

# 2022

## Innodisk Corporation Sustainability Report

# 01

## About Innodisk

Company profile	<a href="#">6</a>
Global business and sales offices	<a href="#">7</a>
Value-added and reliable technology	<a href="#">9</a>
Products	<a href="#">10</a>
Brand reputation and business affirmation	<a href="#">15</a>
Yilan R&D and manufacturing center	<a href="#">16</a>

## Preface

Innodisk sustainability report introduction	<a href="#">3</a>
Chairman's words	<a href="#">4</a>

# 02

## Corporate Governance

Organization hierarchy	<a href="#">18</a>
Affiliated Companies	<a href="#">19</a>
Corporate Governance	<a href="#">20</a>
Sources of equity	<a href="#">25</a>
Financial information	<a href="#">28</a>
HR composition	<a href="#">31</a>
Friendly workplace	<a href="#">37</a>
Employee care	<a href="#">38</a>
Remuneration policy	<a href="#">40</a>
Career development	<a href="#">43</a>
Social responsibility	<a href="#">52</a>

# 03

## Sustainable Operation

Sustainable governance structure	<a href="#">56</a>
Sustainable development goals	<a href="#">58</a>
Process for identifying material issues	<a href="#">59</a>
Impact of material issues and the influence analysis	<a href="#">61</a>
Stakeholders communication mechanism	<a href="#">62</a>
Business continuity and risk management	<a href="#">65</a>
Financial disclosure of climate-related risks	<a href="#">66</a>
Our services	<a href="#">69</a>
Innodisk supply chain	<a href="#">71</a>

# 04

## Environmental sustainability

Hazardous substance management	<a href="#">77</a>
Hazardous substance policy	<a href="#">78</a>
Waste management	<a href="#">82</a>
Air pollution management/ water resources management	<a href="#">84</a>
Greenhouse gas management	<a href="#">85</a>
Green building silver label	<a href="#">87</a>

# 05

## Occupational safety management

Environmental commitment and occupational safety and health management	<a href="#">89</a>
Environment, safety & health Management	<a href="#">90</a>
Work-life balance	<a href="#">93</a>
Health promotion activities	<a href="#">98</a>

# 06

## Giving back to society

Innodisk education foundation	<a href="#">101</a>
Electronic marker society	<a href="#">103</a>
Renovation camp	<a href="#">105</a>

# 07

## Others

GRI Content Index	<a href="#">110</a>
Third Party Guarantee Statement	<a href="#">112</a>

# Innodisk Sustainability report introduction



## About the report

- This is Innodisk's eighth annual report about the company's determination in terms of sustainable development. It shows Innodisk's continuous efforts and achievements in the advancement of the environment, society and corporate governance. Innodisk always adheres to the principles of being sincere and pragmatic, as well as transparency, openness, and collaboration. Innodisk has disclosed to the public its belief in implementing sustainability and social responsibility, as stated in this report.



## Scope of the report and the statistics in it

- This report covers the performance of Innodisk in implementing corporate sustainability around the world in 2022. The financial statistics covers the overall operating performance of the parent company and subsidiaries. The content of other indicators are mainly based on the logistics scope of Taiwan Xizhi Headquarters, Xizhi Factory, and Yilan Factory. Not all statistics of affiliated companies and overseas subsidiaries are included. In the future, we will gradually incorporate important information of subsidiaries to disclose more comprehensively the influence and

achievements of Innodisk value chain.

- Innodisk has always been concerned about environmental issues. Since 2012, we have successively obtained ISO14001, QC080000, ISO45001, ISO14064-1 and ISO27001 certifications, and continuously passed the third party accreditation.
- The performance related to environmental protection, safety and health is expressed by international common indicators. If there are estimates or assumptions, they will be stated in each relevant chapter.



## Report outline

- The content structure of the report refers to the GRI Universal Standards 2021 published by the Global Reporting Initiative (GRI), as well as the table of contents and index (1/1/2022-31/12/2023) in GRI to reveal the main initiatives, strategies, goals and measures for the company's sustainability.



## Report certified by third-party

- This report has received SGS verification in accordance with the GRI guidelines and the AA1000 moderate assurance standard to enhance its reliability. For the independent assurance statement, please refer to the appendix of this report.

### Publish time

Innodisk issues sustainability reports periodically every year, and post them on the Innodisk website.

Previous issue: June 2022

Current issue: June 2023

Next issue: Scheduled for June 2024

### Contact information

Should you have any questions or suggestions about this report, please contact us. The contact information is as follows:

**Innodisk Co., Ltd.**

Address: 5th Floor, No. 237, Section 1, Datong Road, Xizhi District, New Taipei City

Tel: +886-2-7703-3000

E-mail: [InnodiskCSR@innodisk.com](mailto:InnodiskCSR@innodisk.com)

<http://www.innodisk.com>

# ◀Chairman's words▶

- In recent years, global economic development has been affected by turmoils such as extreme weather, pandemic and inflation. As the best brand around the globe in terms of industrial-grade storage devices and embedded peripherals, Innodisk pursue not only the operational efficiency and product innovation, but also the chances to give back to environment, society and economy. Moreover, Innodisk, with its core spirit of collaboration, has also responded to ESG sustainability trends and broke away from the cold stereotyped impression of the technology industry to integrate partners' resources for sustainable operation; and let ESG be imprinted into Innodisk's DNA to fulfill the commitment to sustainable environment.
- While facing increasingly serious climate issues, Innodisk has aimed to be in line with the international community. Innodisk has responded to the RE100 initiative, and promised to achieve net zero emissions by 2050 and reduce carbon emissions by 50% by 2030. Innodisk has also Introduced climate-related financial disclosure (TCFD) for net zero emissions. In 2022, in addition to purchasing green electricity certificates increasingly, Innodisk also plans to install solar panels on the roofs of its own buildings. We believe that enterprises need to uphold the belief in sustainable management, and fulfill the corporate social responsibilities.
- "Being hot-blooded and warm-hearted", Innodisk pioneers the promotion of public welfare undertakings. At the end of 2022, Innodisk launched a three-year sustainable impact program to promote environmental protection education and household services throughout Taiwan. Innodisk has also been incorporating SDGs into every activity, bringing positive influences to the employees, upstream and downstream partners, students and every family that has participated, to let them use the skills they' ve learned to help social welfare organizations and the community to prolong the lifespans of old household appliances. Our goal is to train thousands of volunteer workers to promote the concept of sustainability and spirit of service throughout Taiwan.
- "Talent" has always been the key to a company's success. Innodisk deems its employees as the company's most important asset and partners. We organizes various group activities from time to time to improve interpersonal relationships and organizational cohesion. We continue to take care of the physical and mental health of every employee through the programs for diversified health care, newcomer care and health promotion. We help employees pursue work-life balance, good quality of life and family relationships. We hope Innodisk is the strongest support for our employees.
- Despite the pandemic and chaotic international political and economic situations, Innodisk still maintains prudent and steady principles for operation, to respond to external changes and adjust the operating practices in a timely manner. Our revenue continued to exceed NT\$ 10 billion. In addition, Innodisk has digitized its business and introduced the international information security standard ISO 27001 and Taiwan Intellectual Property Management System(TIPS) in order to reinforce corporate information security management & control, protection mechanism and risk monitoring.

On the road to sustainability, Innodisk actively manage to keep up with international standards, implement sustainability in corporate operations, fulfill the promise of corporate social responsibility and cooperate with all stakeholders to move towards sustainable development. So, please join us.

Chairman




# About Innodisk



# ◀ Company Profile ▶



## INNODISK CORPORATION

Year of Establishment

2005

Headquarters

Taiwan Science Park, Xizhi District, New Taipei City

Capital

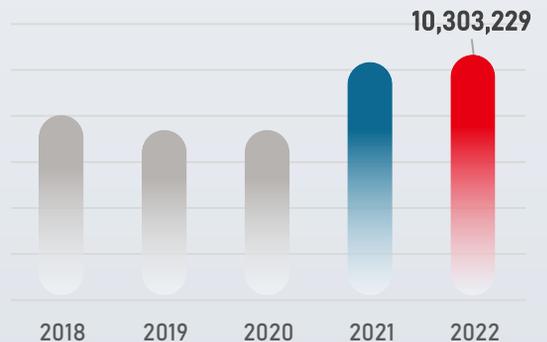
NT 826,680,400

Revenue

NT 10,303,229,000

\$12,000,000  
\$10,000,000  
\$8,000,000  
\$6,000,000  
\$4,000,000  
\$2,000,000  
\$0

Revenue



Unit: NT thousand

# ◀ Global Operation and Sales Locations ▶



**24**

**Global  
presences**

**821**

**Number of  
employees  
worldwide**



**TAIWAN**

**Global Operations  
Headquarters**  
New Taipei City, Taiwan  
R&D and Manufacture  
Center  
Yilan, Taiwan  
Firmware Development  
Center  
Hsinchu, Taiwan

# ◀ Corporate Culture and Values ▶



## Listen to needs and respond quickly

Listening to and responding to customer's needs is not only important to us, but also indispensable to us.



## Go all out

We go all the way out for taking on challenges, working with our partners to solve problems, regardless how challenging they may be.



## Keep improving

Reform and innovation have long been deeply rooted in the Innodisk culture. We believe that only through continuous refinement can we achieve perfection.

Top™  
Service



## Stay flexible and agile

In response to the rapidly changing market, we maintain absolute agility and flexibility, which is our greatest advantage.



## Technical Aptitude by Design

Our strength lies in superior control of hardware, software, and firmware, which enables the perfect integration of products in three aspects. We are constantly seeking to break through and deliver innovative products and solutions.



## Deeply Rooted in the Market

With our efforts over the years, we have been aware of the opportunities and challenges in various vertical markets and have provided the most professional advices and the most complete solutions.



## We Are in It Together

Day after day, we work with our customers to find the optimal solution, grow together, and share great results and glory.

# Value-added and Reliable Product Technology

## ■ Technical support

Collaborate closely with partners, to provide localization service through regional sales centers.

## ■ Rapid reply and timely response

Solve customers' challenges quickly, and provide timely solutions.

## ■ Customization

Provide customized solutions, to quickly meet customer needs.

## ■ Firmware R&D Team

Provide real-time services, such as debug support, etc.

## ■ Bill of Materials control

Ensure consistent product quality to support the certification as required by customers' projects.

## ■ Our own industrial-level factory

Ensure product quality and stability through our own manufacturing and testing equipment and processes.

## ■ Firmware R&D Team

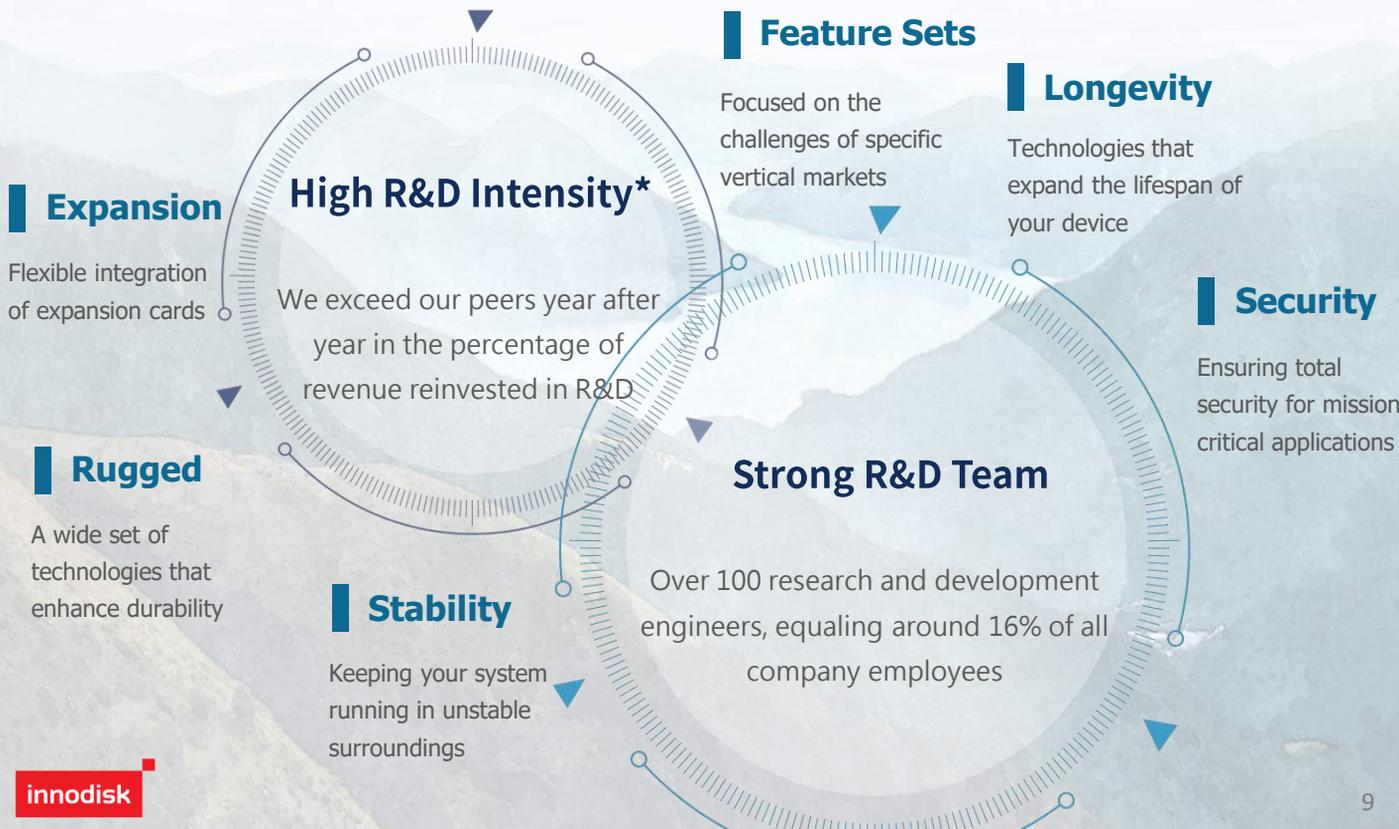
Provide real-time services, such as debug support, etc.

## ■ Financial stability

Listed on Taiwan Stock Exchange.  
(Ticker symbol: 5289)

## ■ Corporate sustainable operation

The off-site redundancy system is available, to ensure that the Double Data Center can continue its operation without being disrupted by external factors.



# ◀ Major Products ▶

## ■ R&D of innovative products



**2008**  
SATADOM series



**2009**  
InnoRobust™  
iSMART



**2012**  
ISLC – the first corporate-level MLC product SATADOM™, which has been recognized on the Intel® Romely platform



**2013**  
the conformal coating technology to all the DRAM series.  
Nano SSD



**2017**  
iCAP™ Cloud storage management platform



**2018**  
Establishing the innodisk AIoT Alliance  
Introducing the anti-vulcanization technology to all the DRAM series.



**2019**  
InnoAGE™ — the world's first dual-band managed SSD.  
The AIoT Summits took place in US and China.



**2020**  
iVINNO AI software tool.  
InnoOSR one click recovery of SSDs.



**2021**  
The industry's first DRAM module with an extremely wide temperature range from -40~125°C.  
Industrial-level DDR5 series.  
the world's first M.2 10GbE network expansion card.



**2022**  
Innodisk AI  
InnoAgent OOB Solution  
Edge Server SSD  
Camera Module  
FPGA Platform

## From IPC to AI New Era, We Are The Key to The Industry Growth



# ◀ Innodisk Products ▶

## FLASH – Complete Storage Solutions

PCIe	SATA	PATA	SD	USB	
 U.2  CFexpress  M.2 (NGFF)  OCuLink DOM  Nano SSD	" SATA SSD" data-bbox="248 178 312 228"/> 2.5"/>" SATA SSD  M.2 (NGFF)  CFast  SATA Slim  mSATA  SATA DOM  Nano SSD	 CF  EDC	 SD  SD Card/ MicroSD	 USB  USB  USB Series	
 Multi-level PLP (Power-Loss - Protection)	 Features for Vertical Markets	 Longevity Support	 Combination with Public & Private Cloud	 Optimized Firmware for Industrial Applications	 Data Security & Integrity

### Uncompromising Embedded Solutions

Innodisk's flash Storage products are designed to be highly reliable and stable, providing longer life cycles for the embedded and industrial systems in which they are used. Innodisk offers the industry's widest selection of flash memory form factors.

## DRAM – Industrial Memory Modules

Embedded Memory	Server Memory	Wide Temperature Memory	Customized Memory	
 SODIMM  UDIMM  Very Low-Profile	 ECC DIMM  Mini DIMM  RDIMM	 Wide Temperature SODIMM  Ultra Temperature ECC SODIMM -40~85°C      -40~125°C	 Rugged DIMM  XR-DIMM	
 The only module house service industrial customers	 Highest quality Original IC	 Free upgradation of anti-sulfuration	 100% tested by in house testing software iRAM	 Highly customized

### Industrial Memory Modules

Innodisk's industrial-grade DRAM series features high-quality memory modules that have been specifically designed and developed for industrial computers and similar applications.

# ◀ Innodisk Products ▶

## IPA – Complete Embedded Peripherals

### Communication



LAN, Serial, CANBus



PoE, DIO

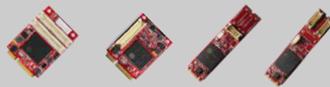


Complete Form Factor



Contact 8KV, Air 15KV ESD Protection

### Storage/Display



VGA, HDMI, DVI, LVDS



SATA and USB



SATA RAID 0/1



Industrial-grade components



AIoT Application

### Camera



USB 2.0



Complete API and Software Support



Up to 2500V Isolation Protection

## Comprehensive Embedded Solutions

Innodisk provides the most complete expansion cards. We design our products with industrial grade components and test our products under stringent conditions. We also integrate our expansion cards with software system to achieve 100% compatible stability in use.

The camera modules optimize image quality for different AI applications depending on the needs of customers, in order to meet the demand for high-speed and high-resolution applications in different embedded systems.

Innodisk AI FPGA edge solution leverages K26 SOM and provides up to 1.4TOPS AI processing power. With Innodisk's carrier board and system design, it is ready for the enhanced acceleration of vision AI application in industrial verticals.

## IPA – Software



SSD & DRAM Real-time Monitoring



SD Card and USB Drive Management



AI application deployment utility



Self-Encrypting Drive Management



RAID module monitoring



Cloud Administration Platform

Smart Management

Efficient Prediction

Quick Maintenance

# Subsidiaries

## Innodisk Data-centric Ecosystem

We joined up with our subsidiaries to form an data-centric ecosystem. With their expertise in data computing, data transmission, environmental data collection and vehicle data collection, we are always well-prepared to provide a full-service industrial AI and AIoT solution.



Edge Computing & GPU-accelerated Computing



WiFi 6/6E Wireless Communications  
InnoEx-Virtual I/O



In-vehicle Communications & GNSS Positioning



Environmental Sensor Solutions

Join hands with group subsidiaries to create  
**AIoT solutions**



Innodisk AI delivers edge AI platforms with optimized architecture and industrial-grade components, edge devices and software solutions.

# Product Application

To Make Every Application Possible



## Gaming

We work with the world's top three gaming customers and success with "**security**" and "**stability**".



## Networking

LTE and 5G private network market size could exceed **US\$5 billion by 2025**.



## Server

Our solution provide **high-performance memory** to handle the computational workload.



## Aerospace

With over a decade at the forefront of technology and countless projects, Innodisk is an ideal partner for **bringing aerospace applications to new heights**.



## Retail

Our remote management technology **reduces 80% maintenance cost** and is nailed in the smart retail market.



## Surveillance

Global surveillance market is expected to **grow at a CAGR of 8.17%** for the time period of 2021-2025



## Automation

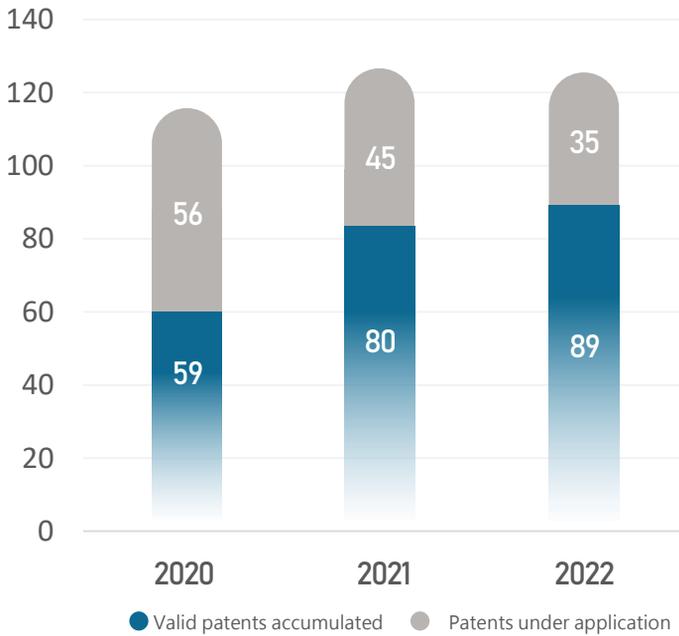
We implement **AIoT technology** to accelerate manufacturers' production to the next stage.



## Transportation

Rugged tailor made solution **enhance the safety of your mobility**.

# Patents



# 89

## Valid Patents

Over the years, Innodisk has been engaged in innovation and development. As of 2022, we have accumulated 89 valid patents, which has a critical impact on industrial control applications. We will continue to focus on R&D and innovation in the future, to bring more benefits to this industry.

## Global Market Recognition



# ◀ Yilan R&D and Manufacture Center ▶



Land area  
**10,000**  
Square meters

Building area  
**12,000**  
Square meters

2022 Yilan Factory capacity  
**900K**  
SMT x 6

Future maximum capacity  
of the Yilan Factory  
**1,800K**  
SMT x 12



INNODISK launched its R&D Manufacture Center in Yilan Science Park in 2018, which means that Innodisk has entered the era of comprehensive development of "Industry-academia Cooperation and Sw-Hw Co-design". In the future, we will continue providing innovative technology, as well as more stable and flexible supply services, to realize our long-term commitment to customers and partners.



# Corporate Governance

# Organizational Structure



**innodisk**



# Affiliated Companies



Note: Number of unissued shares.

Affiliated companies names	With Innodisk relationship	The shares in Innodisk it holds			The shares that Innodisk holds		
		Number of shares	Percentage	Investment amount	Number of shares	Percentage	Investment amount
Innodisk Global-M Corporation	Subsidiary	-	-	-	665,000	100.00%	20,154
Innodisk USA Corporation	Subsidiary	-	-	-	2,046,511	100.00%	140,499
Aetina Co., Ltd.	Subsidiary	-	-	-	19,107,283	74.20%	24,091
Innodisk Japan Corporation	Subsidiary	-	-	-	196	100.00%	3,533
Innodisk Europe B.V.	Subsidiary	-	-	-	50,000,100	100.00%	17,802
Innodisk France SAS	Sub-subsidiary	-	-	-	5,000	100.00%	175
Shenzhen Innodisk Ltd. (Shenzhen)	Sub-subsidiary	-	-	-	Note	100.00%	18,168
Antzer Tech, CO., LTD.	Subsidiary	-	-	-	58,400,000	100.00%	57,133,000
AETINA USA CORPORATION	Sub-subsidiary	-	-	-	Note	100.00%	-
AETING Europe b.v.	Sub-subsidiary	-	-	-	Note	100.00%	-

# ◀ Corporate Governance ▶

## ■ Board of Directors

### – Board members and their titles

There are totally 9 directors (including 4 independent directors), with a term of three years (July 8, 2010-July 7, 2013). In order to emphasize the independence and diversity of the board of directors, its members include chairman, directors and independent directors (8 males and 1 female). All directors faithfully perform their duties as managers, and exercise their powers in a highly self-disciplined and prudent manner.

### – Board functions

Innodisk's board of directors conducts corporate governance operations in accordance with the "Board of Directors' Rules of Procedure" and "Procedures for Ethical Management and Guidelines for Conduct".

The board meetings are held regularly every quarter (6 times in 2022, please refer to 2022 Innodisk annual report. for the operations of the board of directors, please visit the website: <http://mops.twse.com.tw/>).

The proposals concerning interested parties should comply with the rules of procedure of the board of directors, and its important content should be explained in the board meeting. If such a proposal may cause a conflict of interest, the proposer may state opinions and answer questions.

But it is not allowed to discuss and vote on such a proposal to avoid conflict of interest. All current directors faithfully perform their duties. Each director is able to fully explain all business policies, and will reach a consensus, and then hand over the decision to the management for implementation which will be supervised by the directors.

### – Director Nomination and Election

Innodisk has formulated the "Director Election Process" which specifies the director candidates' qualification, nomination process as well as the policies and standards for evaluation. In Innodisk, the nomination of directors take into consideration the board composition. The rigorous election process has also take into consideration not only diverse backgrounds, expertise, skills and personal cultivation, but also the actual requirements based on the company's future planning.

In addition, for the directors that are one another's spouse or second degree of relative, they shall comprise less than 50% of the board. The Company nominates and elects directors once every three years, and has added one independent director in 2021.

### – Independent directors

Innodisk set up independent director seats in 2012 to facilitate the operation of the board of directors. Independent directors must own expertises, and they are subject to restrictions on shareholding and non-compete violation. They should not get involved with conflicts of interest directly or indirectly within the scope of business execution. They should try their best to increase the Company's financial statements transparency, protect shareholders' rights, enhance the company's value and achieve the goal of sustainable operation.

### – Performance evaluation of the board of directors and functional committees (audit and remuneration)

In 2022, Innodisk conducted Board of Directors performance evaluation of the entire board & each member and functional committees (audit and remuneration).

The performance evaluation is carried out every year by means of self-evaluation questionnaires. For 2022 Annual performance evaluation results, please refer to Innodisk's 2022 Annual Report (<http://mops.twse.com.tw/>).

### – Board diversity

Article 20 of Innodisk's "Corporate Governance Practice Code" stipulates that the board composition should be diverse. It's not suitable that the number of directors who are concurrently acting as managers of the company exceed one-third of the number of directors' seats. For operation & development needs, the Company should formulate an appropriate diversification policy which should preferably include but not limited to the following two major aspects of standards:

1. Personal characteristics: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

# ◀ Corporate Governance ▶

## ■ Board of Directors

- Generally, board members should own the required knowledge, skills and personal cultivation to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities:



Decision-making capability for operation



Accounting and financial analysis skills



Operation and management capability



Crisis management capability



Industry knowledge



Understanding the big picture of international market



Leadership



Decision-making capability

## • Directors' in-service trainings in 2022

- In order to enhance the sustainable development of corporate governance, the Company will prioritize providing sustainability-related courses for directors, and assist directors to sign up for relevant courses to optimize the development of knowledge, capabilities and practices.

Job position	Name	Training date	Training organization	Course Title	Training hours
Chairman	Jian Chuansheng	2022/10/20	Securities and Futures Institute	The value of information security in the post-pandemic era and the U.S.-China trade war	3.0
		2022/12/20		Discussing corporate tax governance and tax technology solutions from the perspective of ESG trends and the pandemic	3.0
Director	Li Zhongliang	2022/12/23	The institute of Internal Auditors	How to cope with the Investigation and Trial Procedure	6.0
Director	Xu Shanke	2022/07/14	Securities and Futures Institute	Risks and Opportunities for Business Operations in terms of Climate Change and Net Zero Emissions Policies	3.0
		2022/10/13		Dispute over company management right and introduction to Commercial Case Adjudication Act	3.0
Director	Rui Ding Investment Co., Ltd. Representative: Wu Xixi	2022/09/02	Taiwan Corporate Governance Association	Form Deep Learning to practical AI application	3.0
		2022/11/16	Securities and Futures Institute	Technology Development and Business Opportunities for Electric Vehicles and Smart Vehicles	3.0
		2022/11/22		How to Increase the Credibility of Corporate Sustainability Reports	3.0
Director	Zhu Qingzhong	2022/08/05	Securities and Futures Institute	Introduction to short-swing trading by company insiders and case analysis	3.0
		2022/09/06		Global Risk Perception - Opportunities and Challenges in the Next Decade	3.0
Independent director	Wang Yintian	2022/08/10	Securities and Futures Institute	How do directors and supervisors with non-accounting background review financial reports	3.0
		2022/10/04		How should directors and supervisors oversee enterprise risk management and crisis management	3.0
Independent director	Lin Weili	2022/09/16	Securities and Futures Institute	The financial information most easily overlooked by directors	3.0
		2022/10/04		How should directors and supervisors oversee enterprise risk management and crisis management	3.0
Independent Director	Yang Kaichan	2022/05/10	Taiwan Institute of Directors	Green Transformation-Sustainable Supply Chain Management and Green Operation	3.0
		2022/05/30	Accounting Research and Development Foundation	How the Board of Directors and Senior Executives Review the ESG Sustainability Report	3.0
		2022/08/09	Taiwan Institute of Directors	How Businesses Can Cope With U.S.-China Trade and Geopolitical Conflict	3.0
Independent director	Luo Shixun	2022/08/19	Securities and Futures Institute	Early Alert and Type Analysis of Enterprise Financial Crisis	3.0
		2022/09/16		The financial information most easily overlooked by directors	3.0

# ◀ Corporate Governance ▶

9

Directors

44%

Independent directors

22%

Directors as employees

11%

Female director

56%

Director (age: 61-70)

44%

Director (age: 51-60)

- Innodisk's 7th term of board of directors is composed of 9 directors (including 4 independent directors). They have the necessary knowledge, skills and personal cultivations to perform their duties, and can make timely suggestions on the company's decision-making. To follow the diversification policy, there are four independent directors (accounting for 44%), and the term of office is less than three years. Among the directors, employees account for 22%. Females account for 11%, which meets the goal (at least one female). Five of the directors's ages are from 61 to 70 (56%), and four from 51 to 60 (44%).

