacity	1.00	0.69	1.00	0.93	1.00	0.86
Note: "Remuneration": Wages of full-time personnel (both direct and indirect) including bonuses, overtime fees and allowances. This is calculated in the ratio of a gender to the gender with higher remunerations.						

As required by the Taiwan Stock Exchange Corporation, listed companies in Taiwan must disclose the number of full-time non-managerial staff, the average and median of their wages, and the difference between the Top-3 employees and from the previous year. (See the following table.)

Year	Number of Full-time Employee	Average of Wage (NTD thousand)	Median of Wage (NTD thousand)
2022	1,171	1,234	1,038
2021	1,135	1,147	1,001
2020	1,644	1,073	949

Note: Investment holding companies include domestic "important subsidiaries" (including head office and branches) among the consolidated company's individual entities that meet the requirements of the "Rules on the Audit and Certification of Financial Statements Conducted by Independent Auditors." 2020 consists of three important subsidiaries in Taiwan, 2021 and 2022 consist of two important subsidiaries in Taiwan.

In the Company, the highest annual total remuneration of an employee is 32.25 times more than the median of the other employees' remunerations. The percentage increase in the highest annual total remuneration of an employee is, similar to that in the median of the other employees' remunerations, negative; the percentage decrease of the previous is 2.45 more than that of the later.

Description of the calculation basis:

- In the Company, the highest annual total remuneration of an employee is calculated based on the ratio to the median of the other employees' remunerations, which includes the information of employees hired by the seven merged physical companies (in Taiwan, the USA and China) in 2022. Out of all companies, the medians of remuneration of seven companies were selected (excluding the highest personal remuneration). Then, the numbers of employees from each company were included in the assessment to confirm the final median wage.
- We had calculated the ratio of the highest annual total remuneration of an employee in the Company to the median of the other employees' remunerations regarding salary adjustments. This involved selecting the median of the salary adjustment percentage of seven companies (excluding the highest personal remuneration) in two years to determine the final median of the salary adjustment percentage.

## 4.2 Talent Attraction and Development

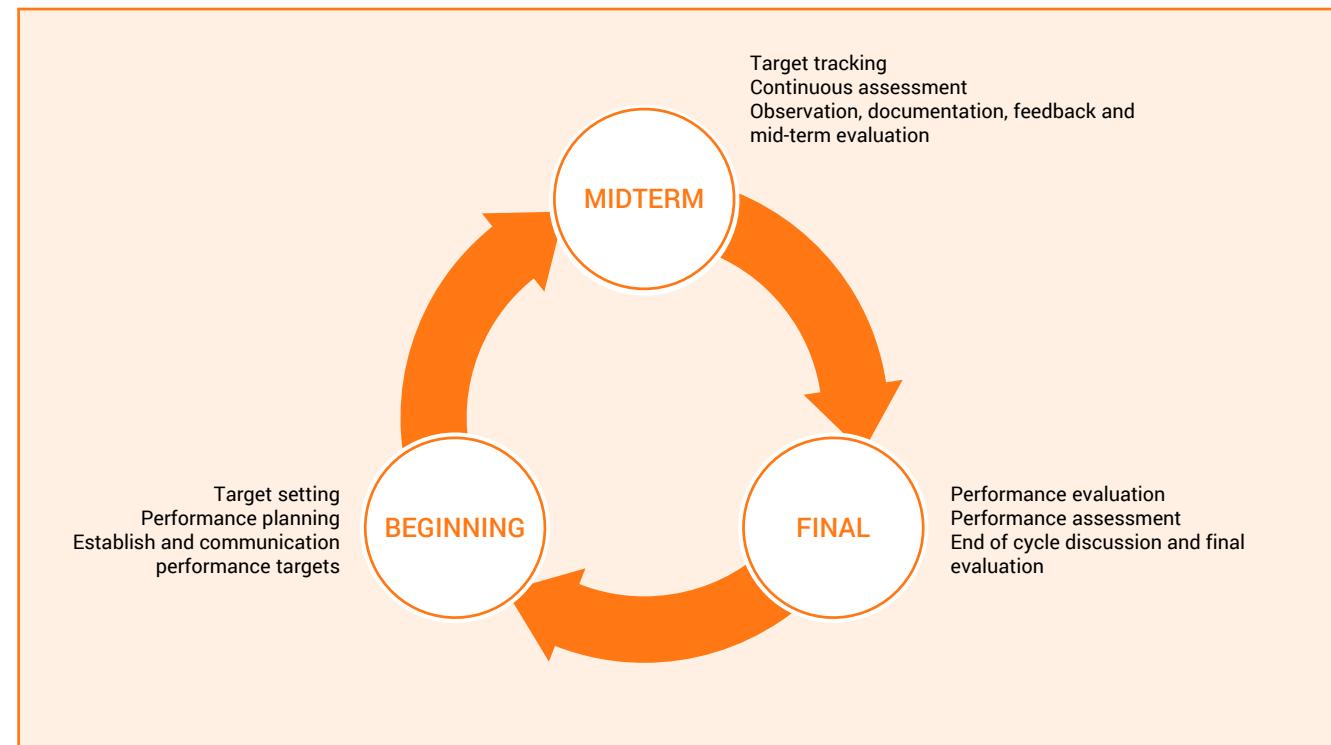
### Family Wage

We believe that “family wage” is an important item that should be taken into consideration for improving the condition of workers’ lives. When discussing remuneration policies, we not only comply with local laws and provisions, but also pay continuous attention to local family and minimum wages. Furthermore, we participate in wage surveys conducted by our peers on a regular basis to ensure that the employees have a certain degree of competitiveness in the market.

### Employee Evaluation System

The Company has a viable performance management system under which the managers will liaise with their staff on the objectives of their duties in line with the development strategy of the organization once semi-annually. Related key performance indicators (or KPI) will be set up and adjusted according to the circumstances during midterm and final assessment will be carried out. Besides outcome appraisal, the evaluation covers relevant professional items and 360 degrees evaluation feedback in a fair and reasonable procedure. The evaluation results will be used as reference for promotion, salary adjustment, bonus payment, individual career development and training needs. For example, MiTAC conducted biannual performance evaluations for direct and indirect employees in 2022. The percentage of employees who underwent the performance evaluation was 100% (Note).

Note: Actual number of participants in the performance evaluation/number of participants who should undergo in the performance evaluation



## 4.3 Employee Care

### Complete Retirement Plans and Employee Benefits

MiTAC contributes to our employees' retirement pension fund according to the retirement regulations of various regions.

In Taiwan, MiTAC has established a complete and legal retirement system in accordance with the Labor Standards Act and the Labor Pension Act, where individual retirement pension accounts are opened for employees, and an oversight committee was formed by capital and labor representatives to supervise the operation of the accounts. All colleagues are covered by labor and health insurance since the day of reporting to duty based on their salary grading, and 6% of their salaries are contributed to their retirement pension.

In China, our employees are insured with endowment / medical / unemployment / employment injury / maternity insurance and housing provident fund in accordance with the local laws, in turn ensuring safe retirement life for them. At present, all of the retirement pension systems in our subsidiaries worldwide are functioning normally.

