

2021

Corporate Sustainability Report



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innodisk



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Innodisk Corporate Sustainability Report



About this report

- This is the seventh annual report for disclosing corporate sustainable development released by Innodisk, indicating Innodisk’s continuous efforts and achievements in the developmental aspects of environment, society, corporate governance and so on, while demonstrating Innodisk’s commitment and determination to sustainable development. By constantly embracing the principles of sincerity and honesty, transparency and openness, and sustainability and co-prosperity, Innodisk discloses to the public its philosophy and practice of corporate sustainability. Through this report, Innodisk is hereby made known to the public regarding its implementation situation of corporate sustainable development and social responsibility in 2021.



Framework for preparing the report

- The content and framework of this report refer to the Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI). Written in accordance with “Core Options” the basic criteria for the GRI Guidelines, this report is to disclose the Company’s main sustainability issues, strategies, objectives, and measures.



Scope and data of the report

- This report covers the performance of the corporate sustainability promoted by Innodisk around the globe from January 1 to December 31 in 2021. The financial data covers the overall operating performance including the parent company and its subsidiaries. The rest of the indicators are mainly based on the operational scope of Xizhi headquarters, Xizhi factory, and Yilan factory in Taiwan, which do not cover all affiliated enterprises and oversea enterprises. In the future, we will incorporate important information about our subsidiaries successively, to disclose the impact and outcome of the international value chain of Innodisk more comprehensively.
- Innodisk has always been concerned about environmental issues. Since 2012, we have successively obtained the certifications of ISO14001, QC080000, ISO45001 and ISO14064-1, while continuously passing the verifications conducted by third-party certifying authorities. The performance related to environmental protection, safety, and health is expressed by means of International Generic Indicators (IGI). Any inference or assumption will be indicated in the notes in relevant sections.



Third-party certification for the report

- To enhance the reliability of the information in this report, this report has been verified by SGS, a third-party certifying authority, in accordance with the GRI Guidelines and AA1000 the Moderate Assurance. The Independent Verification Statement is shown in the appendix to this report.

Release Date

Innodisk releases its annual sustainability reports continuously and periodically. These sustainability reports will also be published on the Innodisk website simultaneously.

Last version: June 2021

Current version: June 2022

Next version: Pre-scheduled in June 2023

Contact Details

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In 2021, the pandemic of COVID-19 had made quite an impact on the society, politics, economy, and financial markets. The pandemic not only affects people's lifestyles and habits, but also forces enterprises to speed up their digital transformation and introduce new operating modes. In terms of industries, on the one hand, we must deal with the challenges of economic downturn caused by the pandemic; on the other hand, we must embrace the unfolding development of new types of commercial areas such as 5G, electric vehicles, metaverse, low-earth-orbit satellites, etc. Therefore, risk management capabilities and corporate resilience became evidently the core capabilities that a business must have when facing any crisis.

■ Corporate governance

- During the time when the pandemic is raging in the whole world, international political and economic situations are constantly varying and unpredictable. However, Innodisk still upholds its business principles of prudence and robustness, adapting itself to external changes and adjusting its implementation directions in a timely manner. Thus, we keep growing our business against the impact of the pandemic. The Company earned the revenue of NT\$10.195 billion. Besides, in order to strengthen the control of corporate information security, the Company underwent the process of information digitalization, while introducing ISO 27001 the international information security standard, to proactively strengthen preventive mechanisms, establish proper monitoring on information security risks in terms of various risks, and ensure that all types of information security risks have been under control effectively.

■ Environmental concerns

- When facing current and future climate issues, Innodisk formulated its development strategies based on strict standards. First, by embracing the belief of coexistence and mutual support with the environment, Innodisk launched the second phase construction of the Yilan R&D and Manufacture Center. From the design stage, we chose to apply and comply with EEWH for energy-saving and environmental protection. In addition to continuing expanding the acquisition of T-REC, Innodisk also plans to install solar panels on its own building facilities. We believed that an enterprises must adopt the philosophy of sustainable development and fulfill its corporate social responsibility (CSR). Therefore, since 2012, Innodisk has successively passed the certifications of EMS ISO14001 and QC080,000. In 2021, we even acquired the certificate of ISO14064-1 for the first time. Through such system verification, we expected to achieve our goals of pollution prevention, energy saving, and carbon reduction. Besides, through continuous improvements, Innodisk is able to review what the Company can do to contribute many more efforts to energy saving and carbon reduction. With the aim of being a "Green Enterprise", Innodisk continuously endeavors to become a company caring about "energy saving and carbon reduction for protecting the Earth".

■ Social engagement

- "Sharing" and "undertaking" have always been the business philosophy of Innodisk. The Innodisk International Education Foundation has been dedicated to helping children in hardship and distress, so that they can continue their education steadily and form the force for social stability and growth. In addition, at the end of 2021, we also established the "Innodisk Volunteer Team", ranging from long-term accompanying volunteers to professional craftsmanship volunteers, and from event planning to professional teachers, just to name a few. We expect to build a long-term and well-established team to provide care and support for our children, creating a learning environment for helping children cultivate their skills. We intend to fulfill the ideal and vision that a child can "be ambitious to exert his/her own specialty, with diligent skill learning and precious memories".