## • Diversity policies for directors:

Director's name	Diversification core item	Country of Citizenship	Gender	Employee	Age			Term of office of independent directors			Decision-making capability for operation	Capability	Accounting and Financial Analysis	Operation and Management capability	Crisis management capability	Industry Knowledge	Understanding the big picture of international market	Leadership	Decision-Making Capability
					41   50	51   60	61   70	< 3 years	3 - 9 years	> 9 years									
Jian, Chuan-Sheng		R.O.C	M	☑	☑						☑	☑	☑	☑	☑	☑	☑	☑	☑
Li, Zhong-Liang		R.O.C	M			☑					☑	☑	☑	☑	☑	☑	☑	☑	☑
Rui Ding Investment Co., Ltd. Representative: Wu, Xi-Xi		R.O.C	M	☑	☑						☑		☑	☑	☑	☑	☑	☑	☑
Zhu, Qing-Zhong		R.O.C	M		☑						☑	☑	☑	☑		☑	☑	☑	☑
Xu, Shan-Ke		R.O.C	M			☑					☑	☑	☑	☑	☑	☑	☑	☑	☑
Wang, Yin-Tian		R.O.C	M			☑	☑				☑		☑	☑	☑	☑	☑	☑	☑
Lin, Wei-Li		R.O.C	M		☑		☑				☑		☑	☑	☑	☑	☑	☑	☑
Yang, Kai-Chan		R.O.C	F			☑	☑				☑	☑	☑	☑		☑	☑	☑	☑
Luo, Shi-Xun		R.O.C	M			☑	☑				☑		☑	☑		☑	☑	☑	☑

# ◀ Corporate Governance ▶

## • Education, experiences and principle concurrent positions:

Job position	Name	Principle education and experiences	Concurrent positions
Chairman	Jian, Chuan-Sheng	Department of Mechanical Engineering, Tamkang University Master of Mechanical Engineering, National Central University National Chengchi University Entrepreneur Program Innodisk Co., Ltd. - General Manager	Innodisk Co., Ltd. - General Manager Shenzhen Innodisk Ltd. - Chairman Innodisk USA Corporation - Director Innodisk Japan Corporation - Representative Director Innodisk Europe B.V. - Director Innodisk France SAS - Director Mauritius Innodisk Global-M - Director Aetina Co., Ltd. - Representative of Juristic Person As Director/Chairman MilliTronic Co., LTD - Representative of Juristic Person As Director Sysinno Technology Inc. - Representative of Juristic Person As Director ANPEC Electronics Co., Ltd. - Independent Director
Director	Lee, Zhong-Liang	Department of Management Science, National Jiaotong University Master of Management Science, Tamkang University Power Quotient International Co., Ltd - General Manager	Rui Ding Investment Co., Ltd. - Chairman I-Media Tech Co., Ltd. - Chairman
Director	Xu, Shanke	Department of Management Science, National Jiaotong University MBA, National Chengchi University Yu-long Group General Management Office - CEO Xinyang Management Consulting Co., Ltd. - Chairman	3R Life Science Co., Ltd. - Chairman Nuvoton Technology Co., Ltd. - Independent Director Parpro Technology Co., Ltd. - Director ACME Electronics Co., Ltd - Representative of Juristic Person As Director Winbond Electronics Co., Ltd. - Independent Director
Director	Rui Ding Investment Co., Ltd. Representative: Wu, Xi-Xi	Computer Science and information Engineering, Fu Jen Catholic University Power Quotient International Co., Ltd. - Engineer POWER DIGITAL COMMUNICATIONS CO., LTD. - Engineer	Innodisk Co., Ltd. - Vice president of Industrial control flash division
Director	Zhu, Qing-Zhong	Department of Management Science, National Jiaotong University Master of Department of Management Science, National Jiaotong University Kobayashi Optical Co., Ltd. - General manager	Department of Management Science, National Yang Ming Chiao Tung University - Associate professor
Independent director	Wang, Yin-Tian	University of Pennsylvania - Ph. D. in Mechanical Engineering Department of Mechanical and Electro- Mechanical Engineering, Tamkang University - Associate professor	Department of Mechanical and Electro- Mechanical Engineering, Tamkang University - Professor & Chair of AI Department Chant Sincere Co., Ltd. - Independent Director
Independent director	Lin, Wei-Li	National Yang Ming Chiao Tung University - Ph. D. Taily Technologies, Inc. - CTO Good Way Technology Co., Ltd. - Vice President NEW KINPO GROUP - CTO of R&D General Management Office ZYXEL Group/MitraStar Technology Corp. - VP of Sales Department & Chief assistant of GM Groundhog Inc. - VP/Executive VP in Greater China area Asia Pacific Telecom - Assistant Vice President	Lane 55 Slow Workshop - General consultant NUWA Robotics Corp. - Chief Adviser
Independent director	Yang, Kai-Chan	MBA, National Chengchi University Kansas State University - MBA National Chengchi University Entrepreneur Program CDIB Capital Group - Senior VP & Head of Entrepreneurship and Industrial Investment Department CDIB Capital Management Corporation - GM CDIB Venture Capital Corporation - GM China Development Financial (CDF) Holding Company - VP & Head of Direct Investment Department	CDIB & Partners Investment Holding Corporation - Representative of Juristic Person As Director Sinopower Semiconductor Inc. - Independent Director WPG Holdings - Independent Director
Independent director	Luo, Shi-Xun	School of Medicine, College of Medicine, National Yang Ming Chiao Tung University National Yang Ming Chiao Tung University - Professor of surgery Taipei Veterans General Hospital - Attending Physician National Yang Ming Chiao Tung University Hospital - Vice Administrator National Yang Ming Chiao Tung University Hospital - Administrator	National Yang Ming Chiao Tung University Hospital - Physician Taiwan Surgical Association - Director Taiwan Society for Metabolic and Bariatric Surgery - Supervisor Taiwan Peritoneal Oncological Association - Director

# ◀ Corporate Governance ▶

## ■ Implementing integrity management

- The rules of procedure for Innodisk's Board Meetings prioritizes establishing a sound governance system, improving supervisory functions and reinforcing management functions. Unless otherwise stipulated by laws/regulations or the articles of association, the board meeting shall be conducted in accordance with the company's "Rules of Procedure for Board Meetings". When the board of directors convenes, the agenda working group appointed by the board shall prepare relevant materials for the directors to consult at any time, and may notify the relevant non- directors managers to attend the meeting according to the content of the proposals, and invite accountants, lawyers or other professionals to attend the meeting when necessary.
- Innodisk's "Procedures for Ethical Management and Guidelines for Conduct" clearly forbids: offering and accepting bribes, providing illegal political contributions, improper charitable donations or sponsorships, offering or accepting unreasonable gifts, entertainment or other improper benefits, infringing trade secrets/trademark rights/patent rights/copyrights/intellectual property rights, acts of unfair competition, and the products and services that directly or indirectly damage the rights/health/safety of consumers or other stakeholders during research and development, procurement, manufacturing or sales.

## ■ The Audit Committee

- The Audit Committee was established to assist the Board in performing its supervisory responsibilities, and complying with Company Act, Securities and Exchange Act and other relevant laws and regulations. Matters to be reviewed include: financial statements, auditing and accounting policies/procedures, internal control systems, potential conflicts of interest, material asset or derivative commodity transactions, offering or issuance of securities, appointment/dismissal/remuneration of certified accountants, as well as the appointment and dismissal of financial/accounting/internal audit supervisors, etc. According to the Articles of Association of the Audit Committee, the Audit Committee has the rights to conduct any appropriate audits and investigations within the scope of its responsibilities, and to have direct communication channels with the company's internal auditors, certified accountants and all employees. The Audit Committee also has the right to hire lawyers, accountants or consultants to assist it in performing its duties. The Audit Committee convenes at least four times a year.  
(In 2022, the Audit Committee was composed of four independent directors and convened 6 times. Please refer to Innodisk's 2022 Annual Report - Operations of Audit Committee. Website: <http://mops.twse.com.tw/>).

## ■ Remuneration Committee

- To assist the board in implementing and evaluating the company's overall remuneration policy, as well as the remuneration of directors and managers. The Innodisk Remuneration Committee convenes at least twice a year. (In 2022, the Remuneration Committee was composed of four independent directors and convened three times. Please refer to Innodisk's 2022 Annual Report - Operation of Remuneration Committee. Website: <http://mops.twse.com.tw/>).

# ◀ Sources of equity ▶

## Authorized share capital (ordinary shares)

### Shares outstanding

### Unissued shares

### Total

2020	2021	2022	2020	2021	2022	2021	2021	2022
81,324,040	82,668,040	86,553,081	18,675,960	17,331,960	13,446,919	80,000,000	100,000,000	100,000,000

### Shares outstanding

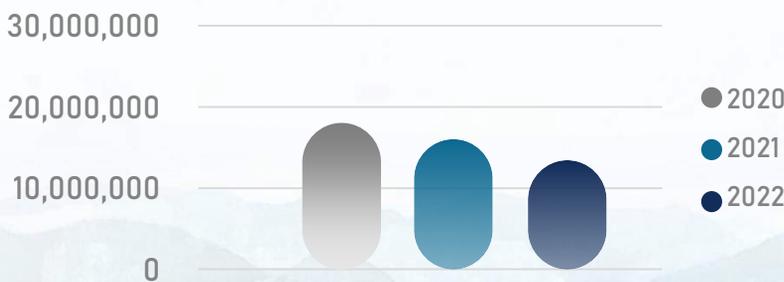


# 2020

# 2022

Innodisk  
Ordinary Shares  
Outstanding

### Unissued Shares

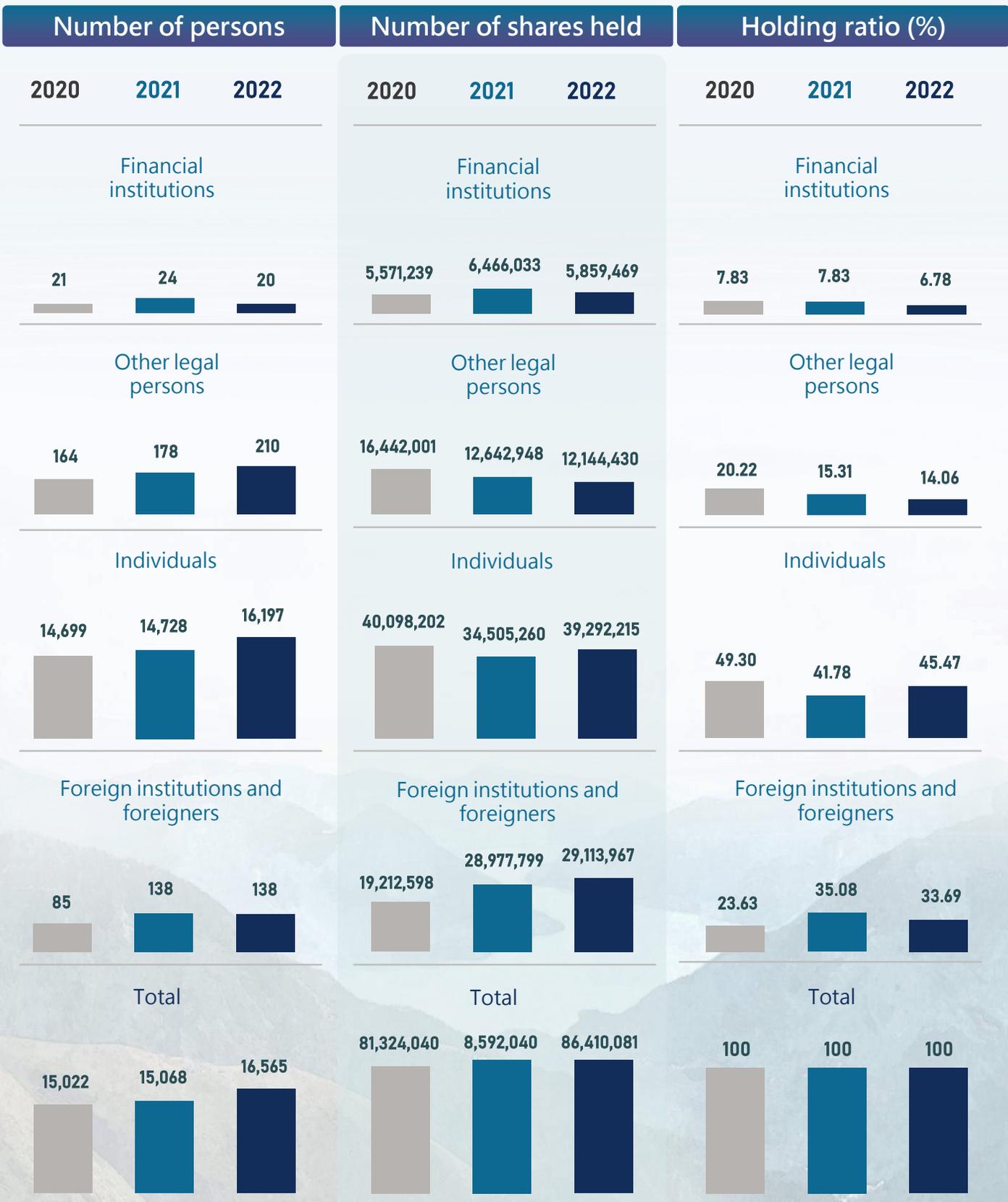


### Total



Note: Records according to the number of outstanding shares on December 31, 2022

# ◀ Shareholder structure ▶



Note: Taken down according to the number of outstanding shares as of the ex-dividend date in 2022.

# ◀ Principal shareholders ▶

Principal shareholders name	Shares	Number of shares	Percentage
Rui Ding Investment Co., Ltd		6,318,037	7.55%
HSBC Holdings plc managed Corbett International Opportunities Fund II		6,159,861	7.36%
Standard Chartered managed Robotech Investment Account of Swed Bank		3,600,000	4.30%
Standard Chartered Managed PineBridge Asia ex Japan Small Company Equity Fund		2,373,660	2.84%
Standard Chartered Managed RBC emerging markets dividend		2,188,826	2.61%
Pi-ke-zhz Investment Co., Ltd.		2,036,977	2.43%
Li Zhongliang		1,887,701	2.25%
Standard Chartered Managed RBC Small Capital		1,870,323	2.23%
Zhu Qingzhong		1,609,827	1.92%
Deutsche Bank Managed NT Asia-developing principle investment account		1,531,000	1.83%

Note: As of April 02, 2022

## ■ Governance in Innodisk

- Innodisk is committed to maintaining the highest ethical standards and an effective accountability mechanism. We believe that good corporate governance can establish a solid foundation for operational development, provide high-quality products and services to the market, and enhance long-term corporate value. The corporate governance policy comply with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and relevant laws and regulations. Innodisk has formulated the relevant Regulations related to corporate governance as in the following table:

<b>01</b>	The rules of procedure for Innodisk's Board Meetings	<b>07</b>	Rules for Election of the Directors	<b>13</b>	Corporate group, company's specific related parties Trading procedure
<b>02</b>	Rules of Procedure for Shareholders' Meeting	<b>08</b>	Procedures for Ethical Management and Guidelines for Conduct	<b>14</b>	Internal processing procedures for material information
<b>03</b>	Internal Control System	<b>09</b>	Code of Ethical Conduct	<b>15</b>	Rules for the Responsibilities of Independent Directors
<b>04</b>	Procedures for acquisition or disposing of assets	<b>10</b>	Audit Committee Organization Regulations	<b>16</b>	Procedures for applying for suspension and resumption of trading
<b>05</b>	Lending procedures	<b>11</b>	Remuneration Committee Organization Regulations	<b>17</b>	Standard Operations for Handling Requests from Directors
<b>06</b>	Endorsement guarantee operation procedure	<b>12</b>	Mutual financial transactions among affiliated enterprise Related operation procedures	<b>18</b>	Code of Practice on Corporate Governance

- Audit Committee reviews and tracks the implementation of internal control/audit in accordance with relevant regulations. The board of directors and executives also review the self-assessment results of each unit and the audit report from the audit unit every year, and submit an internal control statement to the competent authority on a regular basis.

# ◀ Financial information ▶

## ■ Innodisk's financial status

Last year, the Company's operating income was NT\$10,303,229,000, an increase of 1% over the previous year. The net profit attributable to the parent company was NT\$1,850,189,000, and EPS was NT\$21.46. A stable profitability had been maintained. At the end of last year, the net receivables amounted to NT\$1,418,794,000, a decrease of NT\$135,843,000 from the end of the previous year. In the second half of last year, in order to proactively control inventory to adapt to economic changes, the inventory at the end of the year was NT\$1,158,475,000, a significant decrease of NT\$505,874,000 from the previous year. At the end of last year, due to the reduction of current liabilities, the debt ratio was 23%, a 4% decrease compared with the previous year. The financial stability had been maintained. The revenue and expenditure remained normal. For detailed operational performance and financial information, please refer to the company's 2022 annual report. please visit the website: <http://mops.twse.com.tw/>

Three-year consolidated simplified income statement	2020	2021	2022
Operating revenue	7,152,015	10,195,658	10,303,229
Gross Profit	2,133,727	3,092,218	3,458,618
Operating Income	1,207,293	1,949,246	2,039,461
Non-operating revenue and expenses	(39,697)	22,808	226,866
Profit before tax	1,167,596	1,972,054	2,266,327
Profit (loss) from continuing operations before tax	940,533	1,581,881	1,881,288
Profit (loss) from discontinued operations	-	-	-
Net Income (Loss)	940,533	1,581,881	1,881,288
Other comprehensive income (net value after tax)	(1,358)	(7,729)	14,354
Total of comprehensive income	939,175	1,574,152	1,893,511
Net profit attributable to the equity holders of the parent company	931,663	1,560,888	1,850,189
Net profit attributable to non-controlling interests	8,870	20,993	31,099
Total of comprehensive income attributable to the equity holders of the parent	930,305	1,553,179	1,862,412
Total of comprehensive income attributable to non-controlling interests	8,870	20,973	31,099
<b>Economic value distributed</b>		<b>2021</b>	<b>2022</b>
Operating cost		7,103,440	6,844,611
EPS		18.39	21.46
Dividend per share		12.00	14.00
Cash dividend per share		11.70	13.80
Stock dividend per share		0.3	0.2
Income tax (Taiwan)		368,508	345,770
Income tax (Asia)		18,467	34,374
Income tax (Europe)		680	1,089
Income tax (U.S.)		2,518	3,806
Salary and employee benefits		1,169,023	1,349,067
Community investment		4,000	4,000
<b>Economic value retained</b>		<b>2021</b>	<b>2022</b>
Retained earnings		559,812	735,634

# ◀ Financial information ▶

## Tax governance

### ■ Tax policy

- The Group calculates the current income tax according to the tax rate that has been formulated or substantively formulated on the balance sheet date in the country where the Group operates and thus the taxable income is incurred. Executives periodically assesses the income tax filings with respect to applicable income tax regulations and, where applicable, estimates income tax liabilities based on the expected tax.

### ■ Tax governance, control and risk management

- As the highest decision-making unit of the Company, in terms of effective tax risk management mechanism. The board, according to the holistic operation strategy and business environment, approves the overall tax governance policy to ensure the effective operation of the tax management mechanism. The accounting department is the Company's tax management unit. The Company and Subsidiaries report tax matters according to hierarchical management. The top-level supervisor of the financial management department reports to the general manager on the relevant tax implementation status from time to time depending on the significance of the issues, so as to ensure the effective operation of the tax management mechanism.
- The company's reconciled effective tax rate in 2022 is 16.99%, which is lower than Taiwan's statutory tax rate (20%), benefiting from the tax credits for investment in R&D, according to "The Application of Tax Credits for Corporate or Limited Partnership Investing in Smart Machines, 5G Mobile Communication Systems and ICT Security Products/services", "Regulations on Deduction of Undistributed Earnings and Application for Tax Refund for Substantive Investment Made by a Profit-seeking Enterprise or a Limited Partnership" and "Statute for Industrial Innovation" and other regulations.

### ■ Effective tax rate

	2021	2022	Average
Profit before tax (A)	1,972,054	2,266,327	2,119,191
Income tax (B)	390,173	385,039	387,606
Effective tax rate (B)/(A)	19.79%	16.99%	18.29%
Tax impact amount of reconciled items (D)	14,907	12,700	13,804
Temporary differences	14,907	12,700	13,804
Others	-	-	0
Reconciled income tax (E) = (B) + (D)	405,080	397,739	401,410
Reconciled effective tax rate (E)/(A)	20.54%	17.55%	18.94%
Income Tax Paid (F)	226,750	483,765	355,258
Cash Tax Rate (F)/(A)	11.50%	21.35%	16.76%

Unit: 1,000 TWD

# ◀ Financial information ▶

## Tax governance



### ■ Stakeholders engagement and management for tax-related issues

- The company proactively communicates with stakeholders through various channels, and practically participates in tax initiatives and other actions to support the implementation of various new tax policies and jointly establish a sound tax environment. Should Company have doubts about the application of laws and regulations regarding taxation, it will proactively consult the tax collection agency, fully cooperate and submit relevant documents and explanations when receiving a letter from the taxation administration requesting reminder information.

### ■ Country reports

- The company and its subsidiaries stick to the principles of Integrity and prudence regarding tax payment, fully understand and abide by the local tax laws and regulations of the business locations, and take into consideration both the literal meanings and the legislative intent when interpreting tax laws and regulations, correctly calculate the tax, declare and pay the tax within the prescribed time limit, fulfill the social responsibility as a taxpayer, do not exploit tax avoidance/evasion measures, conduct tax planning with reasonable commercial purposes, do not conduct transactions without commercial substance or deliberately transfer profits to the non-cooperative tax haven countries (low tax rate countries) blacklisted by OECD and European Commission.

# HR Composition

## Innodisk Headquarters HR composition - Classified by Gender and Rank

Year	Entry level employee		Managers level		Assistant VP level (including Director)		VP and above	
Gender								
<b>2022</b>	295	325	36	18	10	5	10	0
<b>2021</b>	255	307	28	19	7	0	9	0
<b>2020</b>	225	291	22	18	8	0	7	0

- In 2022, the total number of employees of Innodisk Headquarters was 699, including 351 males and 348 females. Female employees accounted for 50% of all employees, and female supervisors accounted for 29% of all supervisors.
- The HR structure statistics is as of 2022/12/31 (excluding employees who took unpaid leave)

# 699

Number of employees  
at headquarters

# 351

Male employees

# 348

Female employees

# 50%

Female employees  
percentage

# 29%

Female supervisors  
percentage

## Innodisk global HR composition - Classified by Gender and Rank

Year	<b>2022</b>					
Area	Taiwan			Overseas area		Total
Gender						Total
Full-time	345	344	689	72	47	119
Temporary	1	2	3	0	1	1
Part-time	5	2	7	0	2	2
Regular outsourcing manpower	2	4	6	0	0	0

- Full-time: Full-time employees work 8 hours per day from Monday to Friday
- Temporary employees: refers to the number of employees (interns) are hired for a contract period
- Part-time employees: refers to the number of employees (interns) who don't work full-time (Mon-Fri, 8 hrs)
- Overseas area: refers to the number of temporary and part-time employees according to the local laws and regulations
- Regular outsourcing manpower: The security personnel, cleaning staff, non-company employees who work in the Company on a daily basis

# HR Composition

- Innodisk Headquarters HR composition – Classified by direct employee and indirect employee.



- Direct employee: production line employees engaged in manufacturing.
- Indirect employee: Generally refers to office workers except direct personnel.

- In 2022, the number of Innodisk employees globally was 821, The geographic distribution of employees based on business development needs is as follows:



# HR Composition

## • Innodisk Headquarters HR composition – Classified by Taiwanese/international/employees with disabilities

- Innodisk conducts recruitment, assessment and hiring process based on job requirements, and is committed to fair employment. The talent selection is not based on the conditions such as nationality and gender that are not related to job requirements.
- As for the international employees, there are a total of 39 Vietnamese (female). For most of them, it's their first visit to Taiwan, so they were not familiar with Taiwan's customs and languages. In order to protect the rights and interests of blue-collar international employees, the level of necessary protection and care Innodisk provide for them is equivalent to that of local employees, which will help to improve organizational commitment and work performance.



Gender							
Age range		< 30		31 - 50		> 50	
Classification	Total number	Number	Percentage	Number	Percentage	Number	Percentage
Taiwanese	345	97	28.12%	229	66.38%	19	5.51%
International	4	2	50%	1	25%	1	25%
Employees with disabilities	2	1	50%	1	50%	0	0.00%



Gender							
Age range		< 30		31 - 50		> 50	
Classification	Total number	Number	Percentage	Number	Percentage	Number	Percentage
Taiwanese	305	75	24.60%	203	66.56%	27	8.85%
International	40	27	67.50%	13	32.50%	0	0.00%
Employees with disabilities	3	0	0.00%	3	100%	0	0.00%

In 2022, the total number of employees of Innodisk Headquarters was 699;

- The total number of international employees was 44, including 4 males and 40 females, accounting for 6.29% of all employees;
- The total number of employees with disabilities was 5, including 2 males and 3 females, accounting for 0.72% of all employees.

# HR Composition

## • Innodisk Global –Recruitment and Hiring

- Innodisk conducts recruitment, assessment and hiring process based on job requirements, and is committed to fair employment. The talent selection is not based on the conditions that are not related to job requirements, so as to recruit more talents.
- Legal employment: Innodisk complies with the provisions of various labor laws and regulations, (1) All employees of the Company have reached the age of 18 and above, as required. (2) The company does not employ colleagues under the age of 18. For changes in various labor conditions, the notification process was completed in accordance with laws and regulations.
- Up to 90.43% of global senior executives (Associate/Director and above) are local residents with permanent legal residency.