Item	Description
Retirement system	<ul style="list-style-type: none"><li>MiTAC has established dedicated pension accounts for employees in accordance with the Labor Standards Act and the Labor Pension Act. We have also set up the Supervisory Committee, with representatives of the Company and the employees as members, to supervise the operation of the accounts. All colleagues are covered by labor and health insurance since the day of reporting to duty based on their salary grading, and 6% of their salaries are contributed to their retirement pension.</li><li>Exquisite colored glaze retirement trophies are bestowed and retirement tea parties are held.</li></ul>
Care for health	<ul style="list-style-type: none"><li>Free physical examinations are provided to new employees.</li><li>Health checkups that include better items than the requirements of laws and regulations are provided to the employees every two years. Senior officers at the level of the Vice President or above may take health checkups annually.</li><li>According to health check results and the four major plans, nurses follow up on and care for employees who belong to high risk groups for prevention.</li><li>Health promotion activities are conducted every year.</li><li>Doctors are stationed in the factory to provide counseling.</li><li>Occupational injury classification management and follow-up and care after returning to work.</li></ul>
Health facilities	<ul style="list-style-type: none"><li>Gym, table tennis room and aerobics classroom.</li></ul>
Emergency relief	<ul style="list-style-type: none"><li>The Company provides interest-free salary advances to employees who cannot sustain their families' livelihood because of natural or family disasters.</li><li>Where an employee is hospitalized, disabled or killed in an accident, the Company provides the employee or his/her family with consolation money.</li></ul>
Employee insurance	<ul style="list-style-type: none"><li>In addition to labor and health insurance, the Company gets group insurances for the employees, such as life insurance, accident insurance and health insurance. The employees and their families may also get additional insurances at their own expenses.</li></ul>
Childcare subsidies	<ul style="list-style-type: none"><li>We provide a childbirth subsidy of NT\$20,000 per birth and a childbirth bonus of NT\$3,000 per birth.</li></ul>
Mother and baby care	<ul style="list-style-type: none"><li>Lactation room, space for temporary childcare, and pregnant employees' parking space.</li></ul>
Benefits provided by the Employee Welfare Committee	<ul style="list-style-type: none"><li>Travel subsidy, family day or sports activities, year-end or spring party, gift money for birthday or festivals, wedding gifts, and condolence / consolation money for funeral / illness.</li></ul>
Club and leisure activities	<ul style="list-style-type: none"><li>The Employee Welfare Committee periodically provides subsidies for diverse club activities and competitions.</li></ul>
Relaxation massages	<ul style="list-style-type: none"><li>We hire visually impaired employees to provide relaxation massage services.</li></ul>
Employee discount	<ul style="list-style-type: none"><li>Discounts are given on the prices of the Company's products to the employees.</li><li>Discounts are provided to MiTAC's employees on prices when purchasing at the contracted companies/stores.</li></ul>
Bonuses for patent proposal	<ul style="list-style-type: none"><li>Patent bonuses are distributed to employees whose patent applications are approved. They are also publicly praised at the year-end party.</li></ul>
Praise for outstanding performance and long-term service	<ul style="list-style-type: none"><li>Outstanding and long-term employees are praised at the year-end party every year.</li></ul>
Employee Assistant Program (EAP)	<ul style="list-style-type: none"><li>We collaborate with external professional counseling teams and provide the employees and their families professional assistance in their daily life, including pressure from the workplace, interpersonal relationships, family and marriage, the two genders, law, wealth management, and healthcare so that they could maintain proper balance in the workplace, in daily life, and in health.</li></ul>
Encouragement of learning	<ul style="list-style-type: none"><li>Library and borrowing books online.</li><li>Subsidies and leaves for the employees' continuing education.</li></ul>
Salary advance for car purchase	<ul style="list-style-type: none"><li>Where an employee buys a car, he/she may apply for a salary advance from the Company, and then return it in installments.</li></ul>

## 4.3 Employee Care

### Friendly Nursing Space

#### Maternity Protection Measures and Parenting Care

In order to assist our female colleagues to achieve a work-life balance, and alleviate any physical and psychological discomfort that may occur during and after their pregnancy, the Company has thoughtfully designed 5 nursing rooms and 10 pregnant women's parking spaces and provided them with care and counseling. The aim is to support our female colleagues during their pregnancy. A total of 408 employees had used the lactation rooms in 2022.



### MiKids Land

For employees to take care of children more conveniently, the "MiKids Land" is established to fulfill the employee's temporary childcare needs. Employees can bring their children to work and take care of them while working. This flexible childcare policy has earned employee recognition and keep them away from worries. Due to the impact of the pandemic, there were 41 employees utilizing the MiKids Land services in 2022.



For employees with childcare needs, MiTAC provides actual care as well as a childbirth subsidy of NT\$20,000 per birth and a childbirth bonus of NT\$3,000 per birth from the Employee Welfare Committee. In 2022, a total of 30 people applied for the subsidy and bonus. We also provide unpaid parental leaves in accordance with the laws and regulations of Taiwan. In 2022, seven male employees and nine female employees applied for the unpaid parental leave, 92% of which returned to work. In addition, the retention rate of these employees was 86%.

Item	Taiwan Headquarters & Production Bases		
	Male	Female	Total
Number of employees qualified for unpaid parental leave applications in 2022 (a)	101	36	137
Actual number of applicants for unpaid parental leaves in 2022 (b)	7	9	16
Number of employees expected to return to work after unpaid parental leaves in 2022 (c)	4	8	12
Actual number of employees returning to work after unpaid parental leaves in 2022 (d)	4	7	11
Number of employees returning to work after unpaid parental leaves in 2021 (e)	0	7	7
Number of employees working continuously for a year after returning to work from unpaid parental leaves in 2021 (f)	0	6	6
Unpaid parental leave application rate in 2022 = b/a	6.93%	25.00%	12%
Return rate after unpaid parental leaves in 2022 = d/c	100.00%	87.50%	92%
Retention rate in 2022 = f/e	NA	85.71%	86%

Note: No male employee applied for the leave in 2021, so the retention rate of male employees was not applicable in 2022.

## 4.3 Employee Care

### Multiple Channels for Opinion Exchange

#### Establishment of Interactive Website

Through the Company's internal website, MiTAC is able to announce corporate governance related rules and regulations, as well as the latest developments within the Company. Furthermore, an interactive area has been created, allowing the employees to voice their thoughts and opinions besides receiving the latest work/life related information, as well as information from the employee welfare committee.

#### Provision of Channels for Employees to Express Opinions

MiTAC values the opinions of each employee. The employees' opinions can be reflected promptly through the physical Employee Suggestion Box in the office or the dormitory for foreign workers as well as the dedicated email "SpeakOut." We attach importance to the opinion of each employee. After receiving an employee complaint, the responsible contact person understands, attends to and handles each complaint completely and properly regardless of whether it is signed or not. Anonymization protection will be arranged for complainants. Moreover, a relevant department will be established for handling, or a task force will be convened to propose improvement plans and notify the complainant of the handling result. Based on these, we listen to the employees' opinions, conduct impartial investigations and handle complaints without bias. In 2022, a total of six messages for opinion reflection were received via the SpeakOut email and Employee Suggestion Box.



## 4.4 Occupational Health and Safety

Employees are the most valuable asset of the Company, and we attach great importance to our employees' needs and rights. Therefore, we strive to create a fair, just, friendly and flexible work environment; this is consistent with MiTAC's core values. According to this, various employee care related systems and measures.



MiTAC Environmental,  
Health and Safety Policy

### Employee Healthcare

MiTAC attaches importance to the mental and physical health of the employees. We have not only built safe and comfortable environments for workouts, but also conducted health checkups for all employees every two years. In 2022, 92.44% of the employees underwent the health checkup. Apart from basic checkup items, we provide items that are better than those required in laws and regulations to take care of our employees' health. Health checkups and medical services are provided by doctors designated by hospitals to assist the employees in controlling the overall status of their health and further preventing physiological issues. The Company nurses will implement employee health grading management based on checkup results, and regularly follow up on and provide care to high risk groups. The Company also hires resident occupational medicine and family medicine specialist to provide regular one to one professional consultation service, assisting employees with more professional medical suggestions.

Employee health checkups that include items better than those in laws and regulations.

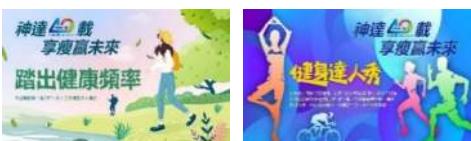


On-site services provided by professional doctors.



### 40 Years in MiTAC and Enjoying Dieting for a Brighter Future: Health Promotion Activities

We have successfully conducted health promotion activities for two consecutive years in Taiwan Region, fostering the nice atmosphere of a healthy workplace at MiTAC. With the participation of the enthusiastic employees, we have achieved exceptional performance and received the "Healthy Workplace Certification" from the Health Promotion Administration and the "Taiwan i Sports" mark for Sports Enterprise from the Sports Administration, which added more glory to the Company. As the impact of the COVID-19 pandemic occurred in 2022, we were able to further understand the importance of health. Now that the pandemic has begun to ease, we are making a comeback with various newly designed activities. We have organized the MiTAC road race, multiple sports courses, health lectures, and fun balloon grabbing events to improve interactions among the employees and foster solidarity. The employees have enjoyed exercising together, maintaining stamina and boosting their immunity. In 2022, a total of 379 employees participated in these activities as well as reducing body fat and waist circumference by a total of 216% and 482 centimeters respectively.