On the path to sustainability, Innodisk actively connects with the international community while implementing sustainable actions in its business operations. At the same time, by fulfilling our commitment to corporate social responsibility, Innodisk worked with all stakeholders towards sustainable development. At Innodisk, we look forward to moving forward together with you.

Chairman

簡川勝力



About Innodisk





INNODISK CORPORATION

Year of Establishment	2005
Headquarters	Taiwan Science Park, Xizhi District, New Taipei City
Capital	NT 826,680,400
Revenue	NT 10,195,658,000
Shipment Growth	20% YoY

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



Unit: NT\$1000

Company Profile

innodisk has actively engaged in talent cultivation to deepen the R&D and manufacturing capability, which not only provides a quality working environment for its employees, creates high quality products for customers around the world, but also persistently devotes itself to environmental sustainability. We have put the corporate philosophy of "Top Service" into practice in every corner of our society, with a vision to create a wonderful world.

Maximum Capacity

1,350K / Monthly (2021)

Certification

ISO9001 / ISO14001 / ISO45001 / QC080000 / ISO14064-1 / ISO27001

Factory sites

New Taipei City/ Yilan County



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.

Flash Memory
 SATADOM / M.2 / PCIe



DRAM Memory Modules
 Embedded / Wide Temperature /
 Customized / Server



IPA Smart Peripheral
 mPCIe Storage/Communication/
 RAID Cards/Software Solutions



MILLITRONIC CO., LTD.
 Industrial Wireless
 Communications Module
 WiGig Wireless Communications



MILLITRONIC

ANTZER TECH CO.
 GPS On-board Positioning Module
 In-vehicle Communications



antzer

SYSINNO TECHNOLOGY INC.
 Industrial Environment Sensing
 Program Environmental Sensor
 Solutions



sysinno

AETINA CORPORATION
 Industrial AI Display Card Module
 Industrial Graphic Cards



aetina

Brand Recognition

The world's leading brand of industrial-level embedded storage, memory modules, embedded peripheral modules and software solutions



Lowercase letters indicate our humility, and we are willing to listen.

The small red square symbolizes our everlasting relationship with our customers, and we would always like to go the extra mile for them.



Red color indicates our enthusiasm for services.

The square symbolizes a traditional Chinese seal, representing our commitment to customers.

- innodisk released a new Corporate Identity image in February 2013. Not only does the corporate identity delivers a new business look, but it also shows the core corporate spirit in corporate identity.

Global Operation and Sales Locations



21
Global presences

736
Number of employees worldwide

625
in Taiwan

111
overseas

 **Taiwan**

Global Operations Headquarters
New Taipei City, Taiwan

R&D and Manufacture Center
Yilan, Taiwan

Firmware Development Center
Hsinchu, Taiwan

Brand Honors and Business Recognition



2017
SATADOM™ - the official server
booting device for
Microsoft Windows

2019
Official Azure Sphere Partners



2016
VMware® appraised
SATADADOMs as the latest
generation of booting devices
that are EVO:RAIL-compliant



IoT Solutions
Alliance

2016 - 2019
Official Intel® IoT Partners



2016
Top 200 Asian SMEs



Taiwan Excellence
Awards

2020 35" flame-resistant SSD
2021 InnoAGE™ SSD



2018 - 2019
Top 35 Taiwan brands in the
world



2018-2020
The manufacturer with No.1
market share of industry-level
SSD



2018-2021
One of the Top 10 DRAM
Suppliers in the world



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.

**Top™
Service**

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.



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.

■ 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.

■ Long-term stable supply

Provide long-term product supply service to meet customers' business operating needs.

■ 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.

■ Financial stability

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



Provide complete solutions for a variety of vertical markets.



Feature set



Security

Provide flexible scalability and seamless integration.



Scalability



Strength

Extend product life cycle with professional technologies.



Sustainability



Stability

Provide ultra-high standards of security protection for various mission-critical tasks.