## • Innodisk's global – new hires percentage in 2022

- Taiwan(19.32%), mainland China(30.00%), United States(18.75%), Japan(23.08%), Netherlands(29.41%). The breakdown of new hires by age group is as follows:

2022

### Innodisk's new hires percentage

Area	Yearly total number	Male 		Female 	
		Number	Percentage	Number	Percentage
Taiwan	699	81	11.59%	54	7.73%
U.S.	32	2	6.25%	4	12.50%
Netherlands	17	2	11.76%	3	17.65%
Japan	13	3	23.08%	0	0.00%
Mainland China	60	10	16.67%	8	13.33%

- Formula: (male/female employees) the number of new hires in the whole year/the number of employees that worked on the last day of 2022 (%)

### Gender

Area	Age	< 30		31 - 50		> 50	
		Number	Percentage	Number	Percentage	Number	Percentage
Taiwan		39	5.58%	41	5.87%	1	0.14%
U.S.		0	0.00%	1	3.13%	1	3.13%
Netherlands		1	5.88%	1	5.88%	0	0.00%
Japan		0	0.00%	3	23.08%	0	0.00%
Mainland China		7	11.67%	3	5.00%	0	0.00%

### Gender

Area	Age	< 30		31 - 50		> 50	
		Number	Percentage	Number	Percentage	Number	Percentage
Taiwan		41	5.87%	13	1.86%	0	0.00%
U.S.		2	6.25%	1	3.13%	1	3.13%
Netherlands		1	5.88%	2	11.76%	0	0.00%
Japan		0	0.00%	0	0.00%	0	0.00%
Mainland China		4	6.67%	4	6.67%	0	0.00%

# HR Composition

## • Innodisk Global – Turnover Rate in 2022

- Taiwan(17.59%), mainland China(20.00%), United States(25.01%), Japan(7.69%), Netherlands(17.64%).  
The breakdown of turnover rate by age group is as follows:

2022

### Innodisk turnover rate

Area	Yearly total number				
		Number	Percentage	Number	Percentage
Taiwan	699	66	9.44%	57	8.15%
U.S.	32	5	15.63%	3	9.38%
Netherlands	17	2	11.76%	1	5.88%
Japan	13	1	7.69%	0	0.00%
Mainland China	60	6	10.00%	6	10.00%

- Formula: (male/female employees) the number of employees that left in the whole year/the number of employees that worked on the last day of 2022 (%)
- The number of employees that left includes the number of international employees/interns/working-students/leave-without-pay workers

### Gender

Area	Age						
		<30	Percentage	31~50	Percentage	>50	Percentage
Taiwan		33	4.72%	32	4.58%	1	0.14%
U.S.		1	3.13%	2	6.25%	2	6.25%
Netherlands		1	5.88%	1	5.88%	0	0.00%
Japan		0	0.00%	1	7.69%	0	0.00%
Mainland China		3	5.00%	2	3.33%	1	1.67%

### Gender

Area	Age						
		<30	Percentage	31~50	Percentage	>50	Percentage
Taiwan		37	5.29%	19	2.72%	1	0.14%
U.S.		1	3.13%	2	6.25%	0	0.00%
Netherlands		1	5.88%	0	0.00%	0	0.00%
Japan		0	0.00%	0	0.00%	0	0.00%
Mainland China		4	6.67%	2	3.33%	0	0.00%

## Taiwan headquarters

## Analysis of reinstatement after parental leave

- Analysis of male/female reinstatement after parental leave from 2020 to 2022 is as follows

- Innodisk conducts recruitment, assessment and hiring process based on job requirements, and is committed to fair employment. The talent selection is not based on the conditions such as nationality and gender that are not related to job requirements.

Year	Number of applicants		The projected number of reinstatement		The actual number of reinstatement		The number of people who have returned to work and have worked for one year		Reinstatement rate		Retention rate	
Gender												
2022	2	9	1	7	1	5	0	1	100%	71%	0	100%
2021	0	3	0	2	0	1	0	1	0	50%	0	33%
2020	0	2	0	4	0	3	0	4	0	75%	0	80%

- From 2020 to 2022, the number of males applying for paternity (Pregnancy checkup) leave is 27; the number of females applying for maternity leave is 25.
  - From 2020 to 2022, 2 males and 14 females had actually applied for parental leave.
- Based on the above statistics, more than half of the employees applying for leave without pay were females.

# Friendly workplace

## • Innodisk – friendly workplace



Employee Care



Remuneration &amp; Benefits



Career Development



Employee Communication

- A friendly workplace is an important competitive advantage of the company. We expect to meet the employee needs, so that employees can feel respected and rest assured, which will improve their sense of security at work. We aim to create a friendly workplace regarding four aspects (employee care, remuneration and benefits, career development, employee communication).

## • Employee Retention Mechanism & Care

- Innodisk upholds that employees are the most important asset of an enterprise, thus has a comprehensive employee welfare system, and also proactively plans education and training to promote employees' continuous self-improvement and achieve their personal career development.

### New hires

In order to alleviate the hesitation during onboarding process for the new hires, HR colleagues will implement employee care in a more lightening manner after employees have started to work for one month and three months. By doing so, the Company can discover whether employees are having adaption problems concerning work, supervisors, colleagues or the Company's environment, and I hopefully help them fit in more swiftly.

### In-service employees

HR colleagues play the role of listeners during irregular interactions with employees and provide feedback from supervisors, so as to discover anything employees want to share regarding work, supervisors, colleagues or the Company's environment.

### Resigned employees

When employee submit the resignation request to the supervisor, and after the resignation date is confirmed, HR colleagues will arrange a resignation interview to find out the reasons for resignation, and then conduct a review about the low employee satisfaction.

# Career care

## International employees Care:

- Through the equal treatment from supervisors/senior employees/HR partners, as well as the open communication channels and ample recreational area, international employees do not have to worry about acclimatization problems, and they can adapt to work and life in Taiwan considerably.

### Health Care and Management for International employees

The dormitory room size for per person can be up to 6.74 pings( = 40.45/6, 22.28 square meters), better than what the government policy stipulates (3.6 pings per person), making employees feel more comfortable.



During the severe pandemic, the dormitories was disinfected weekly, more rigorous than government policies and regulations.



The pandemic-prevention measures, such as subdivision and alternate usage of dormitory facilities were adopted in dormitory. There were notices on refrigerators, kitchens, and bathrooms to clearly indicate the alternate usage timetables.



For the employees who test positive for Covid-10, they will live in an isolation room by themselves and receive extra care such as monitoring body temperature, physical conditions and progress in recovery twice a day.



If the employee feels unwell, he or she will be accompanied to seeing a doctor for medication instructions and receive follow-up care, and his or her condition will be reported to supervisors.



The Company has arranged Vietnamese nurse aide to abide in dormitory to assist the off-duty employees.



【Introduction to the operation of fire extinguishers in the dormitory】



【Notice for alternate usage of dormitory facilities】

# Employee care

## International employees Care:

### Welfare Management

The Company has provided a safe and spacious parking space with rain shelter, so there is no need to worry about the vehicle might be towed away.



For the international employees and local employees, the activities they participate in and the points and gift certificates provided to them by the Company's Welfare Committee are all the same.



Bonus will be provided to international employees when their contracts are prolonged.



### Communication channel

All international employees and supervisors are invited to attend the monthly meeting for face-to-face communication.



### Counseling for New hires

Chinese/Vietnamese learning handouts are provided regarding the production line operation process. There are also Chinese courses for new employees.



For the new hires, international translators will counsel them on the production line for a week. So they can quickly adapt to the working environment. Senior international employees will also assist them.



【 Parking space with rain shelter 】



【 Monthly meeting communication 】



【 Production line on-site counseling 】

# Employees Remuneration policy

## Innodisk– Employee Salary



### ■ Compensation package:

- Innodisk values the remuneration and welfare of employees. The remuneration of employees are determined based on their academic/professional experiences, expertises, and personal performance. There is no discrimination against gender. Innodisk's remuneration policy is formulated based on the following principles:
  - Comprehend and follow the relevant local laws and regulations, create harmonious labor relations according to the legal norms, and move towards sustainable operation.
  - Offer compensation packages as employee motivation based on the market value of each professional function and the contribution made by employees, and by means of the performance management system.
  - The standard starting salary for new hires is better than the government regulation.
  - Monthly performance bonuses, year-end bonuses and other employee bonuses are awarded as employee motivation according to the company's operating conditions and personal position/performance. There's no discrimination against gender.
  - Reasonable and competitive salary are offered to overseas employees based on the local labor market conditions, laws/regulations, industry practices and operating performance. There are also long-term and short-term incentive bonuses to encourage employees to make long-term contributions to the Company. Various social insurance policies for overseas employees also comply with local laws and regulations.
- All employees will be insured for labor and health insurance when they start working, and pensions will be allocated according Taiwan's local laws and regulations. In addition, the Company also provides employee with group insurance, which includes: life insurance, accident insurance, hospitalization medical insurance, cancer insurance, accident daily benefit insurance, etc. This package provides employees with complete medical protection.

### ■ Remuneration formulation process:

- In order to ensure remuneration policy can facilitate the recruitment, and can be the incentive for retention of managers, senior executives and other employees, so the professional and objective Remuneration Committee was set up to assist the board in implementing and evaluating the company's overall remuneration policy and the remuneration of directors and managers.
  1. Directors and managers: Convene at least twice a year, and make recommendations to the board for reference in its decision-making
    - Regularly review the organizational regulations of the Remuneration Committee and make recommendations for amendments.
    - Formulate and periodically review the policies, systems, standards and structures of the Company's directors and managers' performance evaluation and remuneration.
    - Periodically review and formulate the remuneration of Company's directors and managers.
  2. General employees: the salary formulation is based on the salary level of the market and the salary conditions of internal employees, external competitiveness and internal equity.
- Also in accordance with Article 19 of the company's Articles of Incorporation, at least 3% of the pre-tax profit of the current year, after covering the losses, shall be appropriated as employees' compensation. Whether the compensation shall be distributed in the form of shares or in cash is subject to a special resolution of the board of directors, and the report of such distribution shall be submitted to the shareholders' meeting.

# Employees Remuneration policy

## Innodisk– Employee Salary

### ■ Average salary differential ratio:

- The average salary ratio of male and female employees based on gender is as follows (the analysis is based on the regular salary of Innodisk Taipei Headquarters in December 2022, excluding the difference in duty allowance due to site assignment):



Position/Gender	Male	Female
RD	1.25	1
Sales	1.24	1
MKT/PM	1.18	1
Manager	1.19	1
Support staff	1.15	1
Operator	1.09	1
Plant supervisor	1.08	1
Plant supervisor	1.08	1
Engineering Technician (PE/DQE)	0.93	1
Manager	There are currently no female managers	

- Due to the industrial characteristics of the technology industry, the proportion of male supervisors or employees of the R&D department is relatively higher. The new hires of the business department are mostly junior female. The above facts result in the differences in salary. Therefore, the differences in salary of RD and Sales departments are not caused by to gender.

# Employee compensation package

## Innodisk headquarters – Compensation package

### Insurance coverage



For the safety and health of employees, Innodisk provides group insurance for all employees when they start working, covering injury & medical insurance, cancer insurance, hospitalization insurance, multiple accidental injury insurance, occupational accident injury insurance, etc., the whole amount of group insurance premium is paid by the Company. According to the daily work, the Company provide employees with the necessary protection in case of accidents, and arrange that the insurance salesmen should come to the Company periodically (3 - 6 months) to provide free insurance policy consulting services.

### Parental benefits



Innodisk offers childbirth incentives for employees such as parental leave in accordance with the law, as well as childbirth subsidies equal to 6% to 10% of salary, including additional NT\$ 30,000 for the second child.

Item	Number of beneficiaries	Cumulative payment amount
Maternity allowance	53	2,141,080
Child care allowance	5	150,000
Total	58	2,156,080

### Other benefits - emergency relief fund, scholarships & aid for employees' children



- Employee emergency relief fund: Innodisk provides employees with major disease assistance and emergency relief fund.

Item	Number of beneficiaries	Payment amount
Emergency Relief Fund	10	140,000

- Scholarships & aid for employees' children: Innodisk provides scholarships & aid for employees' children in accordance with the Company's annual scholarship regulations. NT\$ 2,000 to NT\$8,000 per academic year are provided for children from elementary schools to graduate schools.

Item	Number of beneficiaries	Payment amount
Children's scholarship & aid	82	207,000

### Employee stock option



Innodisk uses stock option as employee incentive methods. For the key employees, Innodisk has offered stock subscriptions and cash rewards for better team cohesion and employee retention.

# ◀ Career development ▶

## ■ InnoPro Talent Cultivation Framework

- Innodisk provides comprehensive education and training courses and diversified learning channels for supervisors and employees to uplift their knowledge, skill and job attitude, and thus improve the overall performance level and the Company's operational efficiency.



### Liberal Education



Innodisk provides all employees with opportunities and channels for continuous development and growth, and arrange three-month "Education and Training Program" for all new hires depending on their positions. We also encourage employees to participate in training courses available from time to time to catch up on trend about new industrial knowledge and technological development. There are also soft topics seminars for physical and mental cultivation.

### Technology Program



The Technology Programs focus on different professional and technical fields, such as: production operations, marketing and sales, human resources, financial accounting, quality assurance, environmental safety and health, and information etc. We organize internal education and training from time to time, and offer corresponding training grants to employees applying for external trainings.

### Management Program



We regularly organize appropriate management competency trainings for supervisors at all levels, for the development needs and elite cadres cultivation of the Company. A robust management team can reinforce management competency, knowledge transfer and team execution.

### Language Program



In order to keep up with the international standards and improve the language proficiency of all employees, an online language test platform was introduced in 2021. We encourage employees to use internal learning resources and organize English-related activities, and also provide scholarships for advanced studies and reimburse examination registration fees.

### Internationalization Program



In light of the internationalization and organizational development around the world, we arrange relevant education and training every year to help the global employees to grow.

# ◀ Career development ▶

## ■ Innodisk digital learning platform:

- During the severe pandemic, Innodisk employees study online courses through computers or mobile phones, so that they can improve their expertises anytime, anywhere.



- **Make good use of digital tools and online learning resources, so training and growth can continue**

During the pandemic, for the health and safety of all employees, the Company suspended physical courses, and accelerated the application of digital learning tools. In addition to continuous self-made digital learning courses, we also assist employees to use the online communication tool "Teams" to conduct online courses. In the past three years, there has been significant continuous growth in the overall learning hours and cumulative number of course attendees.

# ◀ Career development ▶

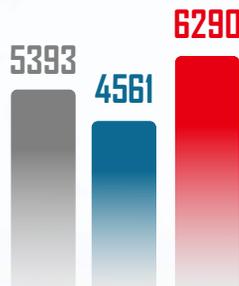
Innodisk Global Training Statistics	2020	2021	2022	Growth rate in the last year
Total learning hours	6,922 hrs	8,209 hrs	10,570 hrs	28.8%
visits	3,426 visits	5,469 visits	6,166 visits	12.7%
Average training hours (Number of trainees at the end of the year)	10.18 hrs	11.15 hrs	12.87 hrs	15.4%



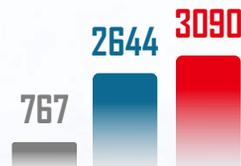
External training



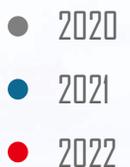
Internal training  
Face-to-face learning



Internal training  
Digital course



Unit: Hours (H)



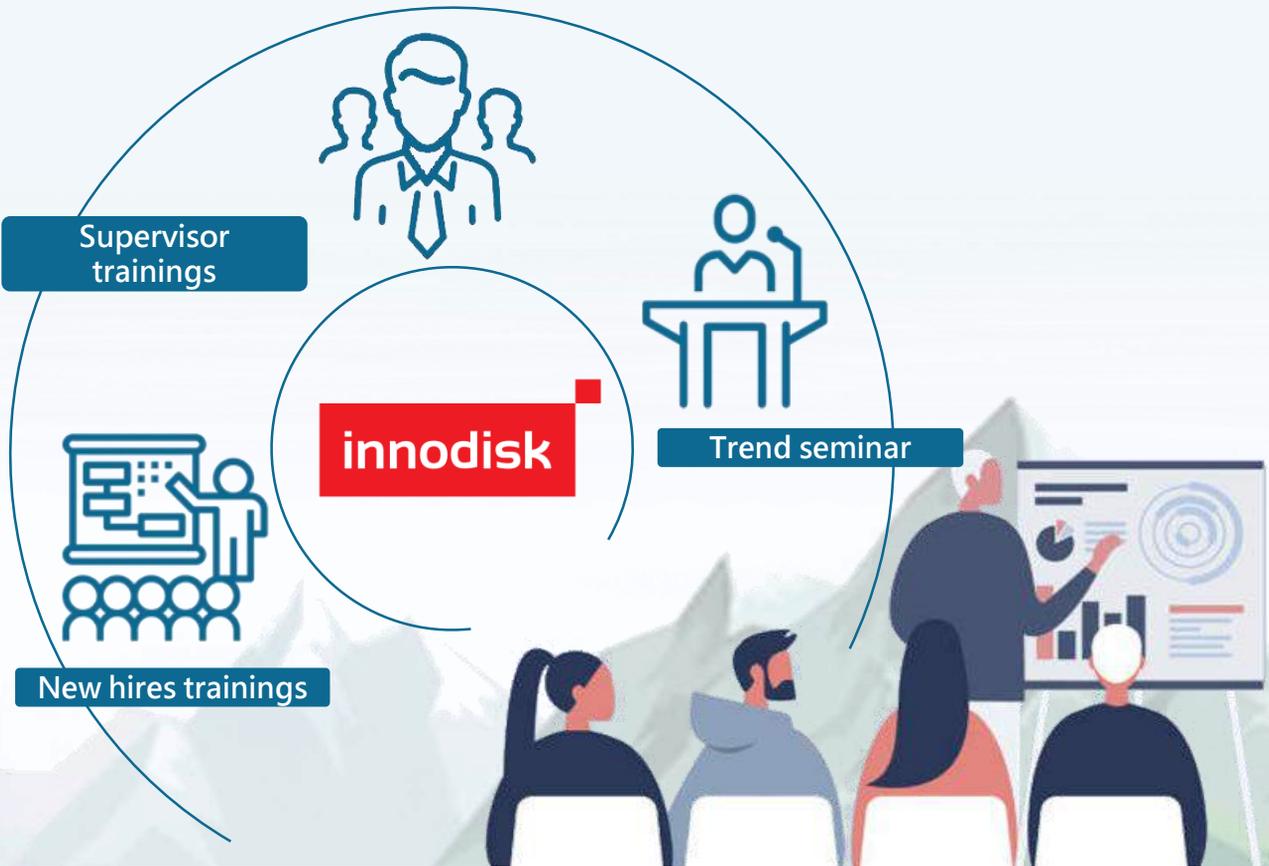
## • Innodisk offers equal opportunities for training regardless of gender and job category

Talents are one of the most important assets of the company. Innodisk values the learning and growth of each employee, provides a series of training resources in line with personal career development, and continues to improve the internal training structure and resources. In addition to regularly organizing internal education and training to enhance the professional skills of employees, we also provide subsidies to encourage employees to attend on-the-job training and seminars organized by external certification bodies.

## • Continue to introduce and increase the application of online systems

In response to the continuous growth of the organization and the needs of the post-pandemic era, we have been continuously introduced the online systems of "learning module" and "performance module" into overseas subsidiaries. In 2022, we continued to produce online courses, so that employees can keep on learning without time-space constraints. Regarding face-to-face courses, we've changed from paper form signature to electronic APP QR Code sign-in. For questionnaires, tests and assessments, they're all carried out in paper form instead of digital form. As a result, we had saved more than 6,000 pieces of paper and the storage space for them in 2022, which had implemented the concept of environmental protection and loving the earth. The supervisors can also check the individual learning status of the unit's subordinates in real time through the online system.

# ◀ Career development ▶



## ■ Innodisk headquarters new hires trainings:

- When every new hire starts working, he or she must receive complete work system operation, professional/practical training and qualification assessment, so he or she can quickly contribute to the Company. In addition, in order to quickly familiarize themselves with Innodisk's products, quality policy, cultural background and company rules. All new hires must complete the liberal education courses such as "Innodisk Environment Introduction, Employee Regulations and Benefits", "Information Security Regulations", "Being Innodiskers - Innodisk's History and Culture" and "Labor Safety and Hygiene and Maintenance of Working Environment" with the first three months after they start working in Innodisk.



Item	Batch		Total number of trainees in 2022	Total training hours in 2022
Novice task	Online	Non-batch	141	35 hrs
Information security and basic courses for all staff			161	423 hrs
Advanced course for new hires			110	309 hrs
Intellectual property management code			52	81 hrs

# ◀ Career development ▶

## ■ Innodisk headquarters supervisor trainings:

- In order to assist Innodisk's supervisors to continue to learn and grow, we need to understand better the learning needs of supervisors in leadership management. We plan relevant training for various types of supervisors, and enhance the performance and satisfaction of employees through the improvement of supervisors' leadership and management capabilities. Supervisors can also apply for relevant external trainings according to their self-development goals to strengthen their specific leadership and management capabilities.



Item	No. of lessons	Total number of trainees in 2022	Total training hours in 2022
Production line management leadership	8	89 visits	195 hrs
Project management leadership	3	169 visits	1139 hrs
Team management leadership	5	35 visits	515 hrs
Management leadership	12	57 visits	593 hrs

### Production line management leadership

Work instruction  
Work relations  
Work management

### Project management leadership

Collaboration across departments  
Workplace practicum  
Interpersonal communication

### Team management leadership

The role and mindset of a supervisor

Recruitment/training/performance system and job instructions

General difficult situation cases study

✓ Downward management  
✓ Leadership exercises

Recruitment & interview skills

### Management leadership

Encouragement for EMBA study

Annual Strategy Symposium

Reinforcing middle-level and high-level cadres

## ■ Innodisk headquarter trend seminar:

- Regarding new knowledge of industry trends, we invited industry experts to share the latest developments with employees online in real time, so that we can be prepared for potential business opportunities and challenges in the future.



Item	No. of lessons	No. of hours	No. of trainees	
Online Real-time Course	5G, Metaverse and more AI for Innodisk Next Growth Peak	1	1 hour	147
	What is NFT?	1	1 hour	155
	AI Tech Talk	3	1-1.5 hour	318

# ◀ Career development ▶

## ■ Digitization of manufacturing competency certification:

With the establishment of a complete competency structure, production line workers can learn in a more systematic and structured manner, and their familiarity with the work has also been improved. The turnover rate of production line workers has remarkably decreased from 2015 (20% ) to 2019 and 2020 (both below 7%). However, with the rapid organizational growth, the time and paper used for regular site certification for each production line worker every year also increases rapidly. Therefore, we introduced the "digital manufacturing competency certification" in 2021, which made it more convenient for employee competency certification at different sites. In 2022, the actual application and process became even more advanced: 1) it could save more man-hours compared to the manual scoring and correction time for the original review operation, totally more than 3 weeks. 2) When facing of external audits, timely feedback can be made, and the status of the certification site can be checked in real time through the system to confirm that the skills meet the job requirements, no need to spend time searching for information and documents.

### – Digital tools:

We adopted the online HR development system (hereinafter referred to as "eHRD") for certification operations, and collaborated with the information department to jointly develop and connect with the internal personnel information system, so the electronic competency card (QR Code) could be immediately updated after the certification was passed. By scanning the mobile phone, we can identify which site was currently under the charge of which employee.

### – Establishment of eHRD certification information:

The HR team was in charge. After confirming with the production line supervisors the site that needed to be certified and the corresponding certification conditions, the eHRD system would create the "test paper", "practice check - Work Breakdown Checklist" and "Work Position and Site Certificate" for each site.



### – Electronic competency card development:

it's jointly developed by the HR team and information department. This system could automatically generate exclusive QR Code for each employee. You scan it to get the real-time updated content of competency site certification.

Competency certification check screen



# ◀ Career development ▶

## ■ [Complete factory competency training]:

Since 2016, in view of the rapid growth of the Company, for the purposes of improving product quality and the production line workers' skills, a complete "Manufacturing Competency Certification" system has been established. Through this system, we comprehensively check and manage talents, quickly confirm the current work skills of personnel, increase the number of sites and strengthen worker's skills to deploy multi-skilled workers, conduct regular training for production line instructors to improve their teaching capabilities. We also emphasize the interaction of humanistic care to consolidate a friendly and happy workplace culture.

There are clear training mechanisms for the new hires, cross-site learning, and mentor training, so that employees can comply with practical operating policies. The ambitious and active employees can also achieve their promotion goals through the results of their own efforts.

### – New hires:

They will wear yellow armbands before the probationary period expires, and they will be given corresponding site-specific skills training. After completing 3-month site-specific competency learning and passing the certification, then they will be able to work independently.

### – Current employees:

The "digitalization of manufacturing competency certification" is carried out in March every year, which can quickly confirm the current working skills of personnel and meet the needs of the site, to ensure that the quality of production line operation meets the site requirements.

### – Instructor certification:

The employees who have been confirmed to have stable and active work attitude will be recommended quarterly by the supervisors for internal training, including system tools operation training and the establishment of instruction concepts, and then become trainers for new hires. And the review and certification will be carried out every year to ensure they're qualified to be instructors.

### – Cross-site learning:

Due to the production needs, some manpower might be seconded from other units. Some talented employees might be trained for the abilities of multi-tasking and job rotation. After having completed 1-3 months of site-specific competency training and passed online real-time assessment, employees can begin to work independently. During the entire training period, trainees need to wear a yellow armband.



Site training instruction screen

# ◀ Career development ▶

## ■ Performance Appraisal System:

- The Innodisk's performance management and development system is built for integration and improving the overall performance of individuals and organizations, implementing two-way communication and employee development planning, and conducting evaluations by means of equitable and reasonable performance appraisal procedures, to be the basis for job promotion, salary adjustment, bonus distribution, employee development and training needs etc. If an employee fails to meet the requirements, we will also carry out appropriate counseling programs or help transfer him/her to another unit, if suitable. If that employee still can't meet the requirements, appropriate severance package will be given to him/her in compliance with relevant laws and regulations.
- New hires assessment: According to the laws and regulations of various countries, after an employee starts working for six to ten weeks, he or she will be evaluated comprehensively to determine the effectiveness of the training and his/her work quality. If he or she cannot meet the standard, his/her situation will be reviewed first and then the relevant training methods will be arranged, or "job counseling" will be carried out, to ensure that all new hires can receive the required training and produce high-quality work results.
- Periodical performance appraisal: Innodisk conducts a performance appraisal every six months for global employees. The mid-year appraisal is for the employees who joined the company before (inclusive) February of the same year, and the year-end appraisal is for the employees who joined the company before (inclusive) September of the same year. In 2022, all in-service employees and supervisors, regardless of gender or job category, had gone through the performance appraisal process. The appraisal items include:
  1. Achievement status of work goals set at the beginning of the period (beginning of the year and mid-year)
  2. Job competency performance (eg, teamwork, continuous improvement, data analysis and decision-making)
  3. Personal development and improvement plan
- We not only examines the current performance of employees, but also pays attention to their future development. We assists employees to continue to grow in their work, so as to improve the overall performance of the Company.
- Performance rating communication: According to the performance rating assessment results, we can improve future development and adjust our goals. Supervisor should communicate with the assesses regarding their performances.
- Before the communication, employees can plan their personal ability and career development plans according to their personal development goals and needs, and discuss them with their supervisors.
- Supervisors provide feedback and suggestions on individual employees' performance status, ability, strengths and weaknesses, department and organization status and future goals, and assist employees in a timely manner.
- During the communication, if employees don't agree to the performance results, they can also respond to the supervisor for arranging a discussion on their ratings.
- The overall performance system attaches great importance to personal value and personal autonomy, supports employees and track their conditions to help them achieve their goals. Supervisors can determine what's necessary for overall development of the team based on the appraisal results of individual personnel, arrange tasks to increase personal experiences, and arrange internal/external training courses for employees so as to achieve overall growth.



# Employee Communication

## Innodisk – Labor-Management Conference

- The labor-management conference is to improve labor-management relations and promote cooperation and work efficiency.
- Labor-management conferences are organized by business units. Representatives from labor side and management side will be present for discussion on labor conditions, working environment, salary and benefits and other related issues.
- Regarding the labor-management conference, the same number of representatives from both sides periodically convene. After discussion on reports and proposals and obtaining the consent of the majority of representatives, a resolution is made to create a win-win situation for both sides.

Area	No. of Representatives	The Percentage of Labor-Management Conference Attendees to the Number of Plant Employees
Taipei plant	5 (Labor), 5 (Management)	2%
Yilan Plant	5 (Labor), 5 (Management)	5%

### ■ How it works and how often?

- Pursuant to Article 83 of the Labor Standards Act and Regulations for Implementing Labor-Management Meeting, Labor-management conference should be held every three months, and the meeting notice and proposal notice should be issued 15 days before the meeting, so that both sides can collect relevant information in advance.

### ■ Election method

- Candidate Qualifications: Full-time employees have the right to elect and be elected as labor representatives at the labor-management conference, but the first-level business executive who exercises management power on behalf of the employer cannot be a labor representative.
- According to the number of votes, 5 labors are elected to be representatives, another three are elected to fill the vacancies, if necessary.
- Pursuant to Article 6 of Regulations for Implementing Labor-Management Meeting, when the number of employees of any single gender is more than one half of the total number of employees, the number of labor representatives for the gender shall not be less than one-third of the total number of representatives.
- The current term of office shall be counted from the day following the election.
- Vote counting method: It will be done in the meeting room of the Company, after that the election results will be announced on the spot.