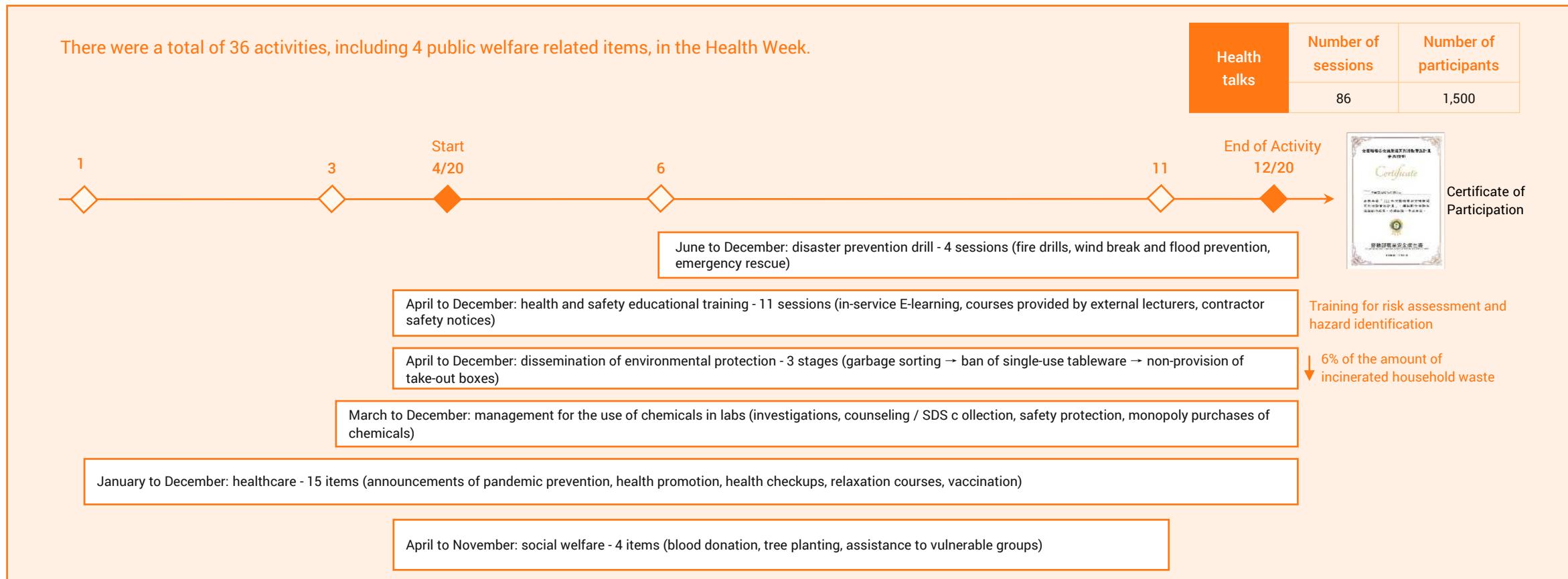


## 4.4 Occupational Health and Safety

### Occupational Safety and Health Week

With the compliance with environmental, health and safety policies and protection of Earth's resources as the starting point, MiTAC plans safety and health training as well as activities for waste reduction in the environment and promotion of public welfare related activities. We also facilitate actions for disaster prevention and reduction with the combination of ESG indicators. The parallel implementation includes the following four major aspects: (1) creation of environments for diverse learning; (2) promotion of communications on safety and health practices; (3) implementation of healthcare services; and (4) advocacy of public welfare related activities. With these, we improve the employees' awareness of safety and health in the workplace as well as building a safe, stable, worry-free and friendly work environment.

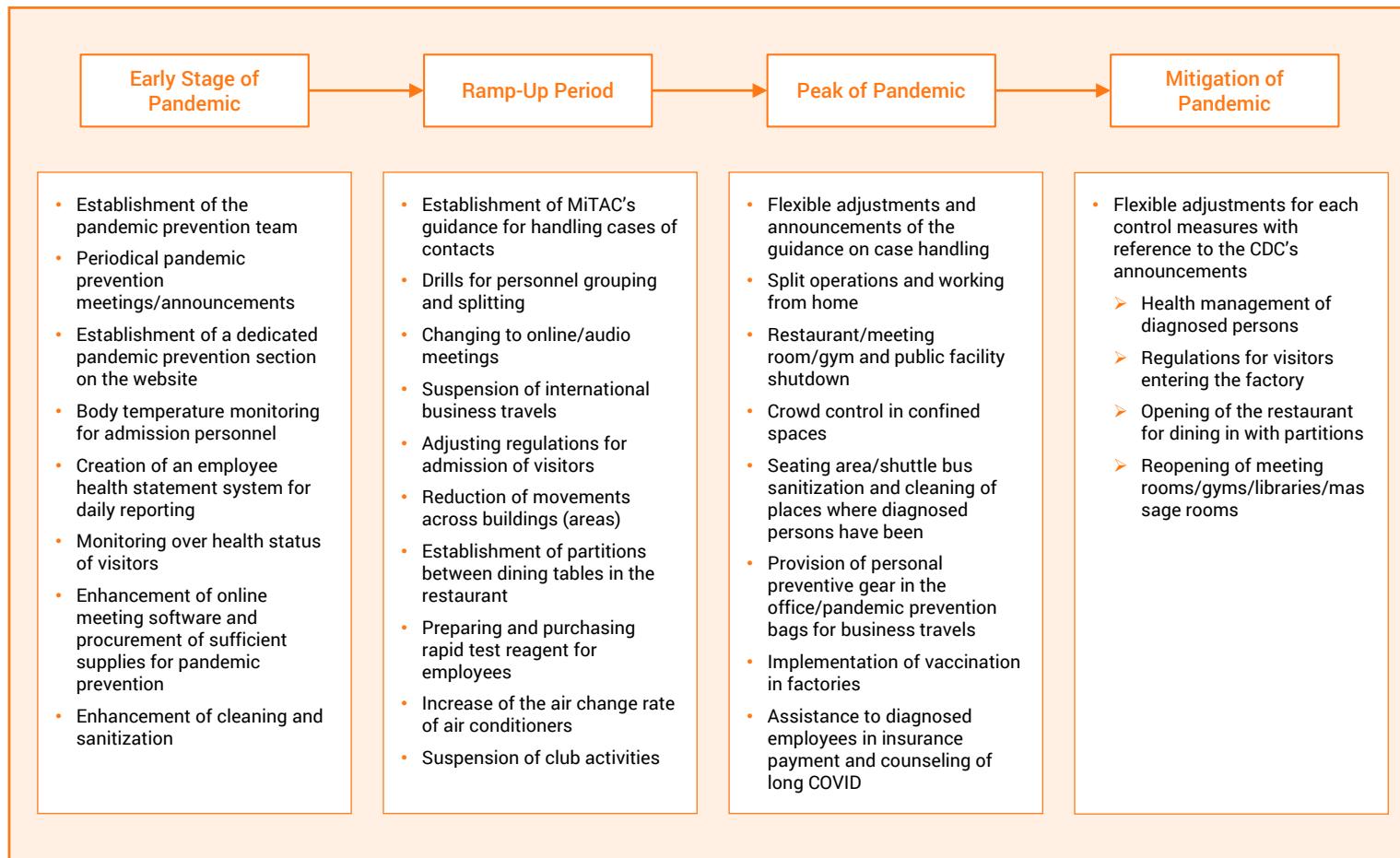
Activities during the Taiwan Region Occupational Safety and Health Week in 2022:



## 4.4 Occupational Health and Safety

### Responses to and Prevention of the COVID-19 Pandemic

As the COVID-19 pandemic entered its third year, in 2022, it continued to rampage. In order to minimize the threat to the employees' health and the impact on operations, MiTAC implemented and flexibly adjusted the MiTAC Plan for COVID-19 Prevention Measures. All employees of the Company achieved the overall pandemic prevention goal of "preventing occurrence and avoiding infection" and "mitigating impact and recovering rapidly." The specific prevention measures are as follows:



Vaccination is also a crucial part of our pandemic prevention efforts. In addition to encouraging our staff to get vaccinated, we even held seven vaccination-in-factory events during the pandemic. In 2022, we administered a total of 226 influenza vaccines and 336 COVID-19 vaccines to reduce the risk of being infected in hospitals. The employees' family members were further included in the administration conditions to protect the employees' and their beloved families' health.

Number of People Vaccinated In Taiwan Region	2020	2021	2022
Vanity influenza vaccines	199	135	226
COVID-19	--	--	336



## 4.4 Occupational Health and Safety

### Occupational Health and Safety Management System

MiTAC focuses on the management of safety and health. With employee safety and health as the most important basis of the Company's operation, we have obtained ISO 45001 certified occupational health and safety management systems for our R&D headquarters and all factories, striving to provide safe, healthy and low-risk operating conditions and work environments to the stakeholders including employees, customers, suppliers, neighborhoods and communities. Moreover, we have established dedicated safety and health units and committees for each factory, with labor representatives accounting for more than a third of each committee. We also implement various management measures and comply with international standards. As a result, we have obtained the RBA certification for our production bases in Taiwan and China Regions. By employing the PDCA (Plan-Do-Check-Act) cycle, we realize a culture of safety with "continuous improvement."



MiTAC International Corp. (MIC)	136 employees and 5 non-employees
MiTAC Computing Technology Corp. (MCT)	1,238 employees and 46 non-employees
MiTAC Computer (ShunDe) Ltd. (MSL)	2,442 employees and 83 non-employees
MiTAC Computer (Kunshan) Co., Ltd. (MKL)	1,253 employees and 20 non-employees
MiTAC Information Systems (KunShan) Co., Ltd. (MISK)	402 employees and 14 non-employees

In 2022, all employees (including the Company's employees and the contractors) were covered by the internal audited occupational safety and health management system, totaling 6,424 persons.

Of all employees covered by the system, the number of employees who had been inspected by external agencies was 5,639 (including the Company's employees and the contractors) with an 87.8% coverage rate.

### Occupational Health and Safety Management Measures

Hazard identification and risk assessment	Care for health	Contractor management
<ul style="list-style-type: none"><li>Implemented by the unit concerned annually</li><li>Before change management process</li><li>Improvement of accident investigations</li><li>Four major health protection plans for risk identification</li></ul>	<ul style="list-style-type: none"><li>Physical examination for new recruits</li><li>Health checkups/stationed doctors</li><li>Monitoring and testing of work environment</li><li>Implementation of four major plans</li><li>Health promotion activities and lectures</li><li>Occupational injury classification management and follow-ups</li></ul>	<ul style="list-style-type: none"><li>Construction safety notice</li><li>Digitized construction application</li><li>Inspecting before special operation</li><li>Contractor education and training</li><li>Patrol inspections and recommendations on improvement</li></ul>
Personnel training	Response drills	Participation and communication
<ul style="list-style-type: none"><li>General health and safety educational training for employees</li><li>Tasks with special health hazards training</li><li>Emergency rescue personnel training</li><li>New/Revalidation training for professional and technical licenses</li></ul>	<ul style="list-style-type: none"><li>Firefighting equipment use and disaster evacuation drill</li><li>Chemical spill response drill</li><li>Typhoon and flood prevention drill</li></ul>	<ul style="list-style-type: none"><li>Labor Safety Committee</li><li>Labor-management meetings</li><li>Internal and external factory communications procedures</li><li>Speak Out mailbox</li><li>Employee comments box</li></ul>

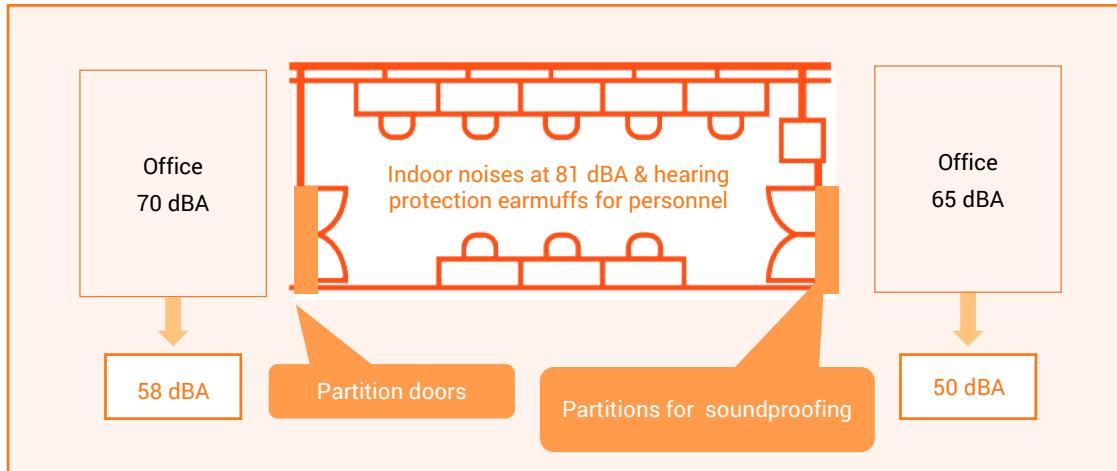
## 4.4 Occupational Health and Safety

### Hazard identification and risk assessment

To reduce hazards from routine and non-routine process activities, MiTAC established related procedures in accordance with the risk assessment technical guidance. Through continuous occupational health and safety identification and risk assessment, each unit will proceed from physical, chemical, biological, ergonomic and psychosocial aspects to identify hazards that belong to unacceptable risks or possess opportunities for improvements. Suitable preventive management measures are adopted to control risks within acceptable level. Apart from that, we protect the employees who actively make proposals on work improvement, or might incur danger when fulfilling their duties and consequently suspend the operation themselves and then retreat to safe areas. We also allow them to be exempt from punishment. In the recent 3 years, we have identified a total of nine unacceptable risks of safety hazards and four opportunity items for improvement implementation in Taiwan. This year, we assess feasible solutions with respect to the case of possible effects of testing noises in R&D labs on the emotion of the employees working in office areas outside. We plan to conduct comprehensive improvement in 2023.

Below is one of the risk and hazard cases:

- Description of the hazard:  
Servers in labs were irregularly operated at high speed for testing, making the noise detected in the office area near the lab doors 70dBA, which might affect the employees' emotions when working.
- Reason for the occurrence:  
We suspected that the gap of lab doors was too wide and the wooden doors failed to effectively block the sound, which resulted in the aforementioned hazard.
- Recommended methods for improvement:  
We assessed the type of door materials for replacement, costs and expenses, and expected effect of sound reduction. After conducting analysis and reviews, we changed the doors to partition doors, filled up the interlayers with rockwool to improve the effect of soundproofing, and pasted airtight tape at the gap to block sound transmission. After completion, a test was conducted and the sound value reduced to around 58dBA.