# ◀ Social Responsibility ▶

## ■ Human rights policy

Innodisk strictly abides by the labor-related laws and regulations of its business locations all over the world, and protects the legitimate rights and interests of employees. In terms of basic laws and regulations, Innodisk takes an action plan consistent with RBA, and complies with United Nations Global Compact, the United Nations Universal Declaration of Human Rights, and the International Labor Organization Declaration on Basic Principles and Rights at Work, to fully embody the responsibility to respect and protect human rights, and treat all employees with dignity and respect, including contract personnel and interns. The implementation guidelines for safeguarding human rights include "diversity and inclusiveness and equal job opportunities", "providing a safe and healthy working environment", "respecting employees' freedom of assembly and association" and "assisting employees to maintain physical and mental health and work-life balance". The guidelines and details of the human rights policy are announced on the Company's website: <https://esg.innodisk.com/zh/about/promise>

- **Diversity and inclusiveness and equal job opportunities:** Innodisk complies with relevant national labor laws/regulations which prohibit employing child labor, human trafficking, employing forced labors, and have no employment discrimination. We are committed to creating a diverse, open, equal and harassment-free working environment. We will never allow any violation of human rights. All employees will not face any differentiated treatment or any form of discrimination due to gender (including sexual orientation), race, class, age, blood type, marriage status, language, religion, party birthplace, place of origin, appearance, physical and mental disabilities, etc. Innodisk provides effective protection of labor rights and is dedicated to building friendly and harmonious labor-management relations, implementing equality in employment, salary & benefits, and training/evaluation/ promotion opportunities. Innodisk also provides effective and appropriate complaint mechanisms to avoid harming employee rights and interests.
- **Providing a safe and healthy working environment:** Innodisk provides a safe and healthy working environment and necessary health and first aid facilities, eliminate hazards that may affect the health and safety of employees in the working environment, and reduce the risk of occupational accidents.

We proactively care about and cope with the abnormal workload of employees, avoid overtime work, and regularly implement education and training related to labor safety.

- **Respecting employees' freedom of assembly and association:** We respect employees' basic human rights, safeguard employees' right to form labor unions and conduct group negotiation. We provide diversified communication mechanisms and platforms to ensure harmonious and win-win labor relations.
- **Help employees maintain physical and mental health and work-life balance:** We care for employees' physical and mental health, and actively organize health management lectures. In addition to stress relief massage, we provide diversified activities, such as: art, sports, family day, etc. to promote interpersonal interaction among employees, work-life balance. We comprehensively take care of employees' physical and mental health.

## ■ Workplace Sexual Harassment Prevention

In order to provide a workplace free from sexual harassment, and to take appropriate preventive, corrective, disciplinary and processing measures to protect the rights and privacy of the parties involved, pursuant to Article 13, Paragraph 1 of the "Act of Gender Equality in Employment" and "Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" promulgated by the Ministry of Labor, Executive Yuan.

The Company strictly prohibits sexual harassment in any form. In addition to relevant regulations, there is an employee mailbox for employees to file a complaint. Employees are not discriminated against due to factors such as race, religion, skin color, nationality, gender, etc. In the past, discriminatory disputes never happen in Innodisk.

Employees can file a sexual harassment complaint through the hotline (02-7703-3000#1225) or the mailbox (nienying\_chen@innodisk.com) Once the Company becomes aware of sexual harassment events, it will take immediate and effective corrective and remedial measures while protecting the rights and privacy of the victim. In 2022, no relevant complaint cases were received.

## ■ Cases and Handling

Classification	No. of Cases
Sexual harassment complaint	0

# ◀ Social Responsibility ▶

## ■ Integrity management is the highest guiding principle

Business ethics and social responsibilities & sustainability continue to receive worldwide attention. A corporate must continue to win the respect and meet the expectations of the public when it comes to long term operation. Business ethics reflect the core culture of the enterprise. It is also the most basic requirement for Innodisk to treat employees. Innodisk is committed to the pursuit of business ethics. Integrity management is our highest guiding principle. All employees must abide by the highest standards of integrity. Any form of corruption, extortion, and embezzlement of public property is prohibited. Since 2012, Innodisk has complied with the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies", and formulated the "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct". Then we continued to update the content of the above-mentioned formulations according to laws/regulations and social trends, and published the updates after they had been approved by the board of directors. Innodisk has not been involved in any lawsuits and legal actions related to anti-competitive practices, antitrust/monopoly laws and regulations. The Company has intensified education and training for personnel, and conducted relevant judiciary introductions and case sharing to avoid involvement in the above-mentioned cases.

## • Prevention of malpractice

Innodisk is a listed company. Therefore, we have to comply with general company and tax laws and regulations, as well as "Securities and Exchange Act" and related corporate governance requirements. In view of this, in addition to reinforcing the law-abiding awareness of managers at all levels and employees through education, training, meetings, etc., internal control and audit mechanisms are also used to achieve the anti-fraud effect to ensure compliance with laws and regulations.

## ■ Whistleblowing mechanism

In accordance with the "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct", an anonymous complaint mailbox is set up as follows and announced on the company's official website.

For company employees, suppliers, customers and other interested parties, they all can use the real names to report the situation that violates human rights or integrity management. After receiving the report, the Company will investigate and clarify the content of the report in terms of relevant people and events while maintaining confidentiality, and then take various appropriate measures depending on the severity of the circumstances. We will make every effort to protect the whistleblower and employees involved in the investigation process from unjust retaliation or treatment, to allow employees and relevant persons to express their opinions freely under the condition of security and confidentiality, so as to prevent malpractice, rumors and smear.

## ■ Advocacy and Education

It is for employees to clearly understand the Company's integrity management and anti-corruption policies, as well as the whistleblowing mechanism. Arranging education & training for all employees. In 2022, all employees in Taiwan participated in a total of 3 online or physical courses. In order to make sure that employees have a correct understanding of the policy during the communication process, in addition to videos or on-site explanations, we also designed relevant Q&A to ensure each employee's cognition is consistent with the Company's policies. 672 people participated in 3 courses, and a total of 636 people completed the training, with a completion rate of 94.64%, accounting for 96.14% of the 699 people at the end of the year. We offered online courses for employees who had not completed the training and the new hires in the next year.

## ■ Cases and Handling

Because of the Company's sound standards, publicity and education, there was no corruption complaints in 2022.

Classification	No. of Cases
Corruption Complaint	0

# ◀ Infrastructure ▶



## ■ Investment in Infrastructure:

### 【Increasing employment opportunities】

Innodisk was founded in Yilan in 2018, and officially activated phase I of the R&D and manufacturing center. With the rapid development of the global AIoT, phase II (5,233 ping) broke ground in February 2022. Combined with phase I, the area of the whole center is nearly 10,000 pings, making it the largest smart green building landscape in Yilan.

Phase II will increase production capacity in the future. It will also continue to accumulate local R&D resources to further boost the comprehensive integration of software, hardware, and firmware. We are prepared for the next 3-5 years of operation and development. .

For phase I, as of December 2022, The number of in-service employees has reached 201, including 146 local talents in Yilan, 72% of the total. 25 people (13%) had been attracted to work in the Yilan plant. There are 30 Vietnamese talents (15%). After phase II is completed in Q4, 2023, it is estimated that the number of employees of phase I and phase II together will be 500. That is, talents from counties and cities will create more economic value in Yilan. .

**5233** ping

Construction scale

**201** people

Number of employees

146 people

**76%**

Increase local employment opportunities

25 people

**13%**

Attract talents from other counties and cities

30 people

**15%**

Recruiting Vietnamese employees

# Sustainability Management



# Sustainability Goals

In order to create more sustainable values, Innodisk sets short, medium, and long-term goals for ESG in order to help the Company continue to grow, make substantial contributions to sustainable development, and benefit the society.

	2025	2030	2050
	Short-term Goal	Medium-term Goal	Long-term Goal
Environment	<ul style="list-style-type: none"> <li>Solar panels are installed in the factory area.</li> <li>Building greening, adding rainwater recycling facilities.</li> <li>Using energy-efficient equipment, and replacing the old with new.</li> <li>Waste and greenhouse gas emissions are effectively controlled, and reduced by 5% annually.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing new technologies R&amp;D, developing environment-friendly products with low energy consumption.</li> <li>With 2021 as the base year, achieve a 50% reduction in greenhouse gas emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing environmental protection.</li> <li>Net zero carbon emissions.</li> </ul>
Society	<ul style="list-style-type: none"> <li>ESG is included in supplier audits.</li> <li>Making good use of core competency to take care of stakeholders.</li> <li>Internalization of corporate sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>Developing Innodisk long-term volunteer program.</li> <li>Continuing to sponsor public welfare activities.</li> <li>Becoming a certified Happy Enterprises.</li> </ul>	
Governance	<ul style="list-style-type: none"> <li>Intensifying information disclosure in English.</li> <li>Area of the Sustainability official website.</li> <li>Establishment of the Sustainability Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Ranked among the top 5% in Corporate Governance Evaluation.</li> <li>Continuing to intensify corporate governance and improve information transparency.</li> </ul>	

# Sustainable Governance Structure

- In order to enhance the overall practice of corporate sustainability management, Innodisk will set up a "Sustainable Development Department" to implement corporate sustainability management.
- In 2022, the chairman of Innodisk appointed CFO Wang Licheng as vice VP & sustainability supervisor who will be in charge of formulating corporate sustainability management strategies and overall goals, review annual corporate sustainability management plans and related proposals, the progress and annual results of the proposals of the Company's implementation of sustainable operation, and the opportunities and impacts of E, S, and G, to bring into focus the company's sustainable action policy, and report to the board at least once a year.



## Responsibilities of sustainable development division

- Track the practices of sustainability issues and establish a continuous improvement plan
- Identifying stakeholders of the organization, communicating with them
- Integration and implementation of cross-departmental sustainability issues
- Integrating greenhouse gas measurement and producing report
- Identifying sustainable issues, formulate a response action plan
- Producing sustainability report
- Applying for Sustainable Enterprise Evaluation

# Sustainable development Strategy and Goal

## ■ SDGs

- Innodisk believes that the sustainable operation of an enterprise needs to start from the core value of the enterprise itself, and needs to be integrated with the UN sustainable development goals. We should set short, medium and long-term goals, discuss and incorporate them into the operation plan, and boost our determination to promote the sustainable development of the enterprise.



Item Compliant with SDGs	Innodisk's Practice that echoes SDGs
Ending poverty	Helping students from disadvantaged families develop their skills.
	Providing scholarships & aid for disadvantaged groups.
Good health and wellbeing	Purchase safety & protection equipment.
	Employee Assistance Programs (EAPs)
	Publicity and training for health and safety.
	Import ISO45001, and periodically perform risk assessment to reduce the probability of occupational accidents.
Quality education	Helping children from disadvantaged families with uninterrupted education.
	Arranging with the company's professional talents to guide children to develop multiple skills.
	Establishing scholarships for employees' children.
Gender equality	Formulating a maternal care plan.
	Formulating maternity benefits.
Affordable sustainable energy for everyone	Increasing procurement of renewable energy certificates.
	Energy-efficient production.
Reducing inequality	Providing scholarships & aid for students from disadvantaged families to help them with uninterrupted education and obtain equal learning opportunities.
Sustainable urban-rural societies	In response to the global pandemic, special funds for Covid prevention were donated to Cardinal Tien Hospital and National Yang Ming Chiao Tung University Hospital to balance the urban and rural medical care quality.
Climate action	Importing ISO14064-1 to disclose greenhouse gas emissions. Following the Task Force on Climate-Related Financial Disclosures (TCFD) framework to identify climate-related risks and opportunities, and then formulate relevant adaptation and mitigation strategies
Equitable, Just and Robust System	Fair Trade Act, Anti-corruption and Anti-Bribery.

# ◀ Process for identifying material issues ▶

In order to effectively communicate with stakeholders and to develop the goal of corporate sustainability, Innodisk has set up a Sustainable Development Department. So, through questionnaires, the stakeholders who are significantly related to the Company can understand and identify their concerns and priorities which will be the reference basis for information disclosure in the report. The following is a systematic description of the entire process of stakeholder engagement:

## ■ Selecting sustainability related issues

1



Innodisk deems the corporate social responsibility report as a strategy for sustainable management. After discussion by the internal sustainable development group, we determined the following 9 important ESG subjects, thereby determined a total of 31 sustainability-related issues. Then we investigated stakeholders' degrees of concern about the issues by questionnaires.

- Enterprise sustainability management: Intensifying corporate governance and risk management & control, and improving customer satisfaction.
- Sustainable environment of the enterprise: Moving towards green management, being dedicated to energy saving & carbon reduction, and valuing environmental protection.
- Social aspects of corporate sustainability: Implementing with two-way communication, taking good care of employees, and striving to give back to the society.

2



## ■ Identifying Stakeholders

Based on the five indicators - of necessity, influence, contribution, rationality, and closeness, we communication daily with relevant stakeholders. Innodisk identifies stakeholders according to business models.

Necessity | Influence | Contribution | Rationality | Closeness

3



## ■ Identifying material sustainable issues

We distributed questionnaires on sustainability-related issues to stakeholders to understand the degree of concern of stakeholders about various issues. We also distributed questionnaires on the impact of various issues on the company's operations to the company's internal senior managers, then integrated and analyzed the results of both questionnaire to determine the annual material sustainability issues that were highly concerned by stakeholders and had a great impact on the Company.

# Process for identifying material issues

In order to effectively communicate with stakeholders and to develop the goal of corporate sustainability, Innodisk has set up a Sustainable Development Department. So, through questionnaires, the stakeholders who are significantly related to the Company can understand and identify their concerns and priorities which will be the reference basis for information disclosure in the report. The following is a systematic description of the entire process of stakeholder engagement:

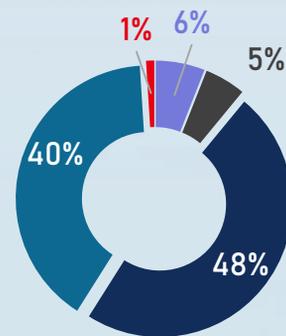
## ■ Analysis of survey results

4



This year, a total of 191 related person questionnaires were collected, an increase of 22% compared with the previous year. The percentage of the stakeholders who had filled out the questionnaire is shown in the figure.

Based on the weighted analysis of the collected questionnaire results, the degrees of concern of stakeholders and the degrees of impact on the Company's operations were sorted to create a matrix of material subjects. We identified five material subjects for this year, one more compared to last year, including talent recruitment and retention, sustainable development strategy, product quality/technology R&D, employee benefits/salaries/ rights and interests.



■ Shareholder ■ Customer ■ Employee  
■ Supplier ■ Community



- Corporate Governance
- Risk management
- Product quality/technology R&D
- Supply Chain Management
- Product Carbon Footprint
- Air Pollution Control
- Hazardous Substance Management
- Occupational Health and Safety
- Career development & training
- Employee Satisfaction Survey
- Stakeholders Communication

- Sustainable development strategy
- Privacy policy
- Customer Satisfaction Survey
- Environmental policy and management system
- Energy Management
- Waste management
- Green Product Development and Service Design
- Labor-management relations
- Employee benefits/salaries
- Supplier's Social Performance Management

- Operational Financial Performance
- Code of Ethical Conduct
- Customer Service Management
- greenhouse gas emissions
- Water Resources and Wastewater Management
- Raw Material and Renewable Material
- Green Supply Chain Management
- Employee benefits
- Talent recruitment and retention
- Community Participation and Social Welfare

# Impact of material issues and the influence analysis

Material Subjects	Impact	Innodisk's Resonse Mode	Effectiveness Confirmation
Sustainable development strategy	<b>Positive Impact</b> Maintaining the sustainable operation of the enterprise, enhancing the sustainability, Winning the long-term trust of suppliers and customers, Living in harmony with the earth's environment.	Paying attention to international sustainability issues, and introducing TCFD, using green electricity to actively reduce carbon emission, and continuing our efforts for the Company's sustainable development.	Confirming the overall project execution progress through monthly meetings.
	<b>Negative Impact</b> Losing opportunities to cooperate with sustainable suppliers, or losing customer orders.		
	<b>Practical Impact</b> Nowadays, the whole world values the sustainability issue, if we do not continue to improve the performance of the Company's sustainable management, we may lose customers and orders.		
	<b>Potential Impact</b> The collection of carbon tax in the future will increase the internal cost of the company.		
Product quality / technology R&D	<b>Positive Impact</b> Providing new technologies and products to meet customer requirements and uplift the Company's competitiveness in the industry.	Regular quality meetings are conducted to ensure continuous improvement in product quality.	Confirming internal improvement through monthly market return analysis/market return rate.
	<b>Negative Impact</b> Losing customers, or reducing our competitiveness in the industry.		
	<b>Practical Impact</b> The product supplied to the customer is abnormal.		
	<b>Potential Impact</b> Impact on goodwill.		
Talent recruitment and retention  Employee benefits and salary	<b>Positive Impact</b> Retain excellent talents, let the Company and employees prosper together.	<ol style="list-style-type: none"> <li>When the Company has achieved the revenue goal, we will provide bonuses to all employees.</li> <li>After the new hires start working, for the first three months the Company will provide them with employee care programs and education/training to enhance their expertise. Besides, there will also be health improvement programs and soft topics hands-on courses for them.</li> <li>We have created a comfortable working environment and introduced EAPs to take care of employees' physical and mental health and enhance employees' loyalty and engagement as well.</li> </ol>	<ol style="list-style-type: none"> <li>Through the biennial employee satisfaction survey, we can identify employees' underlying thoughts.</li> <li>Conducting in-depth in-service employees care, identifying employees' underlying thoughts at the right time, and helping them.</li> <li>The biennial employee satisfaction survey can help us find out and update the pain points for new hires. Then we will give them feedback and facilitate communication between them and supervisors to reduce the incompetence rate and increase the retention rate of new hires.</li> <li>Analyzing the changes in the turnover rate annually to discover the job dissatisfaction factors contributing to employee resignation and the solutions to that.</li> </ol>
	<b>Negative Impact</b> Failing to recruit excellent talents in time, or losing talents.		
	<b>Practical Impact</b> Losing talent.		
	<b>Potential Impact</b> Can't retain excellent talents in the long run.		
Employee rights	<b>Positive Impact</b> Protecting labor rights and improving corporate image.	For employee rights, we conduct a labor-management conference quarterly. Besides, there's also a complaint mailbox for employees.	Through the labor-management conference, we can learn and respond to employee appeals.
	<b>Negative Impact</b> Failing to properly protect employees' rights, thus damaging corporate image.		
	<b>Practical Impact</b> Reducing team cohesion may also reduce talent retention.		
	<b>Potential Impact</b> In the long run, failure to retain key talents will harm the company's sustainable operation.		

# Communication Mechanism for Stakeholders

Target	Communication Topics and Modes	Communication Channel and Frequency
Client	<ul style="list-style-type: none"> <li>◆ Completing the annual satisfaction survey in response to customer requirements.</li> <li>◆ Completing the annual mineral survey and declaring prohibition on minerals from conflict areas, as required by customers.</li> <li>◆ Implementing relevant confidential information protection measures in response to client requirements.</li> <li>◆ The clients require the declarations of prohibition of child labor and country of origin.</li> <li>◆ Suppliers audits by clients.</li> <li>◆ Tours of the factory production process for the clients.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Annual customer satisfaction survey questionnaire.</li> <li>◆ Instant meetings in case of emergencies.</li> <li>◆ Conference calls on specific topics.</li> <li>◆ Regular clients visit every year.</li> <li>◆ Quarterly QPR.</li> <li>◆ External communication mailbox.</li> <li>◆ VIP conference.</li> <li>◆ Clients' on-site audits/visits.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>◆ Setting up suggestion boxes in the employee dining rooms.</li> <li>◆ Holding labor-management conferences.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Set up recurrently</li> <li>◆ A labor-management conference is held every quarter.</li> </ul>
Investor & Shareholder	<ul style="list-style-type: none"> <li>◆ During the general meeting of shareholders, the chairman, directors and senior managers will report the Company's financial statements and operating conditions to all shareholders, approve earning distribution and complete the voting for important proposals.</li> <li>◆ The Company's financial statements and important financial and business information are disclosed on the "Market Observation Post System (MOPS)".</li> </ul>	<ul style="list-style-type: none"> <li>◆ A general meeting of shareholders is held once a year.</li> <li>◆ Regularly disclose financial and business information.</li> <li>◆ Irregularly disclosing important information on "MOPS".</li> <li>◆ Establishing a spokesperson system to respond to shareholder questions.</li> </ul>
Supplier	<ul style="list-style-type: none"> <li>◆ Supplier certification.</li> <li>◆ Green supply chain GPM.</li> <li>◆ IQC inspection status.</li> </ul>	<ul style="list-style-type: none"> <li>◆ New product recognition.</li> <li>◆ Updates on relevant quality documents.</li> <li>◆ Irregular phone calls and mailbox communication.</li> <li>◆ On-site audit / semi-annual.</li> <li>◆ Questionnaire audit / semi-annual.</li> </ul>
Outsourcer	<ul style="list-style-type: none"> <li>◆ Outsourced product quality control.</li> <li>◆ Trial production of new models.</li> <li>◆ Outsourcing delivery date &amp; output confirmation.</li> <li>◆ Technology exchange.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Quality meeting / monthly.</li> <li>◆ On-site factory audit / yearly.</li> <li>◆ Irregular phone calls and mailbox communication.</li> </ul>
Government agency	<ul style="list-style-type: none"> <li>◆ Declaration of work safety rules and occupational safety and health personnel.</li> <li>◆ Declaration of waste disposal plan.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Non-routine official documents from the Department of Environmental Protection and Labor Inspection Office.</li> </ul>
Local community building	<ul style="list-style-type: none"> <li>◆ Notification of specific conditions such as power outages, construction, engine room safety drill, and fire drill.</li> <li>◆ Serving as a management committee member to participate in community public affairs.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Irregular phone calls and mailbox communication.</li> <li>◆ Regularly participating in meetings and events.</li> </ul>
Media	<ul style="list-style-type: none"> <li>◆ Product information release (including new products and new technologies).</li> <li>◆ Company news release (relocation, awards, social welfare, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Irregularly accepting media interview invitations and dining with the media.</li> <li>◆ On average, issuing a press release to relevant media once a month.</li> </ul>
School	<ul style="list-style-type: none"> <li>◆ Execution of various projects (bursary/industry-school cooperation projects, etc.)</li> <li>◆ Event announcements.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Irregular phone calls, group communication by mailbox and software.</li> <li>◆ Regular meetings every semester.</li> <li>◆ Regular school visits (events/awards ceremonies, etc.)</li> </ul>

# ◀ Sustainable Development Strategy ▶

- Innodisk's sustainable development strategy comprises four aspects: quality/HSF/environment/information security

Quality Policy ISO9001	HSF Policy IECQ: QC80000	Information Security Policy ISO27001	Environmental Safety and Health Policy ISO14001+ISO45001+ ISO14064-1	Intellectual Property Management Policy TIPS
---------------------------	-----------------------------	---	--	---

- |   |  |   |  |   |
|---|--|---|--|---|
| <ul style="list-style-type: none"> <li>• Innovative, Reliable Design</li> <li>• Professional and attentive service</li> <li>• Satisfactory and trustworthy quality</li> <li>• Fast and accurate delivery</li> </ul> | <ul style="list-style-type: none"> <li>• Effective monitoring</li> <li>• Complying with regulations</li> <li>• Greening products</li> <li>• Customer satisfaction</li> </ul> | <ul style="list-style-type: none"> <li>• Information security is everyone's responsibility</li> </ul> | <ul style="list-style-type: none"> <li>• Reinforcing environmental protection education, implementing energy conservation and carbon reduction</li> <li>• Enterprise sustainable operation, promoting safety awareness</li> <li>• Improving employee health, controlling hazard risks</li> <li>• Complying with laws and regulations, continuous improvement</li> <li>• Achieve waste reduction and zero disaster goals</li> </ul> | <ul style="list-style-type: none"> <li>• Complying with laws and regulations</li> <li>• Promoting intellectual property awareness</li> <li>• Protecting trade secrets</li> <li>• Intensifying sustainability</li> </ul> |
|---|--|---|--|---|

- **Quality policy:** The Company has obtained the ISO9001 certificate and follows the standard.
- **HSF policy:** The Company has obtained the QC800000 certificate and follows the relevant standards of RoHS and REAH regarding raw materials and products, and continues the updating.
- **Environmental Policy:** The Company has obtained ISO14001 & ISO45001 and ISO14064-1 certificates and follows the standards.
- **Information Security Policy:** The Company has obtained the ISO27001 certificate and follows the standard.
- **Intellectual property management policy:** The Company continues to import it into the system.

**ISO9001 X ISO14001 X IECQ QC80000 X ISO45001 X ISO14064-1 X ISO27001**

Quality management system X Environmental management system X Occupational safety and health management system X Hazardous substance process management system X Information security management system



More detailed certificate  
Please scan the QR code

# The Core Concepts of Production and Manufacture based on "Quality"

- Innodisk firmly believes that good quality comes from strict production standards and checks at every level. Our commitment is to maintain good quality from design, development, production to delivery.
- In 2022, we conducted 10 times of on-site supplier inspections for quality control. Due to the pandemic, Innodisk is currently adopting remote video audits to inspect the production status of suppliers with production sites outside of Taiwan. The scoring criteria include quality management, environmental safety and health management, hazardous substance management, etc. Suppliers with 70 out of 100 points can be counted as qualified. In 2022, all the 10 suppliers audited on-site were proven to be qualified.
- In addition, Innodisk is committed to providing global customers with the best service including instant information exchange and making good interactions. "Ultimate Service™" is our core value.

**IQC**

 Strict quality checking of raw materials from suppliers
 
**IPQC**

 Production line inspection to supervise the factory operation
 
**PQC**

 Further random inspection after full inspection
 
**FQC**

 Ensuring the model/package/label/quantity of the incoming products meet the customer's requirements
 
**OQC**

 Ensuring the product model/package/label/quantity of the shipped products meet the customer's requirements
 
**Client-side**

Innodisk also values the voices of the customers as an important basis for our continuous improvement and progress

# Business Continuity & Risk Management

To provide customers with complete and uninterrupted services, Innodisk has established a continuous operation management mechanism to cope with natural/ man-made disasters and information system problems for quick recovery, reducing the impact, and protecting the rights and interests of customers and shareholders while improving competitiveness.

## For Innodisk Information Security

- We carry out DR backup once every hour and conduct annual off-site backup drills. When the Xizhi plant or Yilan plant fails to continue production, the factory database can be transferred to the off-site plant within one hour to maintain the production line operation and keep accurate records.
- We implemented anti-ransomware protection, build multiple defense lines for data and improve offline backup to reinforce operational security and ensure operational data recoverability.
- We entrust external experts (including information security audit organizations and cybersecurity risk assessment agencies) to periodically perform company network and information security assessments and use the objective results derived from the assessments plus the threat information to conduct information security management risk analysis for improvement measures as well as strengthening information security controls.
- The off-site core system backup drill for 2023 was completed on September 29, 2022: the data was successfully transferred to the computer room of the Yilan Plant within one hour, then the same data was transferred back to the Xizhi computer room after the drill on that day. We made sure whenever the operation of one of the factories would fail, the data could be transferred within one hour to guarantee uninterrupted production.
- The penetration test drill for 2003 was completed on November 28, 2022. For the selected target system, we conducted the security strength test and simulated hacker intrusion to find out possible intrusion paths and improve the security of the outbound service platform.
- In 2023, we've planned the introduction of zero-trust network architecture for 2024 to enhance the security of the internal network border, implement the Secure Access Service Edge (SASE) framework for role definition and authority dynamic segmentation, and effectively increase the continuous operational resilience of network.



評估

**MRR**

Minimum Resource Requirements

**BIA**

Operational Impact Analysis



計畫

**BCP**

Business Continuity Program

**DRP**

System Recovery Plan



演練

**PDCA**

Continuous Improvement

# Financial Disclosure on Climate-Related Risk TCFD

Innodisk's risk management system is to identify and analyze the risks the Company is facing, set appropriate risk limits and controls, and supervise the compliance of risk limits. Through the risk management mechanism, we aim to discover the Company's potential risks and opportunities and effectively perform risk control to ensure the Company's normal operation, create value for shareholders, employees, customers, society, etc., and achieve the Company's sustainable operational goals.