## 4.4 Occupational Health and Safety

### Health and safety educational training

Providing workers with necessary occupational safety and health education and training is the responsibility of a company. Each year, MiTAC establishes health and safety educational training plans to cultivate employees on hazard awareness in work environment through educational training as well as the required concept and knowledge on EHS for disaster prevention. This is to ensure the operation safety and health of the employees. The training will be arranged according to the categories and requirements of training hours. The training includes:

Employees Health and Safety Educational Training	Contractor Health and Safety Educational Training	Emergency response drills
<ul style="list-style-type: none"><li>Health and safety training for new / in-service employees</li><li>Training before change of work for newly hired employees or in-service workers</li><li>Training for hazardous operation managers, first responders and fire management personnel</li><li>Educational training of chemical use</li><li>Dangerous machine / equipment operating personnel</li><li>Educational training on forklift with load over one metric ton</li><li>Operation of radioactive materials or equipment capable of producing ionizing radiation</li><li>Training for health and safety management personnel</li><li>New or revalidation training for other professional and technical licenses</li></ul>	<ul style="list-style-type: none"><li>Work environment introduction</li><li>Health and safety notice matters</li><li>Plant introduction</li><li>General operation construction application</li><li>Construction application for dangerous operation involving flame, viaduct, hoist, confinement and hazard management</li><li>Fire protection offline application</li></ul>	<ul style="list-style-type: none"><li>Firefighting training</li><li>Reporting / refuge and full evacuation drills</li><li>Typhoon and flood prevention drills</li><li>Earthquake and rainstorm drills</li><li>Chemical spill response drills</li><li>Strike and workplace violence drills</li></ul>

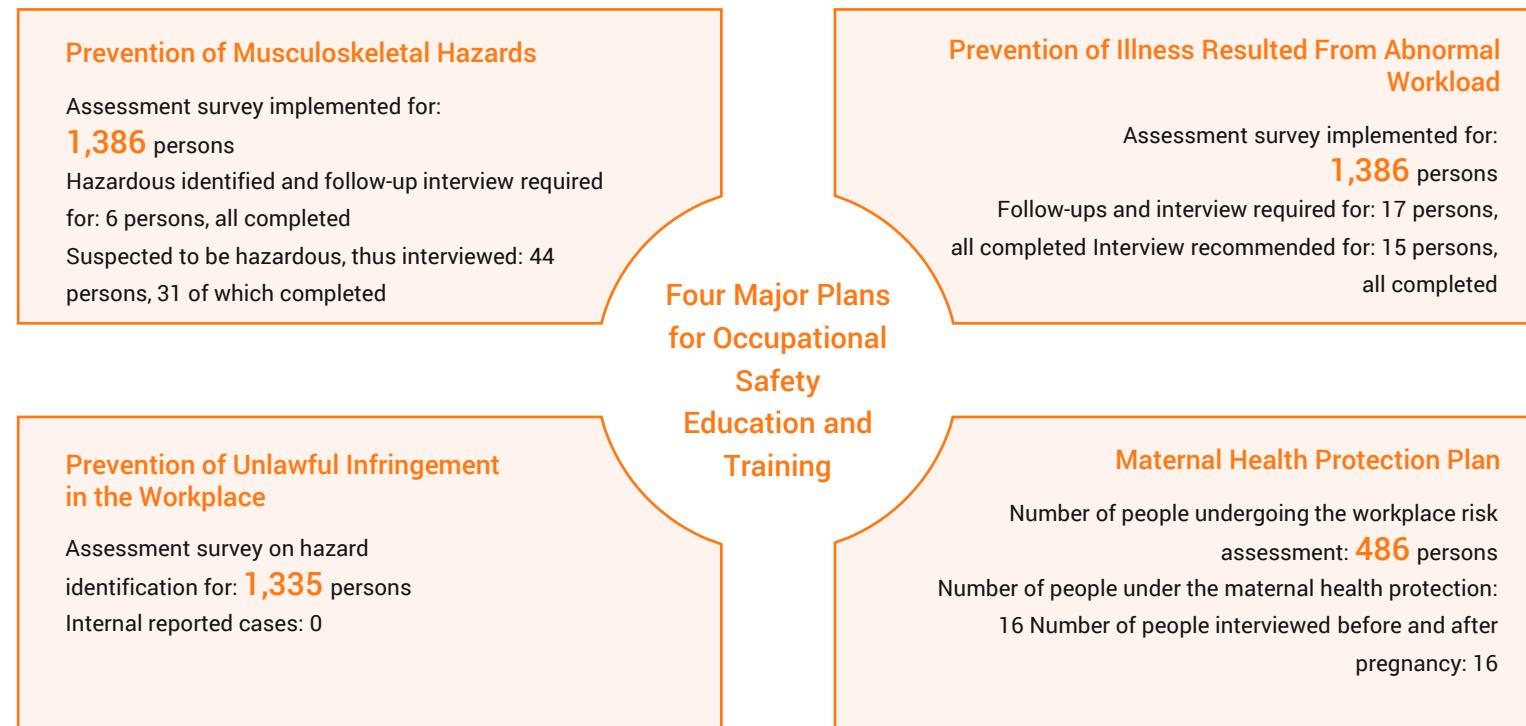


	Taiwan Headquarters & Production Bases	Material Production Bases in China	Material Production Bases in the USA
Sessions of Basic Health and Safety Training (Including Initial & Re-Training)	407	1,679	3
Total Participants of Basic Health and Safety Training (Including Initial & Re-Training)	4,889	43,011	320
Sessions of Refuge and Disaster Prevention Training and Drills	24	65	2
Total Participants of Refuge and Disaster Prevention Training	315	8,291	320

## 4.4 Occupational Health and Safety

### Four Major Plans for Occupational Safety

Aiming to ensure the workers' physical and mental health, MiTAC complies with the government's labor protection policy and implements various measures in Taiwan Region to protect the workers' physical and mental health in response to multiple issues related to the change of job structure resulted from internationalization. The measures include plans such as prevention of musculoskeletal disorders triggered by repeated operations, prevention of illness resulted from abnormal workload, protection of pregnant employees' health in the workplace, and prevention of unlawful infringement in the performance of duties. The Health and Safety Management Office shall promote hazard identification, care visits and health management to reduce risks in the workplace and ensure employee safety, health and welfare, and further create a friendly workplace that benefits mental and physical health.



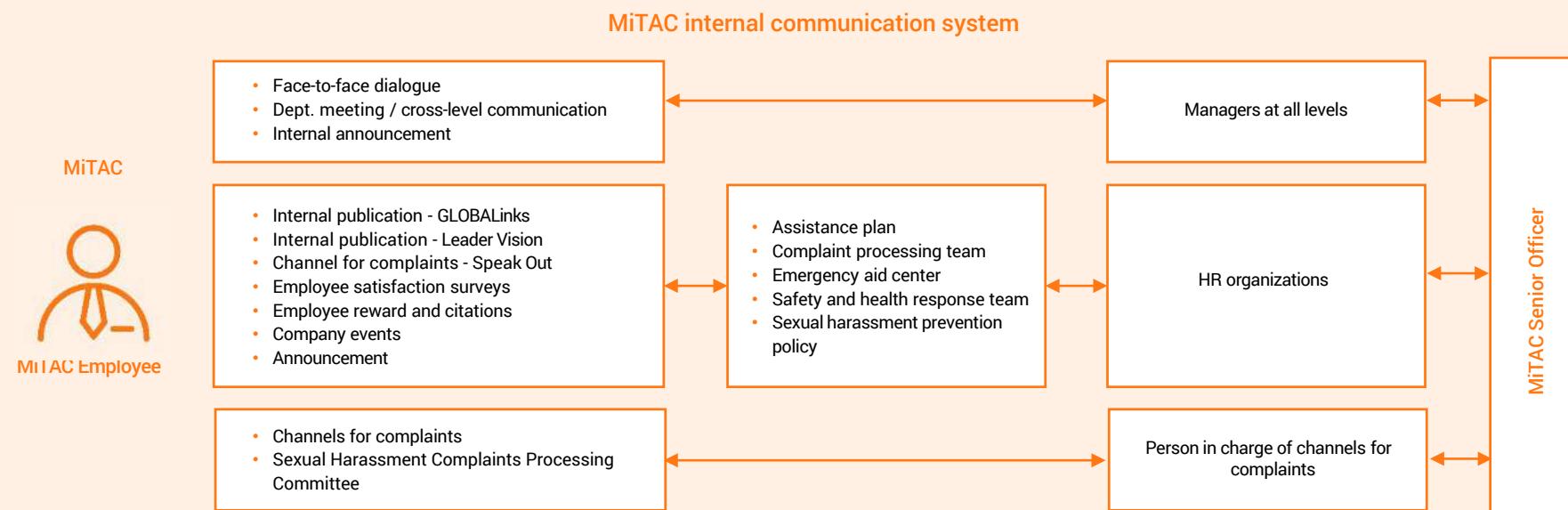
## 4.4 Occupational Health and Safety

### Worker Participation, Consultation and Communications

To maintain work environment quality and operational safety in employee workplace, an occupational health and safety (OHS) committee has been established in each factory. It is composed of the occupational health and safety management personnel, every departmental supervisor / monitoring and command personnel, relevant technical engineering personnel and labor representative of a total of 45 persons. Among which, there is an OHS committee consisting of 16 labor representatives accounting for 40.2% of the workers participation ratio. The committee members also jointly provide suggestions on the Company's draft occupational health and safety policies, and hold meetings at least once in three months. Furthermore, they not only make sure that our work partners have fixed channels to voice their opinions, but also review, coordinate and suggest on occupational health and safety related matters. They even participate in investigations of internal occupational disasters and accidents, facilitating positive labor-management interactions. In 2022, there were 19 proposals for health and safety at the meetings in Taiwan Region, and improvements had been implemented.

If the employees have concerns or suggestions in regard to health and safety aspects, they can inform the labor representative member of the OHS Committee for raising the matter for consultative discussions and adjudication made by the Chairperson at the regular committee meeting. Or, when there are any suggestions of concerns by external related groups towards EHS management, the information received shall be recorded in the "Internal and external factory communications log" for discussions and handling during the committee meeting. The original proposer shall be informed of the handling results for the case, and the handling situation after the end of the case shall be recorded by the responsible department in the communications log. In 2022, a total of 7 cases were recorded in the internal and external factory communications log in Taiwan.

	Taiwan Headquarters & Production Bases	Material Production Bases in China	Material Production Bases in the USA
Number of Labor Representatives	16	21	2
Total Members on OHS Committee Register	45	48	4
Percentage of Workers (>1/3: 34%)	35.6%	43.8%	50.0%



## 4.4 Occupational Health and Safety

### Employee Assistant Program (EAP)

MiTAC has been working with professional consultant teams to launch our EAP (Employee Assistant Program) with a team of experts comprising psychological therapists, legal councilors, nutritionists, financial consultants and so forth.

Through professional counseling and channels such as seminars, articles and EAP websites, we provide employees and their families professional advice in their daily life, including pressure from the workplace, interpersonal relationships, family and marriage, the two genders, law, wealth management, and healthcare so that they could maintain proper balance in the workplace, in daily life, and in health.

Employee Assistant Program (EAP) provides year-round service for personal/work related problems. (Consultation services are protected by privacy policy.) There were a total of 103 persons utilizing the EAP in 2022.

**@MiTAC Holdings Corporation: Just for You**

Free 24-hour hotline

**0800-025008**

Email: [service@ffceap.com.tw](mailto:service@ffceap.com.tw)

**Receiving your personal counseling service**

## 4.4 Occupational Health and Safety

### Occupational Disaster Statistics

For accidents that occur at the labor workplace, the department that is involved in the accident shall inform the health and safety management office immediately to initiate the handling and investigation procedures. Corrections and preventions are to be made according to the root cause factor of the hazard occurrence to guarantee the safety and health of the employees and prevent the accidents from happening again. In 2022, there was a total of two false alarm incidents in Taiwan Region. With respect to the reason for the incidents' occurrences, we conducted analyses and established corrective and preventive measures. Then, we assessed the effectiveness of the measures and continuously followed up on the improvement status.

Additionally, there were 15 accidents related to employee commuting before or after work. Hence, we have proactively planned to invite police authorities to provide traffic safety and defensive driving dissemination courses to our employees in 2023. We will also ask professional companies to conduct safety inspections on motorcycles that are often involved in traffic accidents. For the employees affected by disasters, we have established a follow-up and care mechanism for those injured or ill due to occupational disasters. Based on the degree of injury, we activate care plans to follow up on the employees' recovery status as well as arranging and recording interviews with doctors. Once assessed as fit to return to work, we continue to follow up on the employees' recovery from occupational injuries for different lengths of time according to the degree of the injury in order to ensure the employees' health.

### 2022 Injuries Statistics

Employee Work Injury Statistics		2022	Taiwan Headquarters & Production Bases	Material Production Bases in China	Material Production Bases in the USA
Work-related injuries	Number of employees	1,832	4,097	303	
	Total work hours	3,463,472	12,442,483	630,240	
	Number of work-related injuries (including severe injuries / deaths)	0	4	1	
	Number of lost days due to work-related injuries	0	40	5	
	Major types	--	Sprain/cut	Cut	
	Number of severe work-related injuries (excluding deaths)	0	0	0	
	Number of work-related deaths	0	0	0	
	Recordable work-related injury rate (including severe injuries / deaths)	0	0.321	1.587	
	Severe work-related injury rate (excluding deaths)	0	0	0	
	Work-related death rate	0	0	0	
Work-related ill health	Number of recordable work-related ill health	2	0	0	
	Major types	COVID-19	--	--	
	Number of deaths from work-related ill health	0	0	0	
Traffic accidents during commutes before / after work		15	0	0	

Note:

1. Ratio/incidence = cases/total work hours \* 1,000,000

2. The calculation of total work hours in Taiwan is based on the methods adopted by the competent authority for occupational disaster statistics reporting. Similar methods are used for statistics in other regions.

3. The two cases of occupational disease in Taiwan refer to the employees infected with COVID-19. The employees were tested positive and became confirmed cases after returning from international business travels, as required by laws and regulations. To protect the employees' rights, these incidents were recorded in the monthly report of occupational disaster statistics and thus became recorded cases. However, these were not the types of occupational diseases referred to under the labor insurance.

## 4.4 Occupational Health and Safety

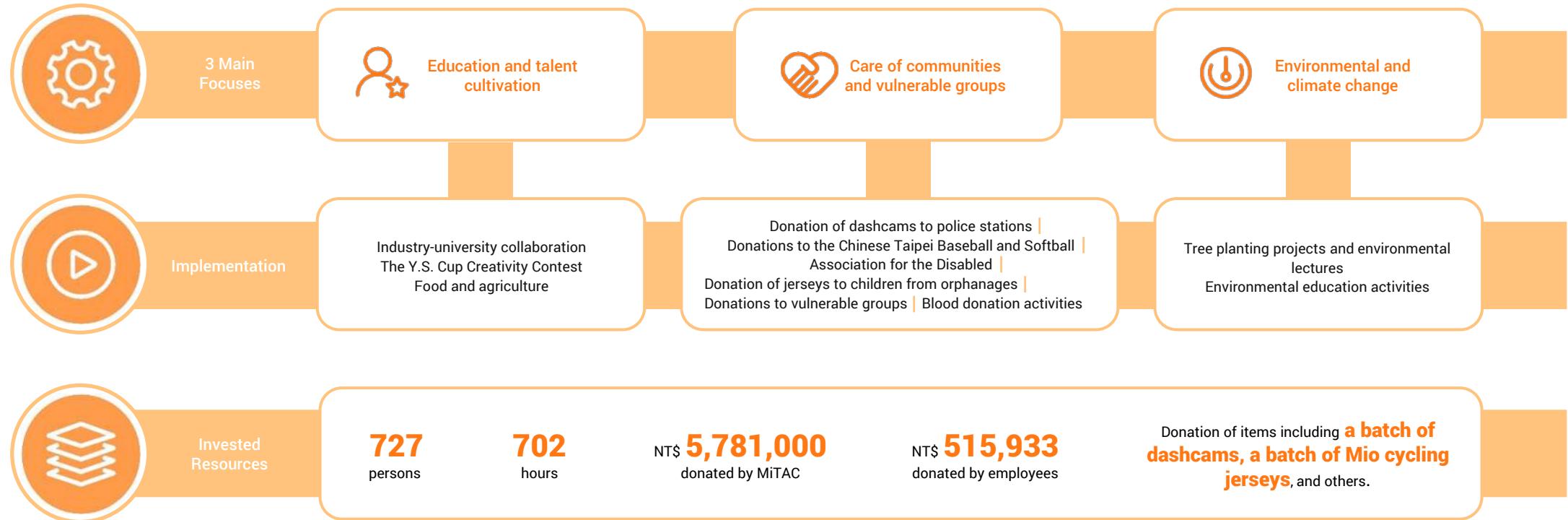
2022		Taiwan Headquarters & Production Bases	Material Production Bases in China	Material Production Bases in the USA
Number of non-employees	68	117	7	
Total work hours	153,552	297,392	14,560	
Work-related injuries	Number of work-related injuries (including severe injuries / deaths)	0	0	0
	Number of lost days due to work-related injuries	0	0	0
	Major types	--	--	--
	Number of severe work-related injuries (excluding deaths)	0	0	0
	Number of work-related deaths	0	0	0
Recordable work-related injury rate (including severe injuries / deaths)	0	0	0	
Severe work-related injury rate (excluding deaths)	0	0	0	
Work-related death rate	0	0	0	
Work-related ill health	Number of recordable work-related ill health	0	0	0
	Major types	--	--	--
	Number of deaths from work-related ill health	0	0	0
Recordable work-related ill health incidence	0	0	0	
Deaths from work-related ill health incidence	0	0	0	
Traffic accidents during commutes before / after work	0	0	0	