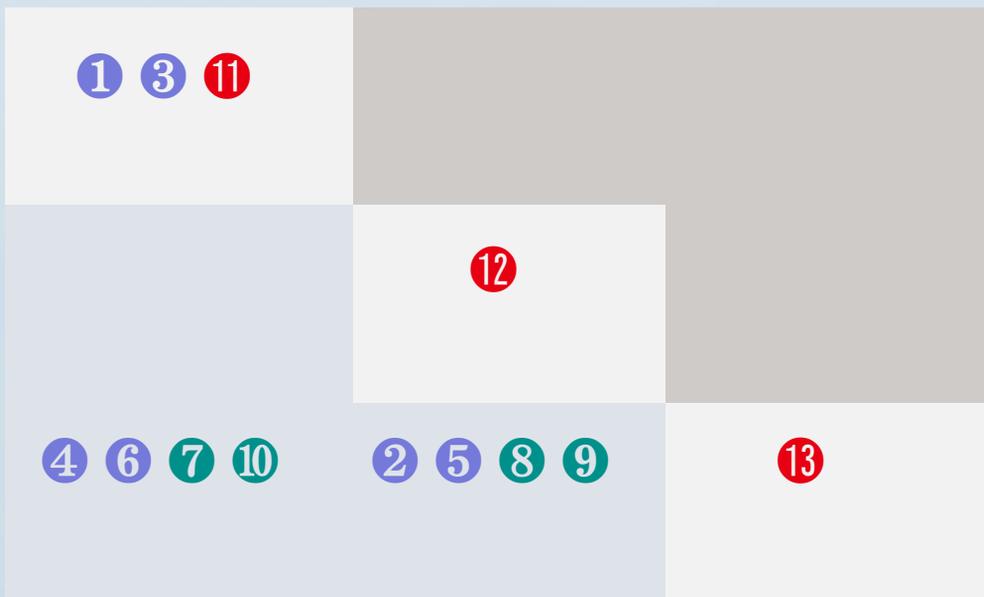
## Analysis Matrix for Material Risk and Opportunity Management

衝擊程度

高

中

低



低

中

高

可能性

### Risk of Transformation

- ① Climate policy and regulation
- ② Low-carbon requirements of customers
- ③ Low-carbon requirements of stakeholders
- ④ Raw material price increase (carbon tax/carbon fee/fossil fuel price)
- ⑤ International Green Initiatives
- ⑥ International fossil fuel price fluctuations

### Physical Risk

- ⑦ Acute weather events (flooding/water shortage/power outage)
- ⑧ Long-term physical risk (Sea-level rise)
- ⑨ Long-term physical risk (average temperature rise)
- ⑩ Long-term physical risk (drought and water shortage)

### Opportunity

- ⑪ Low carbon footprint products
- ⑫ Climate reputation
- ⑬ Low Carbon Incentives

# Financial Disclosure on Climate-Related Risk TCFD



## • Transformation Risk:

Climate-Related Issue	Potential Financial Risk	Impact Time	Countermeasure
Climate policy and regulation	Expenses related to regulatory compliance (renewable energy compliance fee/carbon fee/carbon tax/product carbon footprint) Higher operating costs due to electricity price hike	Short-term	Continuing to improve energy efficiency Energy autonomy policy (purchasing renewable energy certificates and building solar panels)
Low-carbon requirements of customers	Increased operating costs caused by meeting customer requirements	Short-term	Committed to meeting customer requirements, and in line with international standards and initiatives
Low-carbon requirements of stakeholders	Short-term fluctuations in market value caused by corporate shareholders/corporate investors whose willingness to invest are affected by whether the company takes specific actions and has long-term plans to respond to climate change	Medium-term	Continuing to intensify energy conservation and carbon reduction to increase the trust of shareholders and investors in the company
International green initiatives	The costs of the energy transition to net-zero emissions	Long-term	Continuing to improve energy efficiency Energy autonomy policy (purchasing renewable energy certificates and building solar panels)

# Financial Disclosure on Climate-Related Risk TCFD

## • Physical Risk:

Climate-Related Issue	Potential Financial Risk	Impact Time	Countermeasure
Acute weather event (flooding/water shortage/power outage)	The factory shutdown and product damages caused by power outage Safety impact on employee commuting results in productivity loss	Short-term	Ensure production status through emergency generators Identifying hazards through annual risk assessment
Long-term physical risk (sea-level rise)	Expenses that may result in operating base relocation	Long-term	Continuously conducting internal greenhouse gas inventory Carbon reduction implementation through SBTi
Long-term physical risk (drought)	Impact on the operational and domestic water usage	Long-term	Continuing to promote water conservation Already having water towers and underground pools (air conditioning/underground/fire protection)
Average temperature rise	Increased air-conditioning power consumption and operating costs	Long-term	Implementation of internal energy conservation projects to improve energy efficiency The Company continues its green building policy for energy conservation and environmental protection

## • Climate-Related Opportunity:

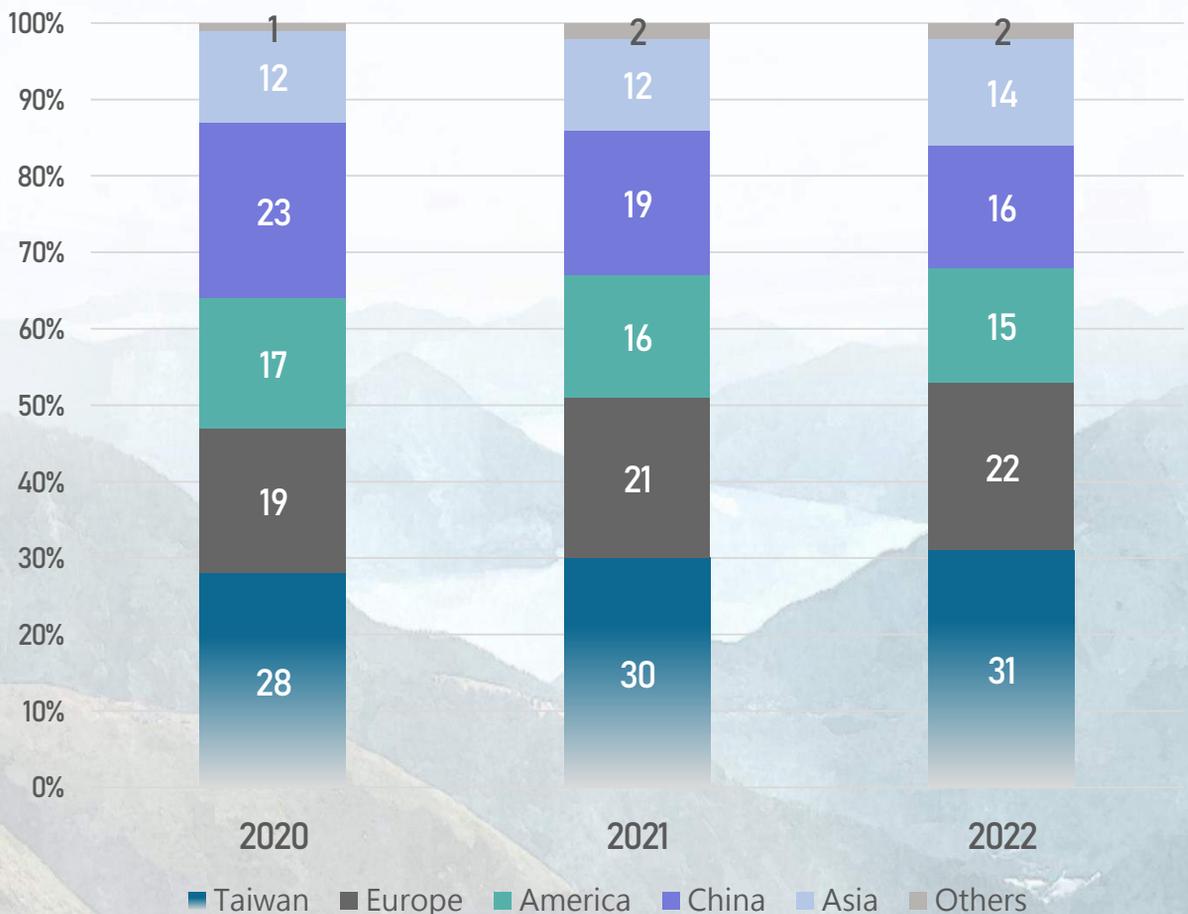
Climate-Related Issue	Potential Financial Risk	Impact Time	Countermeasure
Climate reputation	Net-zero carbon emission enterprises are helpful for the reduction of customers' carbon footprint, and thus incent them to cooperate with Innodisk	Medium-term	Continuing to pay attention to customers and international issues
Low carbon incentives	Interest rate subsidy on bank loans to reduce interest expenses	Short-term	Continuing to pay attention to bank-related green policies

# ◀ Innodisk's Services ▶

Innodisk was founded in 2005 and officially listed on the OTC market in 2013. Since the early days, the Company has begun to use Innodisk as the brand name for global marketing. Its products include industrial-grade flash storage, industrial-grade DRAM modules, embedded peripherals, and software solutions.

Innodisk is based in Taiwan and aims for global markets. The headquarters and R&D and manufacturing centers are located in Taiwan. With excellent innovation and R&D capabilities and the extreme capability for product customization, Innodisk has successfully become a global brand, and has opened its branch office in the U.S., China, Europe, Japan etc, to provide global customers with meticulous localized technology and business support.

- The following table shows the changes in Innodisk's percentage of sales revenue in various regions in the past three years:



# ◀ Customer Satisfaction Level Survey ▶

- An annual satisfaction level survey is conducted for customers who have transacted with the Company in that year. The survey questions include product quality, hazardous substance management (HSF), delivery speed, after-sales service, technical services, information circulation etc., and are based on a 5-point scale. The questionnaires are automatically sent by the system, and customers with annual transaction amount less than NT\$500,000 are excluded.
- For the customers with survey points lower than 3 (single question or average), we will discuss with the relevant internal units to find out the improvement measures regarding their dissatisfaction and report to them.
- In 2022, the number of customers that transacted with us was 1,391. After excluding the 682 customers whose annual transaction amounts were less than NT\$500,000, the number of valid questionnaire responses was 386, with the average points: 4.7. The item with the highest average points was "overall customer response and reply efficiency" (4.8 points), and the lowest was "the updated product-related information on the official website" (4.6 points).

Number of valid questionnaires

**386**

Average points

**4.7**

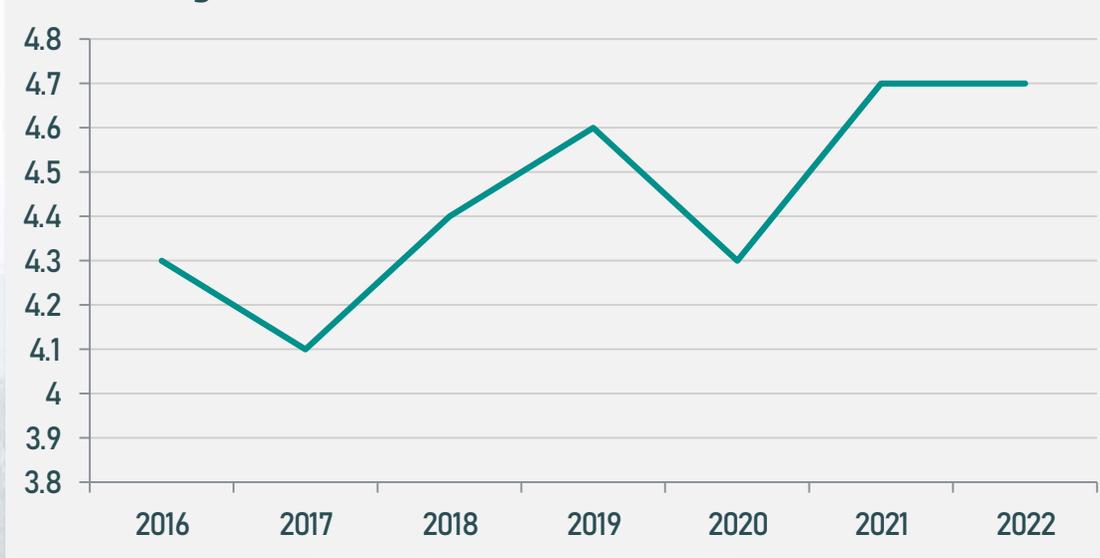
**4.8**

Highest average points (by item)

**4.6**

Lowest average points (by item)

**Diagram for Customer Satisfaction Level of Each Year**



## ■ Innodisk Customer Privacy (Non-Disclosure Agreement)

- It is our basic commitment to strictly abide by the non-disclosure agreement we have signed with customers regarding any customer information that needs to be kept confidential during the cooperation process, from software/hardware technical data to customer information provided by agents, to ensure the customers' information security.

# ◀ Innodisk Supply Chain ▶

## ■ Supplier Management

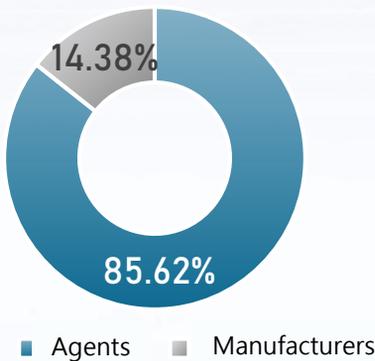
- Since the establishment of Innodisk, our basic business strategy and procurement policy have been: "based in Taiwan and aim for global markets". Given the characteristics of industrial products: low-volume but diverse manufacturing, we aim to let Taiwan be our production base for a diversified product portfolio, and adopt a flexible production strategy to meet the diverse needs of global customers. For this reason, we give priority to the local suppliers registering in Taiwan.
- After 18 years of growth and development, Innodisk has become a large-scale international company. Meanwhile, we have also begun to make lots of adjustments to meet the strict requirements of various international customers in terms of selecting the supply chain composition.
- We've begun to adopt many methods regarding product quality, cost-competitiveness, stable delivery, technical services, supply chain labor rights, environmental protection, safety and health risk control to help suppliers improve their management to reduce the operating risks and costs of Innodisk itself and its suppliers in order to achieve mutual growth.
- For the selection of all suppliers, Innodisk follows the Company's Supplier Management Regulation under ISO standards. We require suppliers to fully comply with all relevant laws and regulations in Taiwan or the country of registration, concerning the business related to the Company. Besides, we also require suppliers to value ESG sustainable management, business ethics, labor rights, working environment, safety and health, etc.



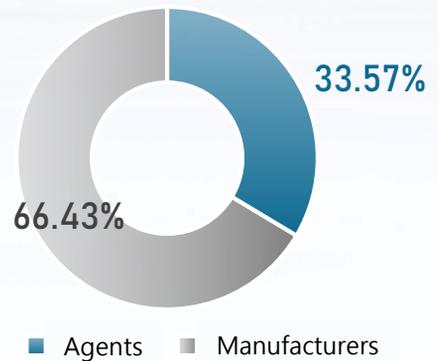
# ◀ Innodisk supply chain ▶

## ■ Supply chain composition

- As mentioned above, to meet the diverse needs of global customers, Innodisk has a wide range of products. Therefore, we also need quite a few suppliers to assist Innodisk to provide a variety of products. In 2022, a total of 143 suppliers transacted with Innodisk. Innodisk's suppliers are quite diverse, including major internationally renowned electronic component manufacturers and local manufacturers that provide special customized production services.
- As for material procurement, our suppliers are categorized into material manufacturers and agents.



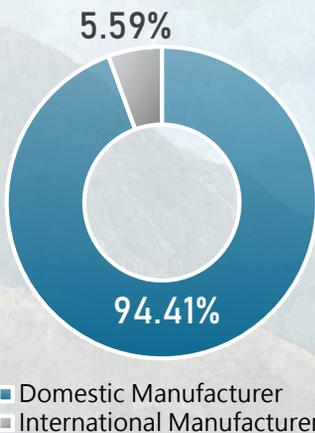
- In terms of amount, agents accounted for 85.62%, while material manufacturers accounted for 14.38%.



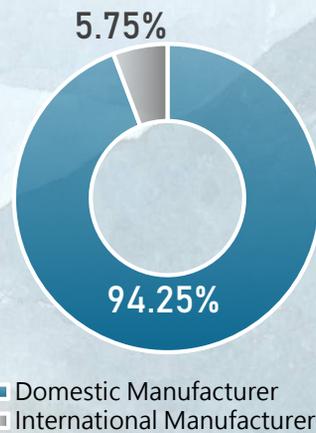
- In terms of the number of suppliers, agents accounted for 33.57%; manufacturers, 66.43%.

## ■ Localization of the supply chain

- Innodisk has always been dedicated to the principle: being based in Taiwan and aiming at the global market. We give priority to local suppliers to contribute to Taiwan's economy and employment opportunities as well as cutting carbon dioxide emissions generated during production and transportation.



- In terms of number, 135 (or 94.41%) of our suppliers register in Taiwan.



- In terms of cost, international manufacturers accounted for 5.75%; domestic manufacturers, 94.25%.

# ◀ Innodisk supply chain ▶

## ■ Supplier Management

Document review	On-site audit	Supplier Evaluation	Feed Inspection Record	Periodic Evaluation
Supplier preliminary evaluation data sheet: use quality/delivery/price/service as the basis for screening suppliers.	For PCB/institutional manufacturers, quality control/engineering/quality assurance personnel will go to the supplier's factory to conduct document/on-site audits.	A supplier must go through a written review or on-site audit, and pass the evaluation to become qualified.	For continuous improvement, accurately record each feeding inspection status and report it to the suppliers.	Purchasing and quality control departments evaluate the performance of suppliers during the delivery period to carry out supplier quality improvement measures and assess subsequent procurement operations.



Quality



HSF



Delivery date



Serve

- Innodisk's procurement management is based on a green supply chain, which evaluates supplier performance according to the following basic principles, along with quality, cost, delivery date, service, and technical capability:
  - Innodisk requires its suppliers to fully comply with relevant local laws and regulations and define their risk management/control mechanisms.
  - Innodisk requires its suppliers to establish management systems for the environment, employee health and safety, and excluding hazardous substances.
  - Suppliers must promise and guarantee that their products "do not contain prohibited substances for environmental management" and provide the following information:
    - ✓ Inspecting and reporting the controlled substances regarding environmental protection.
    - ✓ Understanding and collecting components related to materials and parts.
    - ✓ Collection of toxicity and prohibition information (Substance Safety Data Sheet) of relevant chemical substances.
    - ✓ Sign the "Guarantee of non-use of hazardous substance ".

# Procurement and Supplier Social Responsibility

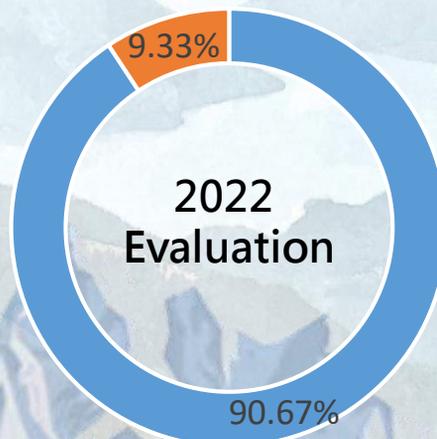
## Auditing and counseling regarding supplier social responsibility

- Innodisk has established a supply chain management procedure and has imported RBA (Responsible Business Alliance) into the supply chain to conduct relevant counseling and auditing regarding "human rights, environment, safety, health, and management systems" to supervise suppliers' environment/safety /health management and practices. We continue to encourage suppliers to value business ethics, protect labor and human rights, value the working environment as well as the safety and health of workers, and develop materials and processes that reduce environmental impact.



## Supplier evaluation

- Innodisk has established strict supplier selection criteria and audit management systems. To ensure the selected suppliers meet Innodisk's requirements, the Innodisk Quality Assurance department will conduct the first on-site audit, or let the candidates conduct self-assessment. Those who have passed the audits or whose self-assessment results have been accepted will then be evaluated by relevant internal units of Innodisk.
- In addition to strict initial selection, document reviews or on-site audits of key suppliers are conducted every six months. For the suppliers who perform well and have passed the audits, the purchase amount can be increased in due course, allowing them to become long-term partners of Innodisk. The suppliers who score C for two consecutive evaluations can be deemed qualified, but have to provide improvement plans. In 2022, among the 75 suppliers that had been evaluated, only 7 were required to propose improvement plans.



■ Qualified by Evaluation
 ■ To Be Improved

# Procurement and Supplier Social Responsibility

## ■ Supplier risk management

- To ensure the continuous and stable supply of all raw materials, we proactively introduced alternative materials in times of global material shortage from 2020 to 2022. Besides, for the same materials, we tried to find at least two suppliers available. For the specific materials that cannot be replaced and can be provided by only one single supplier, we negotiated with that supplier for a long-term supply guarantee.
- According to the supplier's quality assurance contract, suppliers should notify Innodisk six months in advance if there is a change in the material production process or the material will be discontinued. Innodisk will be entitled to the final purchase decision rights to ensure smooth material conversion.
- For most of the raw materials, Innodisk's principle is, in case of the emergencies such as tight production capacity of suppliers. Innodisk shall ensure an inventory sufficient for 3 months of production and manage to place the orders one month before the arrival of materials to ensure smooth distribution.

## ■ Code of ethical conduct for procurement and suppliers

- To avoid malpractices, Innodisk has formulated regular job rotations for procurement personnel. They are also strictly prohibited from accepting monetary or material rewards from suppliers and are not allowed to have meal gatherings with suppliers without prior approval from the supervisor.
- For avoiding leakage of procurement information, the supplier quality assurance contract of Innodisk has stipulated that suppliers are not allowed to disclose relevant information about the materials purchased by Innodisk to other companies and individuals, such as item numbers, amounts, and quantities.





# **Environmental Sustainability**

# ◀ Hazardous Substance Management ▶

## ■ Important Milestones



<p><b>2012</b></p> <ul style="list-style-type: none"> <li>■ IECQ QC080000 Introduction of hazardous substance management system and the introduction of halogen-free process</li> </ul>	<p><b>2019</b></p> <ul style="list-style-type: none"> <li>■ GPM upgraded to the NET supplier platform</li> </ul>
<p><b>2008</b></p> <ul style="list-style-type: none"> <li>■ Introduction of lead-free process</li> </ul>	<p><b>2018</b></p> <ul style="list-style-type: none"> <li>■ Introduction of RoHS 2.0 (EU) 2015/863 (Four newly added phthalates)</li> </ul>
	<p><b>2015</b></p> <ul style="list-style-type: none"> <li>■ GPM green supply chain and parts recognition system launched</li> </ul>
	<p><b>2013</b></p> <ul style="list-style-type: none"> <li>■ XRF elemental analyzer</li> </ul>

## ■ Green Supply Chain Management



### Supplier Evaluation

We've formulated evaluation standards and conducted document reviews and on-site audits for suppliers. A supplier evaluation is conducted every six months. Suppliers are required to try their best to meet the requirements of green projects. Meanwhile, we continue to conduct on-site supplier audits and call for betterment. Through systematic operation and management, we make sure what we provide for customers are excellent products of good quality.



### Material Recognition Management (GPM NET)

Innodisk has built a systematic auxiliary database management system, and uses material source information declaration/ disclosure as the basis to perform material green declaration, green review and process communication, etc. Meanwhile, we can improve the operational efficiency of material recognition and effectively take advantage of product/ environment/material information.



### Product Control Regulations

Innodisk has formulated HSF product operation standards, including banned/restricted/controlled substance standards and disclosure requirements for substances of future concern, etc. to serve as the guidelines for green products and material procurement.



### Transferring Messages

In addition to close daily communication through system platforms, telephones, and letters, Innodisk also arranges supplier conferences for important suppliers to announce our goals and requirements regarding green products and corporate sustainable responsibility in the future stages, so they can be fully prepared for future support and cooperation.

# Hazardous Materials Policy

## Effective Monitoring

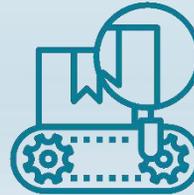
Parts / Auxiliary Material



XRF Testing



Over spec



- Resampling
- Initiate non-conforming process
- Third-party inspection
- Third-party chemical testing

### Statistics of Unqualified Parts

Year	The Number of Unqualified Cases	Unqualified Percentage (%)
2019	2	0.0176%
2020	2	0.0191%
2021	4	0.0275%
2022	3	0.0269%

### The Number of Unqualified Cases by Category (2019-2022)

Part Category	The Number of Cases	Description
CF CARD FRAME	1	Total bromine (Br) exceeded the standard
PIN HEADER	5	Total bromine (Br) exceeded the standard
Hexagonal copper column	1	Total lead (Pb) exceeded the standard
WIRE TO BOARD	1	Total bromine (Br) exceeded the standard
Mini Jumper	1	Total bromine (Br) exceeded the standard
Fan assembly	1	Total bromine (Br) exceeded the standard
PCIe Gen 4	1	Total bromine (Br) exceeded the standard

## Complying with laws and regulations

**RoHS**

2011 / 65 / EU  
EU / 2015 / 863



**PPW**

94 / 62 / EC



**REACH**

1907 / 2006



**SCIP**



**Halogen Free**

IEC 61249-2-21



# Hazardous Substance Policy

- **Green Products** Make products environment-friendly to reduce the impact on the environment.



## Green Design

Extending the possibilities of recycling & reusing

## Green Procurement

The raw materials that suppliers provide must comply with International laws/regulations and customer requirements

## Green Database Management

Effective management  
Technical file retention

## Green Supply Chain

Ensuring a completed supply chain

## Green Certification

IECQ:  
QC080000/  
ISO14001

## Customer Satisfaction

- Innodisk conducts a customer satisfaction survey in Q1 of each year to confirm customer satisfaction with our product, company, service, hazardous substance management, marketing, etc. We collect customer feedback on the quality of delivered products and services as a basis for subsequent assessment or continuous improvement. We ensure that customer needs are understood and properly addressed.
- The satisfaction survey process is shown in the figure below.

Survey begins

The customer receives the questionnaire

The sales team collects/compiles questionnaires

Sent to relevant units for confirmation and evaluation

The responsible unit makes improvement proposals and implements them

Reporting to customers

End of survey

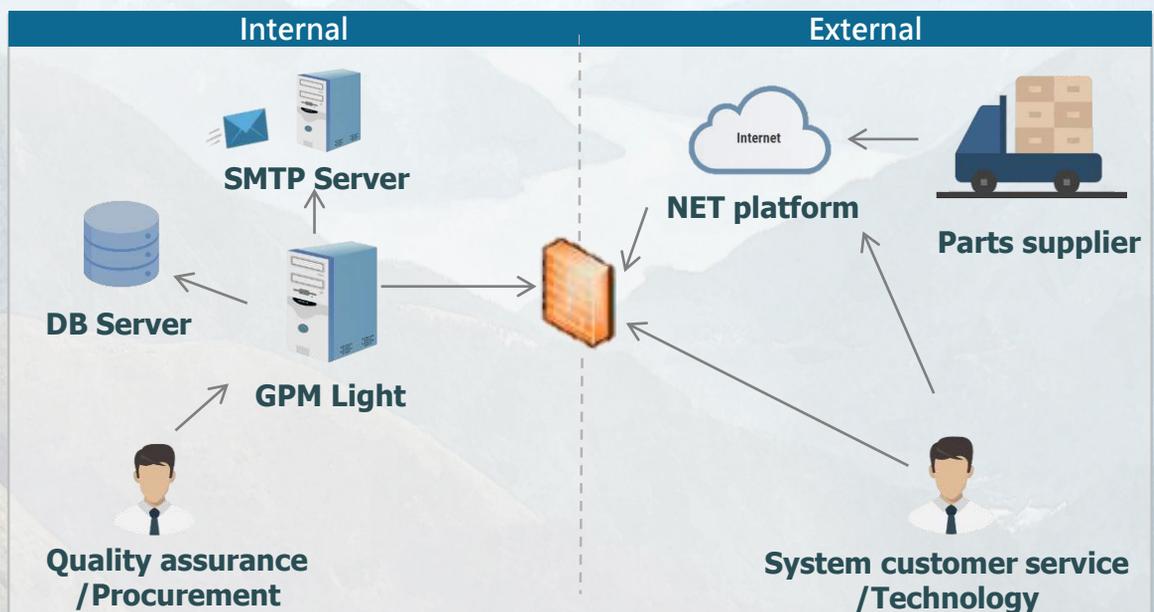


# Establishment of the Green Products Management system

- Innodisk has established a Hazardous Substance Free Management System (HSF MS), and introduced the green supply chain platform GPM which integrates materials, international laws/regulations, customer specifications, and suppliers. Suppliers can directly declare green product inspection, current control status, drawing specifications, etc., on the GPM, where they will be subsequently inspected and analyzed by the Innodisk audit unit group to confirm their degree of compliance with the green product specification. Consequently, by combining the requirements of the green design concept of international major manufacturers, from an external perspective, we can further provide customers with green product management information; from an internal perspective, we can incorporate customers' green terms and product environmental protection requirements into the existing operating management system, and apply them as a reference for the company's daily green product design.
- The hazardous substance management system makes Innodisk's green product management system more efficient, convenient, and rigorous, and thus becomes an integral part of our green competitiveness. Through the GPM platform, supply chain management can be conducted more efficiently by screening capable suppliers and continuously providing electronic and mechanical parts that meet the specifications, so as to produce green products and increase customer satisfaction and gain customer trust globally. For the management of hazardous substances in products, the "HSF Product Operation Standard" has been formulated, which includes the requirement of the EU Restriction of Hazardous Substances Directive (RoHS), Halogen Free requirement, etc. EU REACH (Registration, Evaluation, Authorization and restriction of Chemicals) regulation ensures that the parts and substances used in products meet the environmental protection requirements of both customers and laws/regulations. For suppliers, the use of hazardous chemicals should be prohibited or restricted in different phases from R&D and design to supply chain management, to reduce environmental and health impacts caused by electronic waste.