Note: Ratio / incidence = cases / total work hours \* 1,000,000



## 4.5 Social Care

As always, MiTAC upholds the idea of “taking from society and giving back to society” as we well know that only in a harmonious and advanced society can companies have space to grow and for sustainable operations. Thus, we promote top-down public welfare related actions and have accumulated countless efforts. Focusing on education and talent cultivation, care of communities and vulnerable groups, and environmental and climate change, MiTAC combines our professional capabilities, products and services along with public relations and marketing resources to assist in the promotion of social care relevant issues in order to serve the society better.



## 4.5 Social Care

### Official Implementation of the Tree Planting Project

MiTAC initiated a tree planting project in 2022. In collaboration with planting teams of the Tse-Xin Organic Agriculture Foundation, who had abundant experience in tree planting and afforestation practices, we conducted rigorous assessments and implemented the “additional trees and afforestation for reservoir protection” plan for the idle Fushoushan agricultural lands. Additionally, the Company sponsored the restoration of the woodland in Highland Experimental Farm of National Taiwan University (NTU), as it suffered fire damage. Both actions were Taiwan reforestation projects. Their effectiveness was monitored locally, and they might have the opportunity of becoming forest carbon sinks in the future. This has significant meaning to the Group’s dedication to global warming mitigation, protection of water resources and development of biodiversity.

1,250 trees, which were Taiwan’s native species, were restored for the reforestation project at the Highland Experimental Farm N.T.U. in 2022. Meanwhile, 2,500 Taiwan native trees were planted through the “additional trees and afforestation for reservoir protection” plan for the idle Fushoushan agricultural lands. In conjunction with Earth Day, the Company additionally held the “Environmental Education Lecture – Loving Meifeng” and received enthusiastic responses from the employees despite the pandemic. Nearly 80% of the employees were satisfied with the lecture, which guided them on how to further demonstrate their care and actions for the environment.

As for the implementation of the Family Day, interactive activities for environmental education such as the Go Green challenge-defeating activities were devised. This included games with respect to the recognition of green labels, the UN SDGs, ocean protection and understanding of protected wildlife in Taiwan. Professional insect and reptile teachers were invited to disseminate biodiversity protection issues while teaching in a fun way. We also taught the participants to make DIY hand sanitizers and essential oil mosquito repellent to protect body health. Through the DIY activities, the employees and their families had taken environmental care in mind.

### The Y.S. Cup Creativity Contest and Industry-University Collaboration for Cultivation of Creative Industrial Talents

Since the Y.S. Educational Foundation, established and sponsored by MiTAC and the companies of the Group, began holding the Y.S. Cup Creativity Contest in 2003, MiTAC has spared no effort in assisting in the implementation of the event. We further provide internship opportunities to the winning and college students, allowing talents to become familiar with the industry’s environments in advance to enhance their capabilities.

### Donation of Dashcams to Police Stations and Caring for Vulnerable People

In order to assist the police in achieving better performance under heavy safety and maintenance workloads, our sub brand Mio donated the most advanced high-level dual-lens car dashcams and motorcycle dashcams to the Guishan Precinct of the Taoyuan Police Department. The dashcams have been equipped in the police cars and motorcycles, which are used during duties, of the units under the Precinct, its sub-units and local police stations.

At the same time, Mio has decided to invest resources in the “Chinese Taipei Baseball and Softball Association for the Disabled” as a long-term sponsorship. With the courage to cross the boundaries and break through self-imposed limits, we and the Association persist in the philosophy of “Moving Forward and Never Stopping,” aiming to create our own exceptional and dazzling brilliance. The Association has also organized events including the “Chu-Kou Cup Beepball Game” and other diversity-based baseball games which integrate physically disabled, hearing impaired, elder and female participants.

### Blood Donation Activities

For 40 years, MiTAC Holdings Corporation has paid consistent attention to social welfare in the long term. Despite the unceasing challenges brought by the pandemic, the Company continues to fulfill the corporate social responsibility through practical actions, such as responding to blood donation activities for multiple times every year, bringing more warmth and positive energy to the society. The employees also take the lead in contributing to public welfare and leveraging the spirit of “putting themselves in the place of others.” In 2022, a total of four blood donation activities were held, through which 101,250 cc of blood was collected from passionate people.





# Appendix

GRI Standards Comparison List  
SASB Indicator Comparison List  
Report Verification Statement

# 5

# GRI Standards Comparison Index

Statement of Use	MiTAC International Corp. published the 2022 Sustainability Report in accordance with the GRI standards. The scope of the statistic information was from January 1 to December 31, 2022.
Version Used for GRI 1	GRI 1: Foundation 2021
Application of GRI Sector Standards	None

## GRI General Disclosures 2021

Indicators	Disclosure Requirements	Chapter	Page No.	Omitted/Remarks
<b>Organization Reporting</b>				
2-1	The Organization and Its Reporting Practices	About MiTAC	6-7	
2-2	Entities included in the organization's sustainability reporting	About the Sustainability Report	4	
2-3	Reporting period, frequency and contact point		4	
2-4	Restatements of information			This is not applicable to the year.
2-5	External assurance	About the Sustainability Report	105	
<b>Activities and Workers</b>				
2-6	Activities, value chain and other business relationships	About MiTAC	6-7	
2-7	Employees	4.2 Talent Attraction and Development	71	
2-8	Workers who are not employees			Non-employee workers are outsourced human resources, including dispatched and commissioned manpower. A total of 192 people are included within the borderline of the Report in 2022.
<b>Governance</b>				
2-9	Governance structure and composition	2.2 Corporate Governance Structure	30	
2-10	Nomination and selection of the highest governance body	2.2 Corporate Governance Structure	31	
2-11	Chair of the highest governance body	2.2 Corporate Governance Structure	31	

# GRI Standards Comparison Index

Indicators	Disclosure Requirements	Chapter	Page No.	Omitted/Remarks
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainability Policies	19	
2-13	Delegation of responsibility for managing impacts			
2-14	Role of the highest governance body in sustainability reporting			
2-15	Conflicts of interest	2.1 Corporate Governance Structure	31	
2-16	Communication of critical concerns	2.1 Corporate Governance Structure	31	
2-17	Collective knowledge of the highest governance body	2.1 Corporate Governance Structure	30	
2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance Structure	31	
2-19	Remuneration policies	2.1 Corporate Governance Structure	32	
2-20	Process to determine remuneration	2.1 Corporate Governance Structure	32	
2-21	Annual total compensation ratio	4.2 Talent Attraction and Development	77	
<b>Strategy, Policies and Practices</b>				
2-22	Statement on sustainable development strategy	Messages from the SDC Chairman	5	
2-23	Policy commitments	All chapters	Information is disclosed in the chapters.	
2-24	Embedding policy commitments	1.1 Sustainability Policies	19	
2-25	Processes to remediate negative impacts	2.3 Corporate Risk Management	36-37	
2-26	Mechanisms for seeking advice and raising concerns	2.2 Business Integrity	34-35	
2-27	Compliance with laws and regulations	2.2 Business Integrity	33	
2-28	Membership associations	2.1 Corporate Governance Structure	32	
<b>Stakeholder Engagement</b>				
2-29	Approach to stakeholder engagement	1.3 Communication with Stakeholders	22-23	
2-30	Collective bargaining agreements	4.1 Human Rights Protection	69	

# GRI Standards Comparison Index

## GRI 3: Material Topics 2021

Indicators	Disclosure Requirements	Chapter	Page No.	Omitted/Remarks
3-1	Process to determine material topics	1.4 Material Issues	22.24-26	
3-2	List of material topics			
3-3	Management of material topics			

GRI Topic	Indicators	Disclosure Requirements	Chapter	Page No.	Omitted/Remarks
GRI 201 * Economic Performance 2016	201-1	Direct economic value generated and distributed	About MiTAC	8	
	201-3	Defined benefit plan obligations and other retirement plans	4.3 Employee Care	79	
	201-4	Financial assistance received from government	About MiTAC	8	
GRI 202 Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.2 Talent Attraction and Development	76	
	202-2	Proportion of senior management hired from the local community	4.2 Talent Attraction and Development	72	
GRI 204 Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.6 Supply Chain Sustainability Management	46	
GRI 205 * Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	2.2 Business Integrity	33-34	
	205-3	Confirmed incidents of corruption and actions taken			
GRI 301 Materials 2016	301-2*	Recycled input materials used	3.2 Green Product Design	53	
GRI 302 Energy 2016	302-1	Energy consumption within the organization	3.4 Energy Management	60	
	302-2	Energy consumption outside of the organization			
	302-3	Energy intensity			

\* Material issue related consideration aspects

# GRI Standards Comparison Index

GRI Topic	Indicators	Disclosure Requirements	Chapter	Page No.	Omitted/Remarks
GRI 303 Water and Effluents 2018	303-3	Water withdrawal	3.7 Water Resources Management	63	
	303-4	Water discharge			
	303-5	Water consumption			
GRI 305 * Emissions 2016	305-1	Direct greenhouse gas (GHG) emissions (scope 1)	3.5 GHG Emissions	61	
	305-2	Energy indirect (GHG) (scope 2) greenhouse gas (GHG) emissions			
	305-3	Other Indirect greenhouse gas (GHG) emissions (scope 3)			
	305-4	Greenhouse gas (GHG) emission and intensity			
	305-5	GHG emission reduction	3.6 Actions and Effectiveness of Emissions Reduction	62	
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts	3.8 Waste Management	64	
	306-2	Management of significant waste-related impacts			
	306-3	Waste generated			
	306-4	Waste diverted from disposal			
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	2.6 Supply Chain Sustainability Management	45	
	308-2	Negative environmental impacts in the supply chain and actions taken			
GRI 401* Employment 2016	401-1	New employee hires and employee turnover	4.2 Talent Attraction and Development	73	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3 Employee Care	79	
	401-3	Parental leave	4.3 Employee Care	80	
GRI 402 Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes			The termination process of employment contracts is subject to local laws and regulations.
GRI 403 * Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management System	4.4 Occupational Health and Safety	85	
	403-2	Hazard identification, risk assessment, and incident investigation	4.4 Occupational Health and Safety	86	

\* Material issue related consideration aspects

# GRI Standards Comparison Index

GRI Topic	Indicators	Disclosure Requirements	Chapter	Page No.	Omitted/Remarks
GRI 403 * Occupational Health and Safety 2018	403-3	Occupational health service	4.4 Occupational Health and Safety	82-83	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Occupational Health and Safety	89	
	403-5	Worker training on occupational health and safety	4.4 Occupational Health and Safety	87	
	403-6	Promotion of worker health	4.4 Occupational Health and Safety	82-83	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Occupational Health and Safety	88	
	403-8	Workers covered by an occupational health and safety management system	4.4 Occupational Health and Safety	85	
	403-9	Work-related injuries	4.4 Occupational Health and Safety	92	
	403-10	Work-related ill health			
GRI 404 * Training and Education 2016	404-1	Average hours of training per year per employee	4.2 Talent Attraction and Development	74-76	
	404-2	Programs for upgrading employee skills and transition assistance programs			
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Talent Attraction and Development	78	
GRI 405 * Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.2 Talent Attraction and Development 2.1 Corporate Governance Structure	31 71	
	405-2	Ratio of the basic wage and compensation of women to men	4.2 Talent Attraction and Development	77	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.1 Human Rights Protection	69-70	
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.1 Human Rights Protection 4.4 Occupational Health and Safety	69-70 89	
GRI 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.1 Human Rights Protection	69-70	
GRI 409 Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			

\* Material issue related consideration aspects

# GRI Standards Comparison Index

GRI Topic	Indicators	Disclosure Requirements	Chapter	Page No.	Omitted/Remarks
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	2.6 Supply Chain Sustainability Management	45	
	414-2	Negative social impacts in the supply chain and actions taken			
GRI 416 * Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.2 Green Product Design	51	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			
GRI 417 Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3.1 Green Commitment	50	
GRI 418 * Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.1 Customer Service and Satisfaction	42	

\* Material issue related consideration aspects

# SASB Indicator Comparison List

Category	General Issues	No.	Disclosure Requirements	Chapter	Page No.	Omitted/Remarks
Environmental	Water management	TC-ES-140a.1	Total water withdrawn, percentage of recovered water, percentage in regions with water shortage or extreme water shortage	3.7 Water Resources Management	63	
	Waste management	TC-ES-150a.1	Amount of waste generated, percentage of hazardous waste, percentage of recycled waste	3.8 Waste Management	64	
	Labor practices	TC-ES-310a.1	Total days idle	No relevant incident occurred in 2022.		
Social	Labor conditions	TC-ES-320a.1	The total recordable incident rate (TRIR) and the near miss frequency rate (NMFR) of employees and contractors	4.4. Occupational Health and Safety	91-92	
		TC-ES-320a.2	Percentage of facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by all facilities and Tier 1 suppliers' facilities	2.6 Supply Chain Sustainability Management	46	
		TC-ES-320a.3	Non-conformance rate of Tier 1 suppliers with the RBA Validated Audit Process (VAP) or equivalent by (1) priority nonconformances, and (2) other nonconformances	2.6 Supply Chain Sustainability Management	46	
Economic	Product lifecycle management	TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, and the recovery percentage	3.2 Green Product Design	53	
	Materials sourcing	TC-ES-440a.1	Description of the management of risks associated with the use of key materials	2.6 Supply Chain Sustainability Management	45	

## Activity Metrics

No.	Disclosure Requirements	Chapter	Page No.	Omitted/Remarks
TC-ES-000.A	Number of plants	About MiTAC	6	
TC-ES-000.B	Area of plants	About MiTAC	6	
TC-ES-000.C	Number of employees	4.2 Talent Attraction and Development	71	

# Report Verification Statement



## ASSURANCE STATEMENT

### SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE MITAC HOLDINGS CORP.'S SUSTAINABILITY REPORT FOR 2021

#### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by MITAC Holdings Corp. (hereinafter referred to as MITAC) to conduct an independent assurance of the Sustainability Report for 2021 (hereinafter referred to as the Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2022/06/24–2022/07/20). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all MITAC's Stakeholders.

#### RESPONSIBILITIES

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

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

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

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

#### Assurance Standard Options and Level of Assurance

A.	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B.	AA1000ASv3 Type 1 Moderate Level (AA1000AP Evaluation only)

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#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

##### Reporting Criteria Options

1. GRI Standards (Core)
2. AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

#### ASSURANCE METHODOLOGY

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

#### LIMITATIONS AND MITIGATION

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

#### STATEMENT OF INDEPENDENCE AND COMPETENCE

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

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 28000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

#### FINDINGS AND CONCLUSIONS

##### VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

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#### AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

##### Inclusivity

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

##### Materiality

MITAC has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

##### Responsiveness

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

##### Impact

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

#### GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, MITAC's Sustainability Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to describe the boundaries clearly once more overseas information is disclosed. More systematic and efficient data collection process could also help to build a quality report.

##### Signed:

For and on behalf of SGS Taiwan Ltd.



AA1000  
Licensed Report  
000-8/V3-08F6K

Stephen Pao  
Knowledge Deputy General Manager  
Taipei, Taiwan  
25 August, 2022  
[WWW.SGS.COM](http://WWW.SGS.COM)

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2022 MiTAC  
Sustainability Report