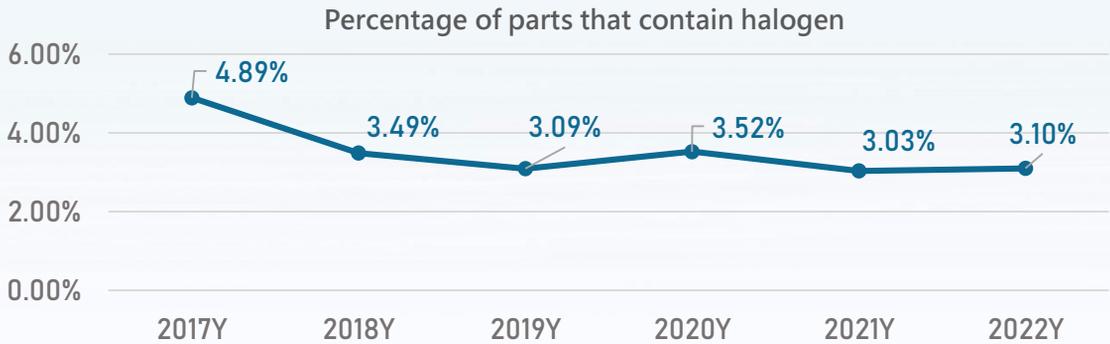
## ■ Green Supply Chain and Parts Recognition System

- After the introduction of the GPM at the end of 2015, the original documents for part recognition and green supply chain management process were changed from both paper and electronics to electronics only, which not only reduces paper waste but also provides an interactive platform. One year after the introduction, we began to work on the system process regarding customization optimization. We separated part specifications from the green document review process and optimized the timeliness of restarting after returning the parts.
- In 2019, GPM was upgraded to a NET supplier platform to be combined with the cloud system.



## ◀ Importing Halogen-Free Materials & Parts ▶

- Due to the release of harmful substances such as corrosive gases during combustion and heating, the IEC (International Electrotechnical Commission) has defined standards for halogen-free materials. Innodisk has comprehensively introduced halogen-free parts as required by customers. However, it's not an easy task. After Innodisk leveraged all resources at our best, as of the end of 2022, only 3.1% of our materials were halogen-free.



**Problems/Challenges:** It is no easy task to procure halogen-free materials for purchased components and components used by newly established AIOT units.

➔ Now we can only use components that contain halogen. After the product sales amount becomes stable and the MOQ requirement can be met, we'll conduct a running change about halogen-free materials. ◦

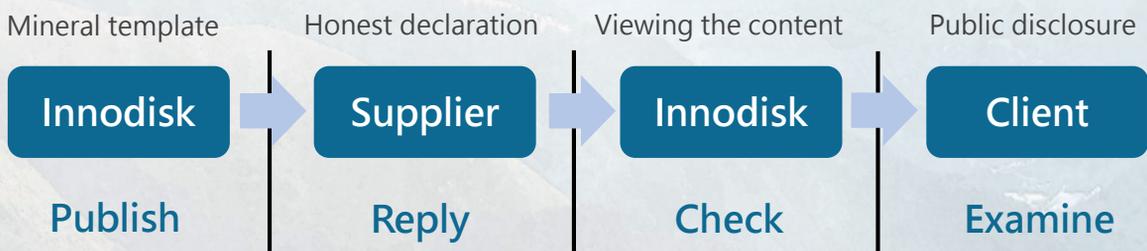
### ■ Responsible Minerals

- The illegal trade of tantalum, tin, tungsten, and gold (3TG) in the Democratic Republic of the Congo and its neighboring countries has become the income source for local armed groups. Serious human rights violations are closely related to these armed groups and minerals. Known as conflict minerals, such minerals are used in many consumer products (including electronics) via global supply chains. Mining is an intensive process involving social and environmental risks, so it must be properly managed. The metals involved are not limited to 3TG or materials originating from the Democratic Republic of Congo.
- After 3TG, unsafe working conditions and child labor issues due to artisanal cobalt mining have also received increasing attention.
- As a member of the supply chain, Innodisk must also fulfill its obligation to complete related investigations, while the official website and contracts are applied to convey our requirements of not supporting or using conflict minerals to our suppliers. Through conflict mineral investigations and other methods, we hope to collaborate with suppliers to achieve sustainable corporate development and ensure that our products do not contain conflict minerals.

**Problems/Challenges:** No mechanisms available for systematic and efficient implementation of regular release/ investigations/traceability of responsible mineral templates.

➔ To implement responsible mineral investigation and traceability more efficiently, Innodisk plans to purchase a responsible mineral investigation module in 2023.

#### Responsible Minerals Management Process

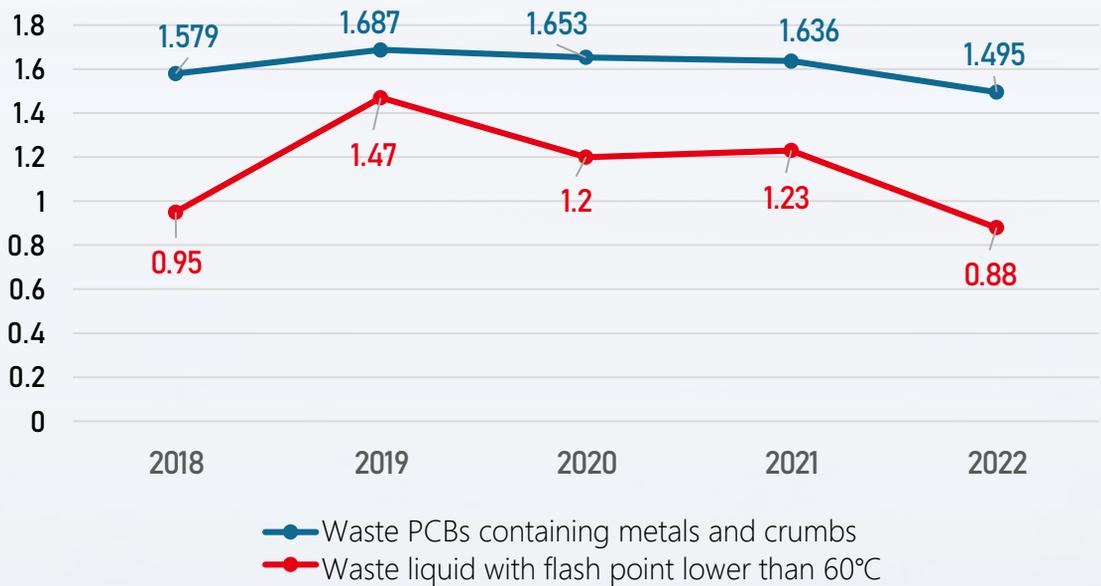


# Waste Management

## Waste management

- There are mainly three types of industrial waste that Innodisk creates, namely general industrial waste, hazardous industrial waste, and recyclable materials. General industrial waste refers to household garbage and is handed over to the qualified cleaning service companies entrusted by the Science Park management center. Hazardous industrial waste includes metal-containing printed circuit board waste, and its powder and waste liquid with a flash point of less than 60°C. Recyclable materials include plastic waste, scrap iron, waste tin, waste dry batteries, waste paper, waste plastic bottles, and waste aluminum foil bags.

**Xizhi Plant (Hazardous Industrial Wastes)** unit: tons



**Xizhi Plant (Resource Recovery)** unit: tons

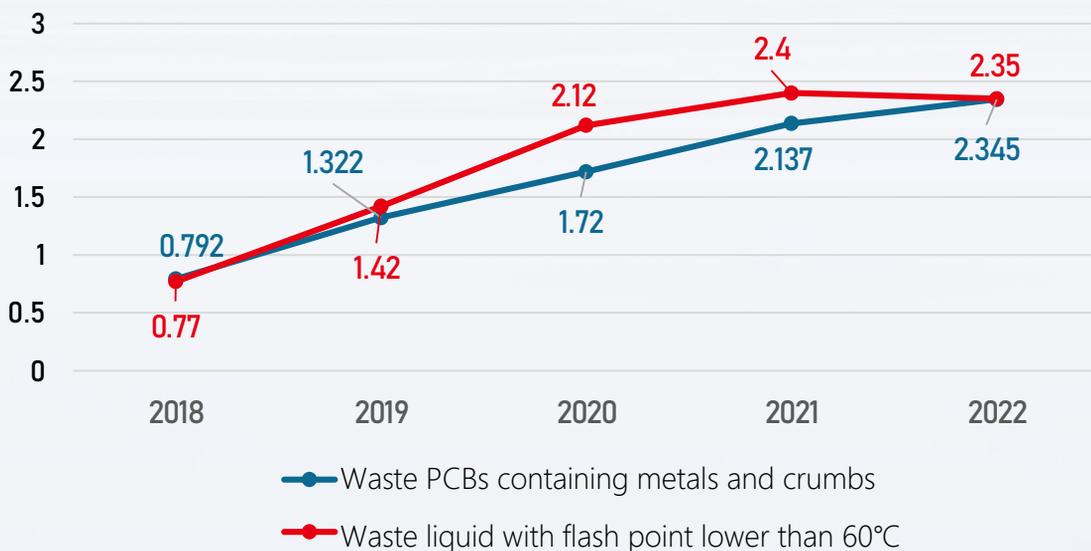


# Waste Management

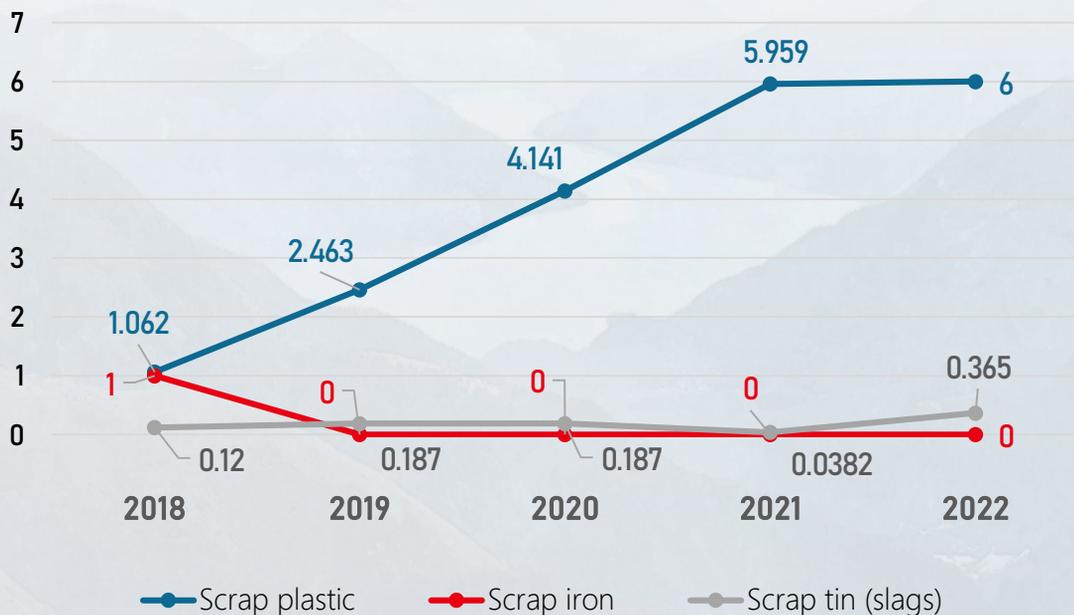
## Waste Management



Yilan Plant (hazardous industrial wastes) unit: tons



Yilan Plant (resource recovery) unit: tons



# Air Pollution Management/ Water Resource Management

## Air pollution management

- The waste gas generated from Innodisk's manufacturing process doesn't contain significant air pollutant emissions, which are not listed in the controlled pollutants monitored by Environmental Protection Administration (EPA). However, Innodisk is committed to environmental protection, therefore, we still entrust authorized inspection agencies to carry out particulate pollutants emission inspections every year. All the inspection results over the years show that our emissions have been within the tolerance range set by EPA.

Xizhi Plant	2019	2020	2021	2022
TSP( $\mu\text{g}/\text{m}^3$ )	37	51	41	44
Test results				
Emission standards	500	500	500	500
Conformity	✔	✔	✔	✔

Yilan Plant	2019	2020	2021	2022
TSP( $\mu\text{g}/\text{m}^3$ )	61	25	24	67
Test results				
Emission standards	500	500	500	500
Conformity	✔	✔	✔	✔

## Water resources management

- Water is not used in any of Innodisk's production processes. All the wastewater we produced is the tap water used by employees for daily life. The water meter in the Xizhi Plant is a public water meter for all the tenants in the building and there's no private water meter for the company, so the water we use is calculated proportionally according to the reading of the building's public water meter.
- We use sensor faucets in toilets to save water, and set up hand dryers to reduce paper towel waste.

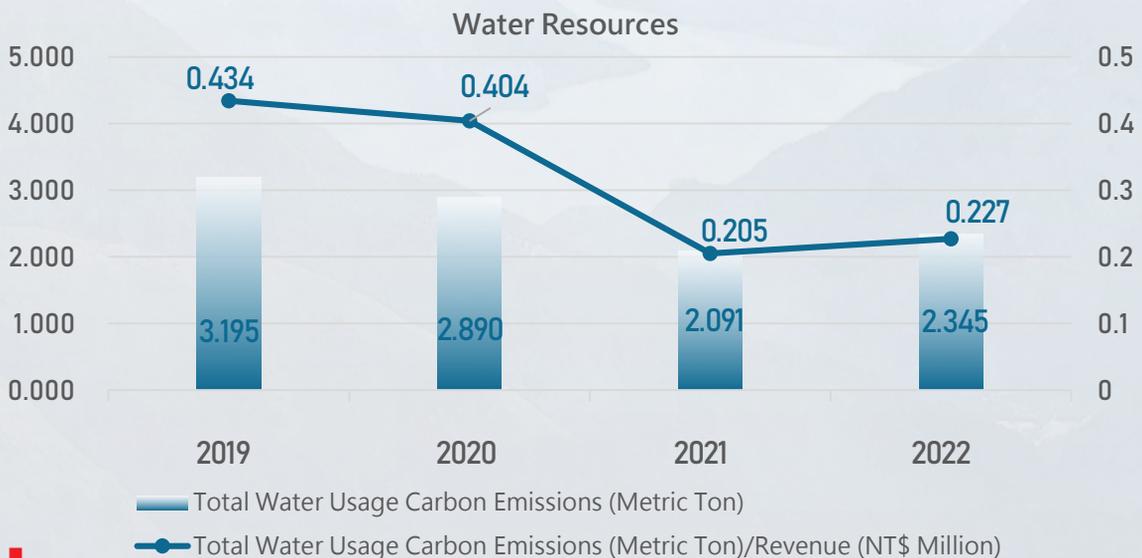
Xizhi Plant	2019	2020	2021	2022
Total reading (1000L)	5,902	4,328	6034	6,424
Per capita reading (1000L)	13.1	9.6	12.7	11.9

Yilan Plant	2019	2020	2021	2022
Total reading (1000L)	5,974	5,338	7,720	8,145
Per capita reading (1000L)	39.8	35.5	40.2	40.5

Remarks: The meter reading per capita was calculated according to the number of employees, which is 450 in 2019 and 2020; 466 in December, 2021; 540 in 2022.

Remarks: The number of employees was recorded at 201 in December, 2022.

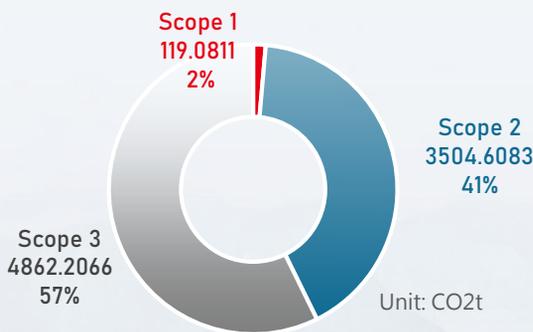
- Innodisk doesn't generate industrial wastewater, so the water used is all for daily life.
- The water we use in Xizhi HQ is calculated proportionally according to the reading of the Science Park building's water meter. In Yilan Plant, there's a private water meter for us.



# Greenhouse Gas Management

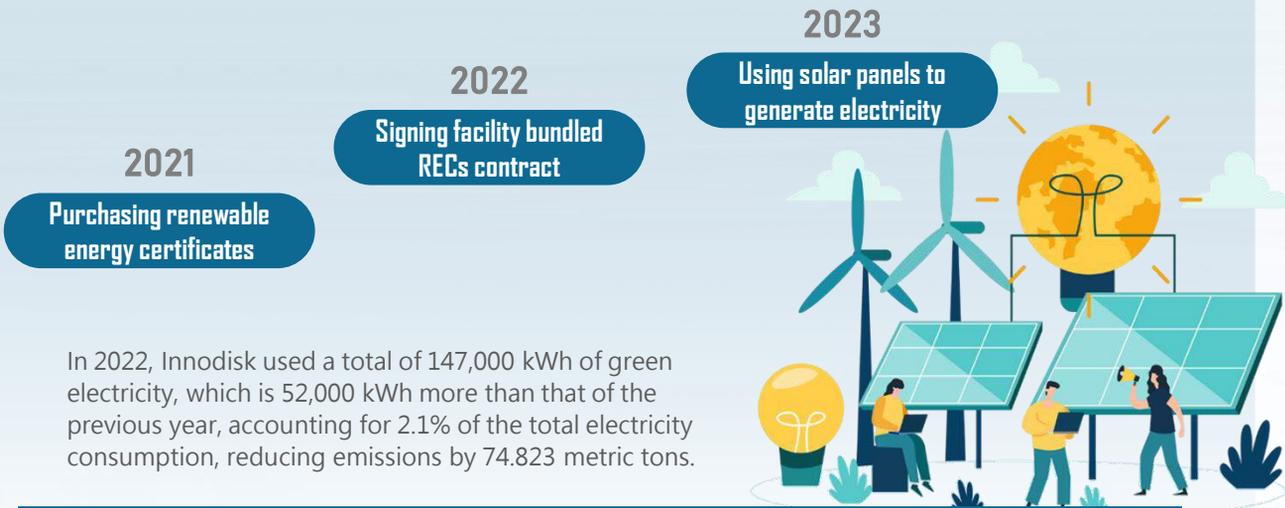
## Greenhouse Gas Management

- Innodisk promises to achieve zero carbon emissions by 2050, and the first step we take is a "carbon emission inventory". Innodisk conducts the greenhouse gas emissions inventory every year, and our targets are Xizhi HQ and Yilan Plant which account for 100% of our revenue. We also conduct third-party verification every year in compliance with ISO14064-1:2018.
- According to the 2022 greenhouse gas emissions inventory, the company-wide amount was: 8,485.896 metric tons, a decrease of 16% compared with the previous year (10,131.296 metric tons in 2021). The biggest difference lay in the raw materials procurement of Scope 3. The total purchase volume this year has decreased by 26% compared to the previous year, so the emissions from raw material purchases have decreased by 2,069 metric tons compared to the previous year.
- The emissions by each Scope in 2022 are shown in the figure below. Scope 3 emissions accounted for about 57% of the Company's total emissions.
- The types of greenhouse gas emissions regarding Innodisk inventory include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>, a total of 7 types. The GWP value used was according to the 2013 PICC fifth assessment report.
- In 2020, the purchase of raw materials of Scope 3 was included in the inventory, thus the base year is set to 2020. The total emissions in the base year were 8825.465 metric tons of CO<sub>2</sub>e.
- Although the company's overall emissions in 2022 dropped significantly compared to the previous year, the Scope 1 & 2 emissions increased by about 387 metric tons due to setting up new equipment and office expansion. In terms of intensity, it increased by about 2.1% compared with the previous year.
- Innodisk began to purchase green power in 2021. Therefore, when calculating the intensity, the Scope 1 & 2 emissions were replaced by the market benchmark emissions divided by the number of employees in Taiwan to present a more accurate comparative value.
- Compared with the 2021 Scope 1 & 2 emissions reported in the previous year, the 2021 Scope 1 & 2 emissions reported this year decreased by 47.690 tons of carbon dioxide.



# Greenhouse Gas Management

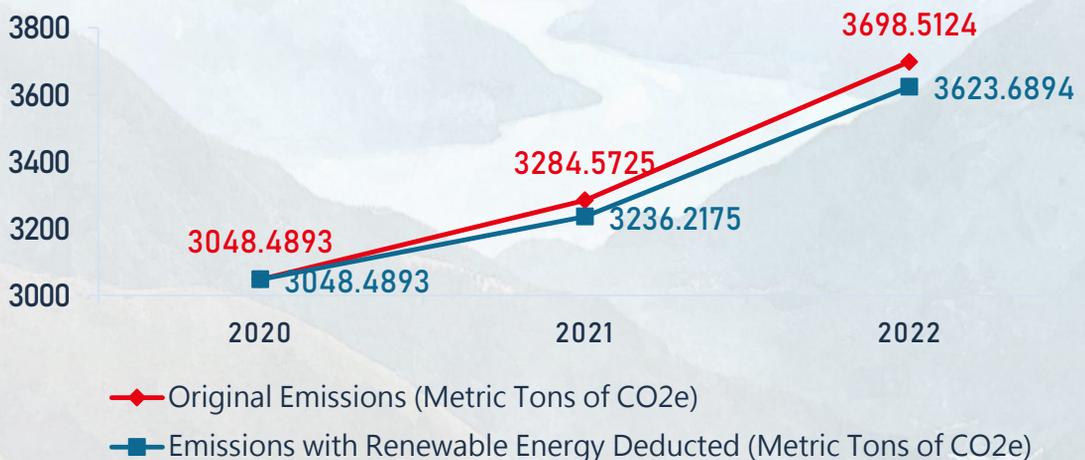
In addition to the use of energy-saving equipment and pursuing energy-saving actions for daily life, Innodisk started to purchase renewable energy certificates in 2021 and signed a facility bundled RECs contract with green electricity providers in 2022. Innodisk is also working on installing solar panels on the roof of the Yilan Plant, which is expected to start generating power in Q4, 2023. We're steadily heading for the goal of net zero emissions.



In 2022, Innodisk used a total of 147,000 kWh of green electricity, which is 52,000 kWh more than that of the previous year, accounting for 2.1% of the total electricity consumption, reducing emissions by 74.823 metric tons.

Green Electricity Usage				
Year	Total Power Consumption (degrees)	Green electricity usage (kWh)	Emissions Offset (tons of CO2e)	Percentage of total electricity consumption
2021	6,320,344	95,000	48.355	1.5%
2022	7,032,281	147,000	74.823	2.1%

Scope 1 & 2 Total Emissions Compared with Green Power Usage



# Yilan R&D and Manufacturing Center - Green Building Silver Label

- Innodisk believes in sustainable development of the environment, and implements green building in Yilan R&D and manufacturing center.
  - We added environmental protection perspective into the initial design stage, expanded the green space, planned the space for solar panel construction, and used insulating glass with low radiation and good lighting for protecting and greening the environment, offering wide views and a friendly environment to offer the employees a more comfortable workplace.



Energy Saving



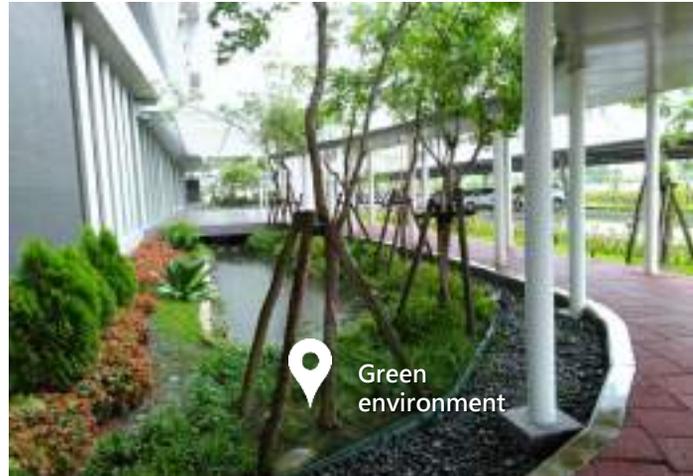
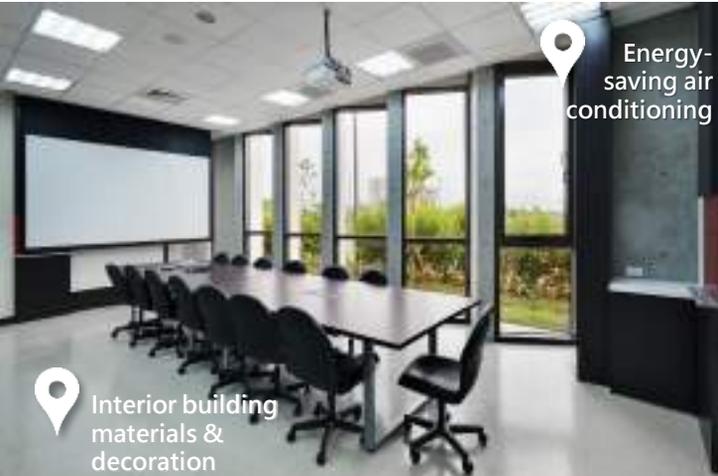
Ecology



Health



Waste Reduction





# Environment & Health

# Environmental Commitment and Occupational Safety and Health Management

## ■ Environmental commitment and occupational safety and health management

Environmental management	Environmental policy	Waste management	Air pollution management	Water resources management
Environmental compliance	Environmental safety and health - total expenditure table		Occupational safety and health	Energy management

## ■ ISO certification management

- Since its establishment, Innodisk has not only devoted itself to product R&D and becoming the leading manufacturer in the field of industrial control, but also has deemed environmental protection as the greatest responsibility of the enterprise. Therefore, Innodisk introduced and passed ISO14001 certification in 2012, and our spirit of pursuing continuous improvement has been further fulfilling our commitment to caring for the sustainable development of the earth.
- Innodisk passed ISO45001 certification in 2018 to uplift occupational safety & health performances and ensured workplace safety through risk prevention and continuous improvement.
- Innodisk passed the ISO14064 certification in 2020. Through the greenhouse gas inventory, more possibility of saving and improving energy consumption has been found, which reduced environmental impact while fulfilling corporate social responsibility and improving corporate image.

## ■ For energy-saving, we have long encouraged employees to adopt the following energy-saving measures.

2016	<ul style="list-style-type: none"> <li>■ Replacing old equipment with products with energy-saving label</li> <li>■ Starting the continuous purchase of Taipower Renewable Energy Certifications</li> </ul>	2022	<ul style="list-style-type: none"> <li>■ Yilan plant solar photovoltaic construction</li> <li>■ Purchasing renewable energy certificates</li> <li>■ Water chiller timing control</li> <li>■ Water dispensers entering sleep mode at night and on holidays</li> </ul>
2015	<ul style="list-style-type: none"> <li>■ Turning off the total power supply during consecutive holidays to reduce standby power consumption</li> <li>■ Regular inspection of the switchboard to maintain good power efficiency</li> </ul>	2021	<ul style="list-style-type: none"> <li>■ Digitalization of seals and application forms</li> <li>■ Purchasing renewable energy certificates</li> </ul>
2014	<ul style="list-style-type: none"> <li>■ Confirming the electric current of each location of energy consumption at the end of each month to ensure safety</li> <li>■ Air conditioners in the factory are to be connected in parallel to reduce the number of water chillers in operation</li> </ul>	2020	<ul style="list-style-type: none"> <li>■ Digitalization of fixed asset transfer forms</li> </ul>
2018	<ul style="list-style-type: none"> <li>■ Yilan Plant Green Building Silver Label</li> <li>■ Switching to LED fire indicators</li> </ul>	2019	<ul style="list-style-type: none"> <li>■ All factories switch to LED for energy-saving</li> </ul>

# ◀ Environment, Safety & Health Management ▶

## ■ Compliance with environmental protection and occupational safety regulations

- In 2022, Innodisk wasn't fined once for violating environmental protection & occupational safety laws and regulations.

## ■ Total expenditure table for environment, safety & health

- Innodisk increased monitoring points (for items such as CO<sub>2</sub>, illuminance, etc.) in 2022 to offer employees a healthy and safe workplace, so the work environment measurement item expenditures were increased.

	Xizhi Plant				Yilan Plant			
	2019	2020	2021	2022	2019	2020	2021	2022
Waste disposal	222,800	215,950	144,700	154,000	387,000	520,998	311,850	582,100
Work environment measurement	32,000	43,545	83,265	67,600	45,045	43,260	81,025	94,290
Air pollutants detection + Perimeter noise (Yilan)	9,450	9,450	9,450	9,450	15,000	15,750	15,000	15,750
Drinking water quality testing	10,800	10,800	10,800	18,000	3,600	3,600	3,600	3,600
Procurement of protective equipment (including first aid kit & medicine)	24,437	187,497	44,426	50,935	22,232	19,420	18,122	14,977
GHS label printing	6,000	0	0	3,150	0	0	0	0
Total	305,487	467,242	292,641	303,135	472,877	603,028	429,597	710,717

## ■ Occupational safety and health

- To prevent occupational injuries, Innodisk proactively conducts regular inspections of machinery and equipment, implements general occupational safety and health education/training and fire emergency education/training, increases employees' safety and health awareness, and places hazard signs in the factory area to prevent occupational accidents. Besides, we periodically measure the quality of drinking water, noise, organic solvent concentration, carbon dioxide concentration, and illuminance in the workplace to make sure the safety & health requirements have been met and to avoid occupational diseases.
- The electric panel is locked to prevent employees from getting electric shocks while accidentally opening it.



## ◀ Environment, Safety & Health Management ▶



Fire safety lecture

Chemical spill  
safety drillRespiratory  
protection  
trainingHearing  
conservation  
trainingTraffic safety  
lectureNew hire  
education &  
training

### ■ Formulating internal and external communication, participation, and consultation processes management regarding safety and health

- To disseminate information on safety and health laws and related regulations, we continued the internal/external communication process to protect the rights and interests of employees and promote safety. The Occupational Safety and Health Committee was established according to the laws. And meetings are held every three months following regulations. At least one-third of the committee were representatives from the labor side, which met the requirement of the regulations. Resolutions of the 2022 Occupational Safety and Health Committee meeting include occupational safety and health policy revisions, laws/regulations identification and risk assessment content revisions, annual occupational safety management plans, operating environment monitoring plans, and improvement plans for facilities and equipment in workplaces, etc.
- In 2022, except for traffic accidents during commuting, no occupational accidents occurred in the Company's workplaces. Innodisk values employee health even more than occupational safety issues. We hire occupational health specialists to provide on-site consulting services every month, and organize quarterly seminars related to employee health and safety. We provide benefits such as employee health checks every two years, which is better than the Labor Standards Act requirements. We also organize health promotion activities continuously, implement the smoke-free workplace policy, and provide breastfeeding rooms as well as safe and hygienic dining environment.
- To increase employees' awareness of safety and health and prevent occupational accidents, we conduct labor occupational safety and health education/training, fire safety lectures, lectures and safety drills about organic solvent leaks, and supervisor in-service training regarding external safety and health every year.

### ■ Occupational injury statistics

- To implement a higher standard for occupational safety and health management, Innodisk began to apply for the monthly report record of accumulative accident-free working hours in March 2014. As of December 2022, we had accumulated more than 6.92 million accident-free working hours, and in April 2022, obtained the 6th accident-free working hour record certificate issued by the Industrial Safety and Health Association of the R.O.C. Such achievements have contributed to our goal of offering peace of mind and a zero-accident workplace for the employees.
- No occupational or industrial safety accidents occurred in our factories, so the disabling injury frequency and the disabling injury severity were both zero. (In 2022, a total of 6 traffic accidents occurred regarding employees commuting, which are not included)

Plant	Year	Number of Disabling Injuries	Number of Disability Days	Total Working Hours	Disabling Injury Frequency Rate (FR)	Disability Injury Severity Rate (SR)	Total Injury Index (FSR)
Xizhi	2019	0	0	954,395	0	0	0
	2020	0	0	909,261	0	0	0
	2021	0	0	941,196	0	0	0
	2022	0	0	1,035,528	0	0	0
Yilan	2019	0	0	261,656	0	0	0
	2020	0	0	300,128	0	0	0
	2021	0	0	357,576	0	0	0
	2022	0	0	411,586	0	0	0

Definitions: FR = Number of Disabling Injuries \* Million Work Hours/Total Work Total Injury Index =  $\sqrt{\frac{FR \times SR}{1000}}$

SR = Number of Disability Days \* Million Work Hours/Total Work Hours

## ◀ Environment, Safety & Health Management ▶

### ■ Contractor management

- To reduce workplace injuries of contractors, a "Contractor Management Procedure" was formulated to prevent contractors from insufficient awareness of workplace hazards or negligence in safety and health management during operation, and assist contractors with the management of the working environment. Before working on-site, contractors are required to implement relevant occupational safety and health issues to ensure and improve the safety of operations. In 2022, the contractors of the Company's construction projects didn't encounter any occupational accidents.

### ■ Classified risk assessment and control

- "Hazard Identification and Risk Assessment Management Procedures" were formulated as the guidelines for risk management. Hazard identification and risk assessment operations are conducted in September every year, meanwhile, worksite hazard factors and preventive measures are also promoted. The supervisors of each unit formulate corresponding control measures based on the hazard identification and risk/opportunity assessment results (risk level). The Occupational Safety and Health Office also inspects the workplaces irregularly to discover potential hazard factors and propose improvement measures, and compiles the "Hazard Identification Risk Assessment Form".
- If the result of the risk assessment is unacceptable, it will be included in the "Major Hazard Identification Control", and the responsible department will perform corresponding risk control.



# ◀ Work-Life Balance ▶

## Laws & Regulations

- We comply with:
  - Occupational Safety and Health Act - prevention program
  - Occupational safety and health education & training
  - Physician/occupational nursing on-site service
  - First responder deployment

## Health Management

- We offer:
  - Health advisory
  - Health care
  - Biennial health check
  - Annual health check for special operation staff

## Friendly Environment

- We offer:
  - AED
  - First aid kit
  - Breastfeeding room
  - Employee Assistance Programs

## Health Promotion

- We arrange:
  - Health Promotion Activities
  - Health Promotion Courses
  - InnoLife music event
  - Visually impaired massage service

### ■ Four major plans for the Occupational Safety and Health Act



#### Load Management

- Monthly assessment: Overtime work hours assessment
- Annual assessment: Load scale
- Occupational health consultation - Cardiovascular Disease risk assessment, work and personal load assessment in the next 10 years
- In 2022, 569 employees completed the fatigue severity scale, then the occupational nurses conducted the assessment and follow-up care.



#### Maternity Protection

- HR department provides the targets for maternity protection
- Providing health risk assessment, workplace environment, and operation assessment
- Arranging occupational health consultation
- In 2022, there were 9 cases of maternity protection. The maternity environment assessment, occupational medical consultation, and occupational care were completed.



#### Human Factors Engineering

- Occupational physician /occupational nurse: on-site visits
- Annual assessment: Musculoskeletal self-assessment form
- In 2022, 597 employees completed the musculoskeletal self-assessment. Human factors engineering courses, assessment, and care were arranged.



#### Unlawful Infringement in the Workplace

- Annual assessment: Risk assessment form for identification of unlawful infringement in the workplace, self-care checklist for supervisors
- Assessment method: Randomly select 1~2 employees according to the department for investigation
- In 2022, 55 employees completed infringement identification risk assessment, and 122 supervisors completed self-care checks. No major unlawful infringement incidents occurred.

# ◀ Work-Life Balance ▶

## ■ Special health check - Noise, ionizing radiation

Innodisk has set up X-ray equipment, XRF equipment, and a vibration room Router machine. Therefore, special health checks can be carried out every year. There are a total of 36 inspectors (23 for ionizing radiation, 13 for noise). All these are categorized as level 1-2 health management. The distribution of inspectors (by category) is as follows:

- Xizhi Plant
  - Ionizing radiation: 10
  - Noise: 3
- Yilan Plant
  - Ionizing radiation: 13
  - Noise: 10



## ■ On-site service from labor health service medical staff

- On-site service items
  - Employee health consultation, 15-20 minutes/person
  - On-site hazard identification and risk assessment
- Frequency of on-site service by labor health service medical staff
  - Xizhi: once a month, 3 hours per session
  - Yilan: once in 2 months, 2 hours per session
- The number of consultations performed by special medical staff: 202



On-site health consultation

# 15-20

Minutes/employee

No. of consultees

# 202



**Once** a month  
Frequency of on-site service at Xizhi

**3** hours per session  
Frequency of on-site service at Xizhi

**Once** in 2 months  
Frequency of on-site service at Yilan

**2** hours per session  
Frequency of on-site service at Yilan



## ■ Occupational disease description & prevention

- Innodisk conducts health promotion lectures, activities, on-site visits, and medical staff assessments every year. Currently, there are no employees diagnosed with occupational diseases.



# ◀ Work-Life Balance ▶

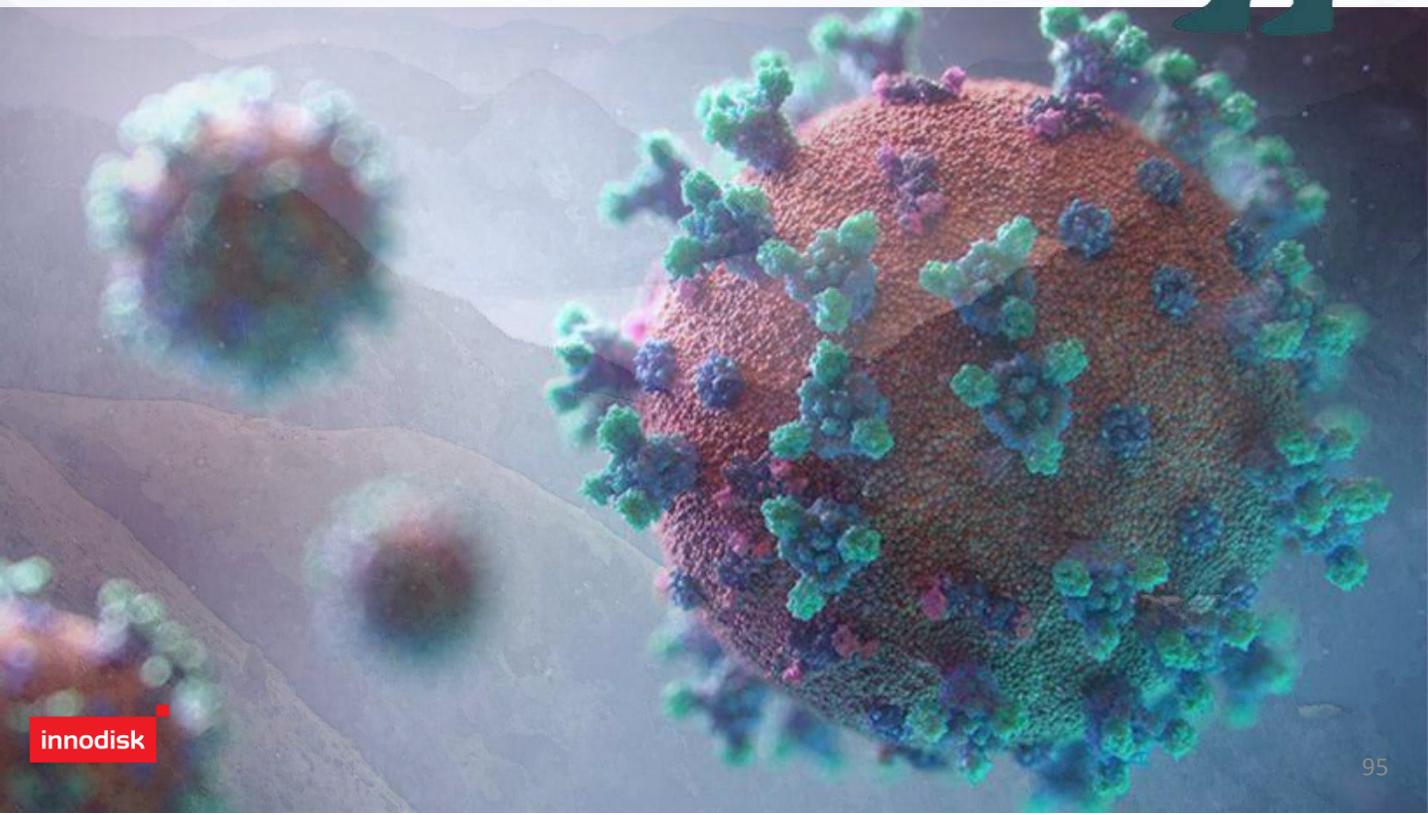
## ■ COVID-19 prevention measures

- In 2022, there's a new wave of infection due to a Covid-19 variant. Based on the experience of pandemic prevention in 2021, we formulated the following prevention measures:
  - Regular pandemic prevention announcements are to be sent, allowing timely compliance with the pandemic prevention measures of both the government and the Company.
  - We arranged flexible working hours for employees, from 08:00 to 09:30.
  - Employees who had tested positive for COVID-19 were required to work from home or take a paid infectious disease leave, so they didn't have to worry about income.
  - The number of employees in the conference rooms is limited, and online or video conferencing is encouraged.
  - Partition boards are still installed in the dining area and encouraged flexible dining hours.
  - Rapid test rooms for employees and visitors to reduce the chances of cross-infection.
  - Employees with upper respiratory infections, muscle soreness, gastrointestinal symptoms, fever, and other symptoms of Covid -19 need to do the rapid test.
  - Visitors must take a rapid test, and are only allowed to enter the office area with negative results.
  - Household rapid test kits are provided for all employees for weekly rapid tests to ensure that all of them can work in a safe environment.
  - All employees must measure their body temperature before entering the office area.
  - Indoor ventilation is to be kept, disinfection services providers will be commissioned to carry out environmental disinfection of office and work areas regularly.
  - Rapid test rooms are set for employees and visitors to take rapid tests. Only those with negative results are allowed to enter the facilities.



## ■ COVID-19 care

- In 2022, there were 424 confirmed cases of Covid -19 among employees of Innodisk. The occupational safety office conducts daily tracking and care by telephone or communication software. In case of abnormal situations, the Company will provide medical guidance and referral methods promptly.
- The Yilan plant reports the confirmed cases and pandemic prevention regulations in the factory to the Scientific Park Management Office every Tuesday.



# ◀ Work-Life Balance ▶

## ■ Employee Assistance Programs

- Innodisk introduced "Employee Assistance Programs (EAPs)" in October 2022. We hoped that professionals of various backgrounds can assist employees to discover problems and solve them, so as to comprehensively take care of employees' physical and mental health, and create a healthy and friendly workplace to provide employees with work-life balance.
- Providing Chinese and Vietnamese versions of small cards and posters so that employees can clearly know how to use them.
- Sharing articles related to physical/mental health management with employees by emails every month.
- Providing a platform for physical/mental care for employees to make appointments and fill out simple questionnaires. There are also articles related to work, life, and health on the website.
- In 2022, consultation services were offered 7 times by case managers and professional consultants, regarding psychology, law, and management.

**宜鼎國際員工協助方案 (EAPs)**  
Employee Assistance Program

協助您的家人  
協助您的同事  
協助您的生活

24小時免費付費電話：  
0800-025-008

服務時間：週一至週五 09:00-18:00  
週六 09:00-18:00  
週日及例假日 24小時

**宜鼎國際員工協助方案 (EAPs)**  
Phương pháp hỗ trợ nhân viên Nghề Dành Quốc tế

EAPs là gì?  
Cách sử dụng EAP

24 giờ miễn phí gọi điện thoại:  
Số 0800-025-008

Email:  
service@ffceap.com.tw

員工身心關懷平台：請掃描下方QR Code，並輸入登入資訊，選擇上搭團隊的職務，也提供工作、生活與健康方面資源，與您聯繫。

**EAPs 服務內容及項目**  
Các dạng trợ giúp từ các EAPs

- 心理諮詢 (Tư vấn ý EAPs)
- 法律諮詢 (Tư vấn pháp luật)
- 管理諮詢 (Tư vấn quản lý)
- 理財諮詢 (Tư vấn tài chính)
- 健康諮詢 (Tư vấn sức khỏe)

- 生涯工作 (Career)
- 情緒管理 (Emotion)
- 兩性親子 (Gender & Family)
- 申請案件 (Application)
- 薪資福利 (Salary & Benefit)
- 婚姻權益 (Marriage)
- 員工衝突 (Employee Conflict)
- 溝通技能 (Communication)
- 績效表現 (Performance)
- 保險諮詢 (Insurance)
- 財務規劃 (Financial Planning)
- 稅務諮詢 (Tax)
- 健康促進 (Health Promotion)
- 活力健康 (Vitality & Health)

## ■ Stress relief massage

- Innodisk believes in the value of "sharing" and spreads love to society by creating an environment of sharing. We provide free stress-relief massage to make employees relax physically and mentally, and the employees can freely donate some spare changes to the Company's foundation. In 2022, a total of NT\$35,850 was donated to the foundation to spread love to children.

**innolife**  
InnoDisk Corporation – Work and Life Balance

讓身心靈不再緊繃

- 頭痛、肩頸痠痛、腰痠背痛
- 長期使用電腦、低頭族或長時間坐姿不正確
- 安排舒壓按摩，緩解不適
- 透過30分鐘的按摩，舒緩我們一身的疲憊

日期：每周二、四  
時段：14:00~18:00  
地點：502 meeting room  
經歷時間：30 min/人  
捐款：50 NT (請交至管理處 機讓 Niennyng#1225)

舒壓按摩做公益

宜鼎國際教育基金會  
小額捐款 讓愛建立在孩子們身上

\$50 NT

# Work-Life Balance

## ■ Happiness project to encourage childbirth

- Since 2015, Innodisk has fulfilled its corporate social responsibility to encourage childbearing and reduce the childcare burden on employees.



### Childbirth Subsidy

- Gift money NT\$ 3,000
- For every child born to the employee's family after its first, the childbirth subsidy is NT\$ 30,000.
- The total subsidy amount was NT\$ 660,000. (The subsidy amount in 2022 was NT\$ 150,000, given to 5 applicants)



### Maternity Subsidy

- Employees with children born during the employment period can receive a monthly subsidy of 6% of their salary when the child is under 6 years old. If there is more than one newborn child, the subsidy will be capped at 10% of their salary maximum.
- The total subsidy amount was NT\$ 10,937,347. (The subsidy amount in 2022 was NT\$ 2,646,782, given to 65 applicants)



## ■ Children's scholarship & aid

- Starting in 2019, Innodisk launched a new children's scholarship program to encourage excellent academic performance.
- Education incentives for each academic year: Elementary school - NT\$ 1,000, junior high school - NT\$ 2,000, senior high school - NT\$ 3,000, university/junior college/graduate school - NT\$ 4,000.
- The number of applicants: 59 in 2019; 67 in 2020; 95 in 2021.
- The total education incentives for four years are NT\$ 546,500. (The subsidy amount in 2022 was NT\$ 207,000, given to 115 applicants)



# ◀ Health Promotion Activities ▶

2022 Health Promotion Activities				
NO.	Time	Subject	Satisfaction Survey	No. of Participants
1	8/19	Stress relief	83.2	15
2	10/5	EAP briefing session - employee	91	131
3	10/5	EAP briefing session - supervisor	90	73
4	10/26	Human factors engineering lecture - Common lifestyle and soreness prevention	88	26
5	11/24	CPR+AED lecture	88.6	27
6	12/9	don't fall in love with the new four highs (blood pressure, blood sugar, cholesterol, and uric acid level)	91	19
7	12/22	Potted plant design	92.6	21

Satisfaction Survey  
**89.2**

No. of Participants  
**312**

Stress relief



Human factors engineering lecture

Common lifestyle and soreness prevention



CPR+AED lecture



Potted plant design



# ◀ Health Management ▶



感謝贊助共同參與  
大家健康走，讓中港浪貓安心吃

總參與271人(1,828人次)  
超過6萬萬步  
減碳9,000公斤(若以精步計算)  
公司及基金會各捐贈80,000元  
購買600公斤罐糧  
可以讓浪浪吃4,200餐

步步換罐糧

【步步換罐糧】大家健康走、中港浪貓安心吃

- 活動期間：2022/8/17 00:00-9/27 24:00(共計6周)。
- 參與人員：全體同仁。步數上傳即視為報名完成。
- 步數APP：Zepp Life(原小米運動)、iPhone健康、Pacer、Google Fit。(請自行下載其中一個APP)
- 步數回報：每週依步數回饋，並由同仁主動捐贈324,000罐減碳步數，並將APP畫面截圖及上傳步數證明(以備核對)。
- 宣傳公告：將於10/7(五)公告成績。
- 抽獎時間：成績公告後一週進行抽獎。
- 活動獎勵：凡每週平均達以下步數人員，即可獲得抽獎機會之次數

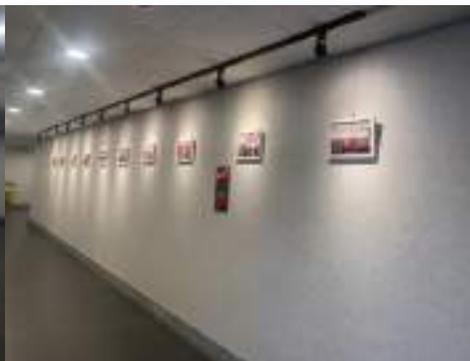
步數	抽獎次數	抽獎金額
6,000	30人	500元
8,000	50人	1,000元

\*凡每周平均達8000步者，如該周尚未中獎者，可再多一次抽獎機會。  
參與每周平均達6000步之抽獎。  
\*如有任何疑問可洽專線-Nienying #1225



## ■ More Steps for More CCat Food

- When the pandemic situation improved in 2022, Innodisk and Innodisk Cultural & Educational Foundation jointly organized the "More Steps for More Cat Food" campaign to help feed stray cats. For every 100,000 steps taken by all employees during the event, the Company donated NT\$ 100 to buy canned food for cats. As a result, the Company and the Foundation each donated NT\$ 60,000.



## ■ Health promotion label

- Innodisk deems employees' health and work-life balance as a critical value and enterprise culture essential to the Company's operation. We value the physical and mental health status, as well as the family life of each employee.
- The Company is committed to incorporating happiness into the enterprise's DNA. This is why we've prepared art galleries, breastfeeding rooms, stress relief environments, sports environments, various health promotion lectures/activities, etc., to create a healthy, warm, friendly workplace. In 2022, we obtained the "Healthy Workplace Certification - Health Promotion Label" from the Health Promotion Administration, Ministry of Health and Welfare.



The image features a central graphic where two pairs of hands are shown holding a small green seedling with soil. The hands are positioned in the lower half of the frame. Overlaid on this scene are several digital and geometric elements: a large, semi-transparent circular gauge with tick marks and a blue arrow pointing upwards, a network of white dots connected by thin lines, and a large, stylized white number '4' with a blue circle inside. The background is a soft-focus landscape with mountains and a bright sun, creating a warm, golden glow. The overall aesthetic is clean, modern, and emphasizes themes of sustainability and technology.

# Corporate Responsibility

# ◀ Innodisk Education Foundation ▶

- Based on the belief in "sharing" and "undertaking", Innodisk established the "Innodisk Education Foundation" in 2015 as a platform for gathering resources and a system for performing long-term caring. We treat teenagers as the main targets of our services, and focus on "uninterrupted education", "encouraging learning" and "public welfare".
- We stick to the principles of our corporate culture: "Innovation", "Discipline", and "Sharing". In 2022, we reviewed and adjusted the existing services, and integrated the anticipations from shareholders, executives, employees & family members, customers, NPO organizations, and the public who agree with our service goals. By leveraging the Company sites at Xizhi and Yilan as bases of operations, accompanied by the concept of community, we continue to promote education and public welfare projects in Taipei, New Taipei, Keelung, and Yilan. Directly or indirectly, we cooperate closely with 15 junior high schools, 8 senior high school/vocational schools, and several public welfare organizations, in aspects including "educational support for disadvantaged students", "basic technology education", "career exploration", and "skill learning & practical application".
- In addition to education, Innodisk employees also proactively participate in the "public welfare" projects: blood donation, purchase of agricultural products, collecting and gifting of second-hand goods, Spring Festival couplets sale, sewing of sanitary napkins, taking care of stray cats, etc. Friends and families of employees are also invited to join in.
- We apply "education" to guide students to care about the environment and public welfare; we drive the concept of "public welfare" to motivate employees to devote themselves to education and the environment. With such progress, we created Innodisk's unique sustainable framework - "Environmental Sustainability, Community Sustainability, Talent Employment Sustainability".



# ◀ Innodisk Education Foundation ▶

- Since its establishment in 2016, the "Innodisk Scholarship & Aid" has awarded 259 students from elementary schools to senior high schools in Taipei, New Taipei, Keelung, and Yilan. The average support years is 1.93 per person. The longest companionship is 7 years.
- The scholarship is NT\$ 24,000 per person per year. A total of NT\$ 6 million has been awarded so far. The above-mentioned scholarships are mostly used for tuition fees, meals, other school expenses, after-school tutoring/parenting, or even family subsidies. Some students will also save money for university.
- In addition to scholarships and grants, we also value the "self-care and life skills development" and "diversified vision development" of students. We know that subsidies can only help children from disadvantaged families to survive in the present. But to change their future, the best way is to improve their abilities and expand their perspective. In 2022, we planned four scholarship & aid events and held "Innodisk Family Day". Each event is based on the growth/learning needs of students. Various main targets are set: sports, interpersonal relationships, nutrition, gender, international care, friendly environment, etc. We also planned dynamic and static activities for students, allowing them to internalize

what they hear/see/do/feel to become their strength, and supporting them to turn concepts into actions. Family and classmates of students were also invited to participate in the above events. In addition to bringing quality time for the families, we also take this opportunity to interact with the students' family members to gain a better understanding of their situation and make optimal plans for individual needs. 137 people participated in the above-mentioned events throughout the year. The total expenditure was more than NT\$ 200,000.

- In 2022, 2 students were admitted to public or private universities, and 5 were admitted to public high schools or vocational schools, to continue their education. To encourage students to learn foreign languages, skills, and technology, Innodisk has formulated the "Dream Building Scholarship." All the supported students who have passed the international languages and skills tests, or have won the off-campus contests related to their majors or science and technology, can apply for such additional rewards. This year, 2 students have received this reward.
- We hope that the students who receive the scholarship can make progress in their academics, abilities, and skills.

## Program to assist children with uninterrupted education

The Number of Innodisk Scholarships & Aid Recipients Each Year and Average Support Years Table

Year	No. of Supported	Increased Supported	Average Support Years
2023	259	38	1.93
2022	221	35	1.88
2021	186	39	1.82
2020	147	41	1.67
2016~2019	106	-	1.66

Month	Event name	Goal
February	Athletic star	Encourage more sports activities by introducing the Olympics and FIFA World Cup. Learn how to use Google to find the answers, and work as a team.
May	Love yourself and love East Africa	Understanding the "menstrual poverty" issue by making hand-sewn sanitary napkins. Using nutrition lectures to teach students to eat low-cost nutritious food and stay healthy
August	Knowing more about Shuanglianpi	Visiting Shuanglianpi wetland in Yilan to immerse in the richness of natural ecology. Build irrigation channels by hand and learn to use traditional tools.
November	Doing it with Down syndrome kids	Making biscuits with Down syndrome kids to learn inclusiveness. The finished products are gifted to the donors of the foundation for expressing gratitude.
Special events in October	Innodisk Family Day	Students and their families were invited for family fun while they can learn more about the achievements of Innodisk.



# Electronic Marker Society

- According to D. Super's life-career development theory, children aged 14 to 15 may conduct self-examination, role identification, and career exploration through school education. Therefore, we cooperate with neighboring schools to integrate corporate resources with formal education to provide students with more diversified exploration opportunities. We collaborate with school teachers to guide students to explore themselves and understand the industries. The school offers basic knowledge, while the enterprise guides the students with the upright conduct of life. These two projects together can help students explore the future.



## Electronic Marker Club

- Innodisk began to cooperate with Taiwan Normal University in 2018 to promote PowerTech bionic robot courses during the club activities of the 7th and 8th-grade students in junior high schools. The two parties trained the teachers of the collaborative schools first. Next, the teachers set up student clubs, and Innodisk provided the materials. We also incorporate the concepts such as collaboration pairs, recycling of important components, and basic science and technology knowledge. In 2022, we continued to cooperate with 11 schools. We have seen enthusiastic teachers incorporating daily-life science and technology competitions into club activities and forming a complete learning system. Some senior students are also instructed to teach juniors. Thus, they must know both how to do it and how to teach, which offers a deeper insight into the project. The juniors should take the initiative to learn and also respect the seniors as role models. What makes this program more innovative and effective year by year is the teachers' willingness to spontaneously integrate resources and make a change.

2022 Electronic Maker Club Executive Achievement Statistics

Area	New Taipei – Xizhi, Ruifang, Wanli						Yilan					Number of teachers and students benefited
	Xizhi	Jhangshu	Qingshan	Jui-Fang	Wanli	Tou-Cheng	Kai-Syuan	Chung Hua	Guo-Hua	Suao	Wen Hua	
No. of clubs	4	5	5	2	1	2	2	3	1	2	2	29
No. of students	75	156	72	36	12	40	40	50	18	70	50	619
Total club participants	900	1872	864	432	144	480	480	600	216	840	600	7,428
Output - Three-pointers	18	43	26	10	0	10	10	10	9	0	15	151
Output-Scavengers	20	35	8	8	6	10	10	15	0	35	10	157
No. of national awards	1	4	-	2	-	-	-	-	-	-	-	7

Description: Calculation of the total club participants: The number of students in each club is multiplied by 12 for the 12 weekly club activities.

# Electronic Marker Society

## Future Talent Dream-Building Project

- Since 2016, Innodisk has been cultivating the curriculum content of the 9th-grade technical education class through the "Future Talent Dream Building Project" organized by the Foundation. The courses were initially designed for on-campus skill-learning only, but have now been enriched by adding talent sharing, public welfare services, and industry visits. Students are encouraged to hear it, see it, do it, feel it, and achieve it.
- Through the Foundation, Innodisk plays the role of linking the school and the community. With the "Charity Mission" project, students in the skill classes can utilize the skills they have learned to serve the disadvantaged in the community. The "Industry Visits" is a project in which we assist schools to contact enterprises and arrange enterprise visits suitable for junior high school students. Innodisk has even acted as a role model of the industry by inviting neighboring school students to visit the Company so they can understand the workplace environment of the technology industry. We want to them envision the future, that is, the fusion of technology and the improvement of lives.

Area	New Taipei - Xizhi, Ruifang, Wanli							Yilan							Number of teachers and students benefited	
	Xizhi	Jhongs hu	Qingsh an	Xiufen g	Jui-Fang	Qinxia n	Wanli	Wusha	Kai-Syuan	Fuxing	Chung Hua	Xing-zhong	Zhuan-g-wei	Suaos		Wen Hua
No. of skill classes	5	6	7	8	4	5	6	2	4	5	5	4	4	2	2	69
Launching ceremony	512	37	350	1000	150	28	30	99	0	450	280	104	240	222	441	3,943
Dream building letter	110	77	109	111	0	14	----	30	9	86	95	53	92	44	45	875
Talent salon	66	37	122	80	38	28	30	44	198	41	85	104	85	22	24	1,004
Charity mission	28	15	27	16	15	5	15	15	5	0	13	6	27	22	24	233
industry visits	----	----	----	----	----	----	----	46	----	23	25	----	----	----	----	94
Skill competition award	5	5	5	4	4	1	4	3	0	4	9	5	10	3	5	67

Description:

1. The establishment of skill classes is determined by each school. This program encourage students to participate.
2. The events (launching ceremony, talent salon, charity missions, and industry visits) were held once respectively by collaborative schools. "Dream-building letter" course should be applied to the Foundation according to the course requirements. Skill competition awards are according to the number of winners in each school.
3. Due to the pandemic from April to June in 2022, the "industry visits" activity was cancelled.



## ◀ Renovation Camp ▶



- For senior high school & vocational school students, Innodisk believes that "School teaches you academics, Innodisk teaches you the conduct of life". Therefore, we collaborate with schools to design different service camps based on what students have learned.
- We incorporate our corporate culture into the above-mentioned camp activities, including "just do it", "be a good listener and responder", "remain flexible" and "continuous improvement". The planned courses include "professional hands-on practices", "sustainable development", "recycling", "concrete social care", "self-reflection", etc., along with achievement presentation and award ceremony. This will enable the students to learn more on top of the knowledge and skills they already acquired and gain more practical experiences demanded by the job market.
- Since 2018, Innodisk has hosted recycling camps regarding home appliances and computers. We have also cooperated with neighboring schools. In 2022, we made some adjustments:

### 1. We adjusted the home appliances recycling and renovation activities and modify it into "on-site maintenance of home appliances for elderly and disadvantaged households, with electrical safety inspection"

Taiwan became an aging society in 2018. And thus, the services related to elderly people also became more and more diverse. However, most of such services are limited to the aspects of economy, health, and daily life convenience. Therefore, not much attention was paid to the home environment, especially concerning the "home appliances cleaning and energy saving" and "electrical safety inspection" which might be a matter of life and death. However, there have been several news reports every year that the incorrect use of electrical appliances by elderly people resulted in fire-related property damage or casualties. Therefore, we took vocational school students to the elderly people's houses to assist in the cleaning of home appliances and check the ways they use electric power to safeguard their lives.

### 2. Collaborating with the students of interior design schools, Innodisk started a new camp named "Wood recycling for stray cats homes".

The controversies of "stray cats" has been going on for some time. In recent years, many enthusiasts have dedicated themselves to reducing the number of stray cats by means of the TNVR model. Therefore, we collaborated with students from the interior design program of Jui-Fang Industrial High School and used discarded wooden pallets to build cat houses, and distributed them to cat halfway houses that need them. In this project, students have gained insight into stray animal issues and coped with them with their own skills. The managers of cat halfway houses has got support, and stray cats can have a better living condition, and the wood pallets to be reused.

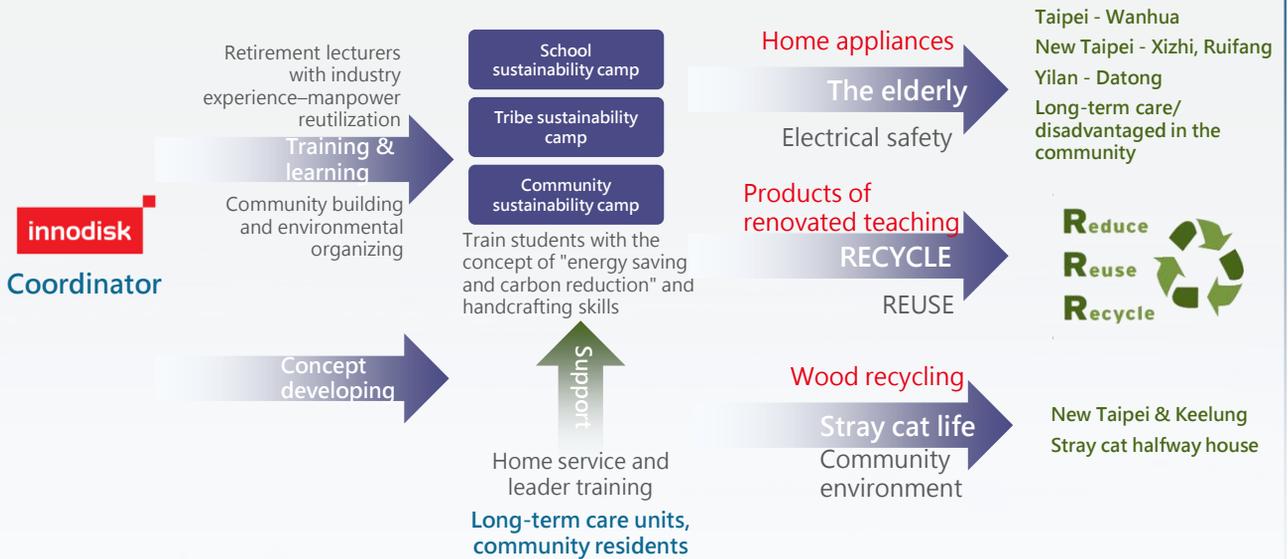
### 3. The home appliance repair camp cooperated with Boyo Social Welfare Foundation and Wanhua community development organization to expand the services to tribes and older communities.

We have always believed that "energy saving and carbon reduction" is not only a concept, but should also be translated into concrete actions. It should be implemented by individuals, households, neighborhoods, communities, schools to organizations. Because in the "recycling" process, we found that some items were filthy, but not old; the electrical contacts were poor, but not damaged; they had small problems, not big ones. But so often the users did not understand, so they just discarded them. Although "recycling" and "manufacturing" can boost economic growth, they also generate unnecessary energy consumption. It is the practice of cleaning and maintenance that can solve problems from the very source. Therefore, we also cooperated with different units to promote the concept and action of "energy saving and carbon reduction" from tribes to communities.

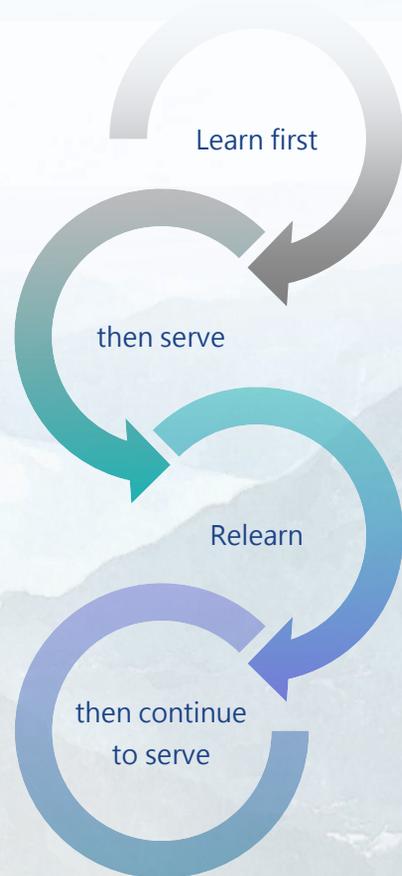
Through the camp activities, we allow the concept of environmental sustainability to take root in the senior high school and vocational school students. We also encouraged students to influence their family members, elders and relatives, and even the disadvantaged in the community. So, "sustainability" is no longer just a catchphrase, but actions that bring progress. Although there is no way to calculate the "carbon footprint" when cleaning and maintenance of home appliances, Innodisk stays truthful to our corporate philosophy: If it's the right thing, just do it.

# Renovation Camp

## Concept Map of 2022 Innodisk Renovation Camp



Learning concepts and providing sustainability services



# ◀ Renovation Camp ▶



• Statistics on the number of sessions and service results in 2022 are as follows:

Date	Item	Organizer and venue	Trained students	Recycled amount	No. of renovated items	Renovated rate	Community cleaning/maintenance modes and cas numbers
01/21~23	Computer Home appliance	New Taipei City Jui-Fang Industrial High School	22	45 60	29 27	64% 45%	Community services were suspended due to pandemic prevention
3/20、4/23 5/21、6/11	Computer	New Taipei Municipal Jhangshu International Creative Technical High School	32	30 PCs	18	60%	Community services were suspended due to pandemic prevention
3/12、4/23 5/14、6/11	Computer	Yilan Nan Oau Senior High School	23	20 PCs	12	60%	Community services were suspended due to pandemic prevention
4/09、16、 23 4/30、5/14	Computer	Yilan San-Shing Junior High School	8	8	3	38%	Community services were suspended due to pandemic prevention
6/04、11、 25	Waste cloth	Yilan San-Shing Junior High School	11	A batch of waste cloth	18 pieces	-	Community services were suspended due to pandemic prevention
7/02~06	Computer Electric pot	National Suao Marine & Fisheries Vocational High School	23	25 20	20 12	80% 60%	Community services were suspended due to pandemic prevention
8/03~06	Home appliance	Boyo Social Welfare Foundation Syanox in Datong, Yilan	22	25	13	52%	Helping community organizations clean and maintain home appliances: 12 times Cleaning & maintenance services at designated tribe location: 17 times
8/17~20	Home appliance	Boyo Social Welfare Foundation Qalang Skikun in Datong, Yilan	18	20	8	40%	Helping community organizations clean and maintain home appliances: 12 times Cleaning & maintenance services at designated tribe location: 17 times
8/24~26	Home appliance	New Taipei City Jui-Fang Industrial High School	36	58	36	62%	Helping community organizations clean and maintain home appliances: 11 times Cleaning & maintenance services at designated tribe location: 42 times
10/01、29	Timber	Taipei Volunteer Service Center	36	230 pieces of discarded wooden pallets	22	-	We completed 50 cat houses and sent them to stray cats halfway homes in Xizhi, Sanhong, Keelung, etc., and assisted in cleaning
10/07、21、 28	Timber	New Taipei City Jui-Fang Industrial High School	30	230 pieces of discarded wooden pallets	28	-	
10/22、 11/22 12/03、 12/17	Home appliance	Gutter 2nd Chance in Taipei City	23	23	12	52%	In-home services for disadvantaged households in Wanhua: 60 times
11/19、 12/17	Home appliance	Boyo Social Welfare Foundation Qalang Skikun in Datong, Yilan	12	Focused on cleaning and maintenance, thus no renovation			Helping community organizations clean and maintain home appliances: 18 times
Total	13 sessions	No. of direct trainees	296	128 PCs	82	64%	Direct/household appliance cleaning and maintenance: 191 times
				206 home appliances	108	52%	Direct/disadvantaged household electricity safety inspection: 27 households
				230 pieces of wooden pallets	50	N/A	Indirect/household appliance cleaning and maintenance: 93 times
				1 batch of waste cloth	18	N/A	Direct/household electricity safety inspection: 93 households

# Public Welfare Care From Point to Surface ▶

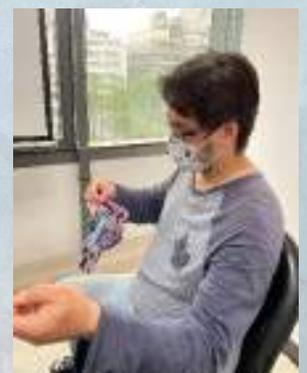
- Through "education", Innodisk implemented the concepts of "environment" and "public welfare" together with young students. Innodisk employees also achieved the goal of further improving "education" and "environment" aspects by contributing to "public welfare". In 2022, 95 employees participated in volunteer activities for 764 hours. 275 Innodisk Group employees donated NT\$ 1.2 million to support the services of the three major aspects.



- In 2021, our partners sewed "heart-warming pillows" for the elders who lived alone. In 2022, we cooperated with Love Binnti, an organization that has been raising awareness for "Menstrual Poverty", to sew 300 pieces of cloth sanitary napkins and sent them to women in East Africa. During the process, employees and their family members all took pleasure in sewing the cloth sanitary napkins, including the employees' parents, spouses, and children. Employees' children also got the chance to learn the issues about "menstrual poverty" and "health of different genders". A piece of cloth sanitary napkin connected family members' hearts, and made our employees care more about East Africa.
- In 2022, when the pandemic slowed down, we cooperated with other firms in the Taiwan Science Parks where we are located to organize two blood donation campaigns and donated a total of 110,750CC of blood. From May to June, we cooperated with Rerum Novarum Center to assist in the sale of Hsinchu Jianshi peaches, and cooperated with Down's Syndrome Foundation R.O.C to sell annual specialty potato chips or gift boxes from canceled orders. We use "purchase" to support public welfare organizations to survive the economic downturn. At the end of the year, we continued to uphold the concept of "replacing donations with

purchases", and invited women aided by The Garden of Hope Foundation and parents of patients aided by Taiwan Foundation for Rare Disorders to come to Innodisk to hold activities of making Christmas bouquets and cakes, While supporting social welfare, encourage employees to provide hands-on service, and create a festive atmosphere.

- We also participated in Innodisk Education Foundation's "Renovation\_Wood Recycling" project: using discarded wooden pallets to make cat houses together with teachers and students from the interior design program of Jui-Fang Industrial High School. Innodisk's International Management Office organized the "More Steps for More Cat Food" campaign, inviting employees to do power walking every day. In the end, more than 60 million steps were accumulated and converted into 600 kg of cat food donation. Other volunteer activities are also carried out, and 50 cat houses and cat food are sent to the stray cats halfway home in Xizhi, New Taipei, and Keelung, while the volunteers also helped cleaning the environment of halfway homes.
- Innodisk integrates different public welfare activities with education and environmental concepts, and adheres to the concept of "commonwealth" to benefit participants, beneficiaries, funders, and executors. This is why we at Innodisk devoted ourselves to collaborating with communities, schools, organizations, and individuals to promote various virtuous projects. We hope that more people will join us in the future to spread the virtues and take care of more people in need.



7

# Appendix



# ◀ GRI Content Index ▶

## GRI Content Index

Declaration Innodisk Co., Ltd. has complied with GRI Guidelines and has referred to the information in the GRI Content Index from January 01, 2022 to December 31, 2022.  
The Used GRI 1 GRI 1: Foundation 2021

GRI Guideline GRI 2: General Disclosure	Chapter Title	Corresponding Report Chapter	Corresponding Page Number
2-1	Organizational details	Innodisk Introduction	<a href="#">3, 6, 7</a>
2-2	Entities included in organizational sustainability report	Financial Information	<a href="#">28, 29</a>
2-3	Report period, frequency and contact point	Innodisk Sustainability Report introduction	<a href="#">3</a>
2-4	Restatements of Information	Greenhouse Gas Management	<a href="#">85</a>
2-5	External assurance	Third Party Assurance Statement	<a href="#">112</a>
2-6	Activities, value chains and other business relationships	Major products	<a href="#">10~12</a>
2-7	Employee	HR composition	<a href="#">32</a>
2-8	Workers who are not employees	HR composition	<a href="#">32</a>
2-9	Governance structure and composition	Corporate governance	<a href="#">20, 23</a>
2-10	Nomination and selection of the highest governance body	Corporate governance	<a href="#">20, 21</a>
2-11	Chair of the highest governance body	Corporate governance	<a href="#">20</a>
2-12	Role of the highest governance body in overseeing the management of impacts	Chairman's words, Corporate governance	<a href="#">4, 20</a>
2-13	Delegation of responsibility for managing impacts	Sustainable governance policy	<a href="#">57</a>
2-15	Conflicts of interest	Corporate governance	<a href="#">20, 23, 24</a>
2-16	Communication of critical concerns	Social Responsibility	<a href="#">52</a>
2-17	Collective knowledge of the highest governance body	Corporate governance	<a href="#">21, 22</a>
2-19	Remuneration policies	Employee remuneration policy	<a href="#">40</a>
2-20	Process to determine remuneration	Employee remuneration policy	<a href="#">40</a>
2-22	Statement on sustainable development strategy	Sustainable governance policy	<a href="#">57, 58</a>
2-23	Policy commitments	Social Responsibility	<a href="#">53</a>
2-24	Embedding policy commitments	Social responsibility	<a href="#">53</a>
2-25	Procedures to remediate negative impact	Social responsibility, material subject impact and impact analysis	<a href="#">54, 61</a>
2-26	Mechanisms for seeking advice and raising concerns	Social Responsibility	<a href="#">54</a>
2-27	Compliance with laws and regulations	-	No penalty due to violation
2-29	Approach to stakeholder engagement	Stakeholder communication mechanism	<a href="#">62</a>
<b>GRI 3: Material Subjects</b>			
3-1	Process to determine material issues	Process for identifying material issues	<a href="#">59</a>
3-2	List of material issues	Process for identifying material issues	<a href="#">59</a>
Material issue: Sustainable development strategy			
3-3	Management of material issues	Impact of material issues and the influence analysis	<a href="#">61</a>
2-22	Statement of sustainable development strategy	Sustainable governance policy	<a href="#">57, 58</a>
Material issues: Product quality/technology R&D			
3-3	Management of material issues	Impact of material issues and the impact analysis	<a href="#">61</a>
Self-disclosure	Product and technology introduction	Product and technology introduction	<a href="#">9~15</a>
Material issues: Talent recruitment & retention/employee benefit & salary			
3-3	Management of material issues	Impact of material issues and the impact analysis	<a href="#">61</a>
2-19	Remuneration policies	Employee remuneration policy	<a href="#">41</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee compensation package	<a href="#">42</a>
Material issue: Employee rights			
3-3	Management of material issues	Impact of material issues and the impact analysis	<a href="#">61</a>
2-23	Policy commitments	Social Responsibility	<a href="#">53</a>

# ◀ GRI Content Index ▶

GRI Guidelines	Chapter Title	Corresponding Report Chapter	Corresponding Page Number
<b>GRI 202 Market Presence</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Remuneration policies	<a href="#">40</a>
202-2	Proportion of senior management hired from the local community	HR composition	<a href="#">30</a>
<b>GRI 203 Indirect Economic Impacts</b>			
203-1	Infrastructure investments and services supported	Infrastructure	<a href="#">54</a>
<b>GRI 204 Procurement Practices</b>			
204-1	Proportion of procurement expenditure from local suppliers	Innodisk Supply Chain	<a href="#">71</a>
<b>GRI 205 Anti-corruption</b>			
205-2	Communication and training on anti-corruption policies and procedures	Social Responsibility	<a href="#">52</a>
205-3	Confirmed corruption incidents and actions taken	Social Responsibility	<a href="#">52</a>
<b>GRI 206 Anti-competitive Behavior</b>			
206-1	Legal Actions for anti-competitive practices, antitrust and monopoly practices	Social Responsibility	<a href="#">53</a>
<b>GRI 207 Tax</b>			
207-1	Approach to tax	Financial Information	<a href="#">29</a>
207-2	Tax governance, control and risk management	Financial information	<a href="#">29</a>
207-3	Stakeholders engagement and management for tax-related issues	Financial Information	<a href="#">30</a>
207-4	Country-by-country reporting	Financial Information	<a href="#">30</a>
<b>GRI 305 Emissions</b>			
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Management	<a href="#">85</a>
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Management	<a href="#">85</a>
305-4	GHG emissions intensity	Greenhouse Gas Management	<a href="#">85</a>
<b>GRI 306 Effluents and Waste</b>			
306-3	Waste generated	Waste Management	<a href="#">82</a>
<b>GRI 401 Employment</b>			
401-1	New employee hires and employee turnover	HR Composition	<a href="#">34</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Compensation Package	<a href="#">42</a>
401-3	Parental leave	Reinstatement After Parental Leave	<a href="#">36</a>
<b>GRI 403 Occupational Health and Safety</b>			
403-3	Occupational health services	Environment, Safety & Health Management	<a href="#">90</a>
403-6	Promotion of worker health	Work-Life Balance	<a href="#">93</a>
<b>404 Training and Education</b>			
404-2	Programs for upgrading employee skills and transition assistance programs	Career Development	<a href="#">49</a>
404-3	Percentage of employees receiving regular performance and career development reviews	Career Development	<a href="#">50</a>
<b>GRI 405 Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	Employee Care	<a href="#">38</a>
<b>GRI 406 Non-discrimination</b>			
406-1	Incidents of discrimination and the corrective actions taken	Social Responsibility	<a href="#">52</a>
<b>GRI 408 Child Labor</b>			
408-1	Operations and suppliers at significant risk for incidents of child labor	Social Responsibility	<a href="#">52</a>

# Independent Third Party Assurance Statement



## ASSURANCE STATEMENT

**SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE INNODISK CORPORATION'S SUSTAINABILITY REPORT FOR 2022**

**NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION**  
 SGS Taiwan Ltd. (hereinafter referred to as SGS) has commissioned INNODISK CORPORATION (hereinafter referred to as INNODISK) to conduct an independent assurance of the Sustainability Report for 2022 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data is accurately taken contained in the report presented and complies with the GRI Universal Standard (2016) and AA1000 Accountability Principles (2018) during verification (20230504-20230605) in INNODISK Headquarter. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD), and sustainability claims and the related performance indicators.

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 following all INNODISK's stakeholder.

**RESPONSIBILITIES**  
 The information in the INNODISK's Sustainability Report of 2022 and its presentation are the responsibility of the directors or governing body (ie. regulatory and management) of INNODISK. 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 INNODISK's stakeholder.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**  
 The SGS 2022 Sustainability Report Assurance process used to conduct assurance are based upon internationally recognized assurance standards and standards including the principles of reporting practice contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards: GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosures 2021 for organization's reporting practices and other organizational data, GRI 3 2021 for organization's provision of information on specific topics, SASB of material topics and how it manages activities, and the guidance on levels of assurance contained within the AA1000 series of standards under SAS3000.

The assurance of this report has been conducted according to the following data table. See table:

Assurance Standard Options	Level of Assurance
A	SGS ESG & GRI Assurance Protocol (based on GRI Principles and quality in SAS3000)
B	AA1000 (v3) Type 1 Moderate (AA1000AP v3.0.0.000 (01/21))

**SCOPE OF ASSURANCE AND REPORTING CRITERIA**  
 The scope of the assurance included evaluation of adherence to the following reporting criteria:

**Reporting Criteria Options**

- GRI Universal Standard (2016) (Performance)
- 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
- Verification of the report against the requirements of Global Reporting Initiative Universal Standards (2016) listed in the GRI related index where the organization has informed for the preparation of the reported information.

**ASSURANCE METHODOLOGY**  
 The assurance involved a combination of pre-assurance research, interviews with relevant employees, questionnaires, Sustainability working group members and the senior management in Taiwan, documentation and record review and validation with external bodies and/or stakeholders when relevant.

**LIMITATIONS AND IMPLICATIONS**  
 Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD), and non-financial topics and the related performance indicators have not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**  
 The SGS Group of companies is the assurance, testing and verification, consisting a more than 140 countries and providing services including management systems and service certification, quality management, audit and ethical auditing and consulting, environmental, social and sustainability report assurance. SGS offers our independence from INNODISK, being free from bias and conflicts of interest with the organization, 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 30000, ISO 26101, ISO 18001, ISO9000, NBU, QMS, ERM, SMT, GPM, GPP, NEP, (E) Verification and OHS Validation Tool Auditors and experienced on the SRA Assn report service providers.

**FEEDBACK AND CONCLUSIONS**  
**ASSURANCE/VERIFICATION OPINION**  
 On the basis of the methodology employed and the verification work performed, we are satisfied that the disclosure with reliability, neutrality, responsiveness, and impact information in the scope of assurance is credible, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organization has chosen an appropriate level of assurance for this scope in their reporting.

**ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)**

**BELIEF IN IT**  
 INNODISK has demonstrated a commitment to stakeholder relevance and stakeholder engagement. A variety of employees efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to promote the organization's understanding of stakeholder concerns. For future reporting, INNODISK may proactively consider having more direct two-way involvement of stakeholders during future engagement.

**MATERIALITY**  
 INNODISK has established 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**  
 INNODISK has included in this report the disclosure of the organization's impacts on stakeholders and on the organization itself. Measurements and evaluations on potential impacts, such as decisions indirect, intended and unintended, and positive and negative impacts and the relevant management process to address these impacts, are to be further described in future report.

**GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FEEDBACK AND RECOMMENDATIONS**  
 The report, INNODISK's Sustainability Report of 2022, is reporting with reference to the GRI Universal Standard 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021. The significant aspects were assessed and disclosed with reference to the guidance defined in GRI 2: Material Topics 2021. The report has properly disclosed information related to INNODISK's contributions to sustainability development. For future reporting, INNODISK is encouraged to disclose more of its approach on the actual and potential, negative and positive impacts on the economy, environment, and people including impacts on their human rights in the materiality assessment, and the actions to prevent or mitigate potential negative impacts and action to address actual negative impacts, including actions to provide remediation are to be disclosed in the future reporting.

Signed:  
 For and on behalf of SGS Taiwan Ltd.



Stephen Pao  
 Knowledge Deputy General Manager  
 Taiwan, Taiwan  
 16 July 2023  
[WWW.SGS.COM](http://WWW.SGS.COM)



AA1000  
 Licensed Report  
 000-8/v3-G18NN

The logo for innodisk, featuring the word "innodisk" in white lowercase letters on a red rectangular background. A small red square is positioned above the letter "k".

**innodisk**

A white location pin icon pointing downwards.

**5th Floor, No. 237, Section 1, Datong Road, Xizhi District, New Taipei City**



**TEL : + 8 8 6 - 2 - 7 7 0 3 - 3 0 0 0**