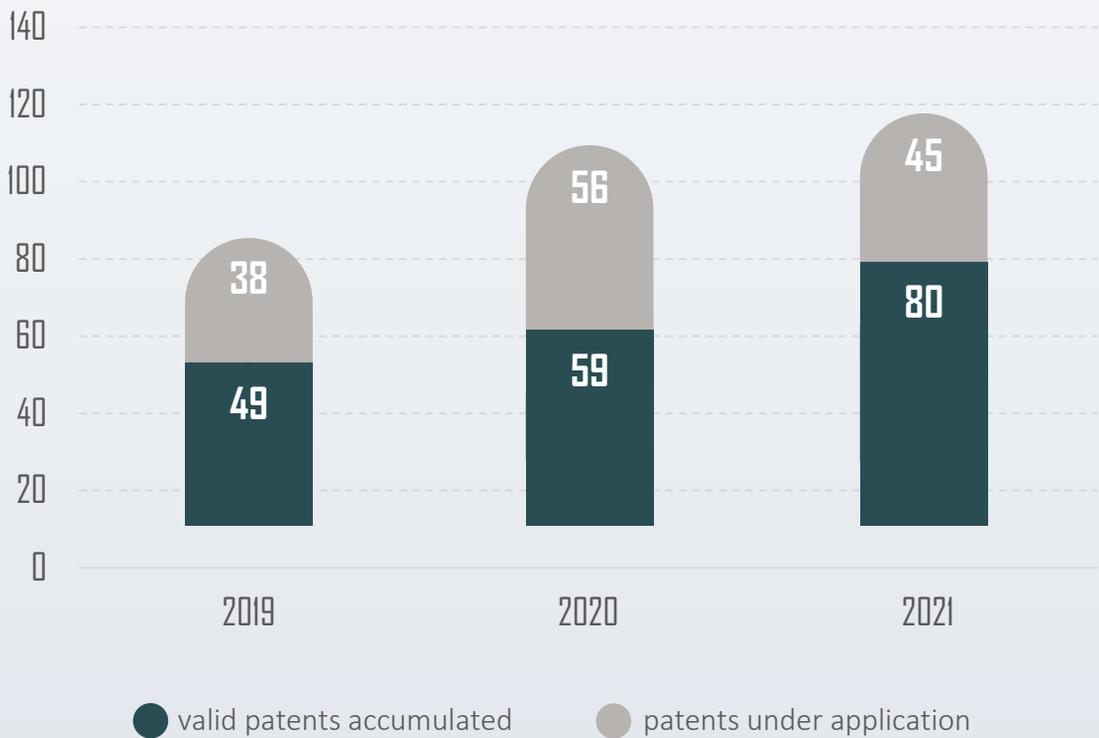
Provide various technologies to strengthen product durability.

Ensure effective system operation in extreme environments.

80

Valid Patents

Over the years, Innodisk has been engaged in innovation and development. As of 2021, we have accumulated 80 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.



Innodisk Products

FLASH – Complete Flash Solutions

PCIe



U.2



CFexpress



M.2 (NGFF)



OCuLinkDOM



nanoSSD

SATA



2.5"/1.8"
SATA SSD



M.2 (NGFF)



CFast



SATA Slim



mSATA



SATADOM



nanoSSD

PATA



CF



EDC



SD Card/MicroSD



USB Series

Multiple Power-Loss-Protection.



Specific features for vertical markets.

Guarantee of long-term supply.



Accessible to public or private cloud platforms.

Optimal Firmware configuration.



Data security and storage.

Uncompromised embedded solutions

Innodisk's embedded storage solutions provide stable and reliable product quality for diversified industrial and embedded applications. We offer the industry with the most complete full range of solutions that can be customized to meet customers' needs in various applications.

INNODISK Products

DRAM – Industrial-level Memory Module Series

Embedded systems



SODIMM



UDIMM



Very Low-Profile

Server series



ECC DIMM



Mini DIMM



RDIMM

Wide temperature series



Wide Temperature SODIMM

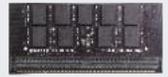


Ultra Temperature ECC SODIMM

Products with special industrial specifications



Rugged DIMM



XR-DIMM

The only module plant based on serving customers who are industry control-oriented.



Original IC particles with highest specification.



Free upgrade of anti-vulcanization technology.



Lock BOM and 3+3 Product Change Policy.



Perform rigorous in-plant testing through a self-developed program.



Highly Customized.



Industrial-level memory modules

Innodisk offers industrial-level DRAM modules designed and created for diversified industrial computers and related applications, to realize impeccable product quality, performance and stability.

INNODISK Products

IPA – Embedded Peripheral Module

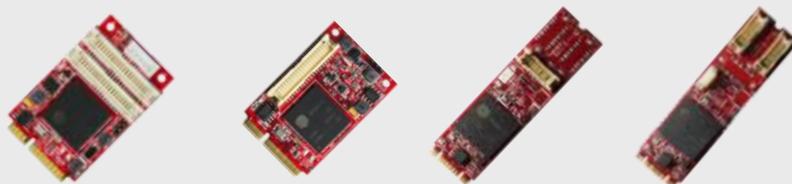
Communications



LAN, Serial, CANBus

PoE, DIO

Display



VGA, HDMI, DVI, LVDS

Storage



SATA and USB

SATA RAID 0/1

Full product line.



Contact 8KV Air 15KV ESD Protection.

Specially designed for industrial control.



AIOT market applications.

Improved APIs and software support.



Supports up to 2500V isolation protection.

Comprehensive embedded solutions

Innodisk offers the most complete peripheral expansion card products, including diversified common specifications for industrial control, including PCIe, M.2 and mPCIe. Together with the most rigorous industrial-level testing conditions and industrial-level components, we create high-quality products that customers can trust.

INNODISK Products

IPA – Software Solutions

Edge applications



SSD and DRAM real-time monitoring management.



Real-time monitoring management for SD cards and USB drives



AI application deployment tool.



Autonomous encryption permission Management.



RAID module monitoring.

Cloud management systems



Cloud management platform

Smart management

Effective forecast

Remote maintenance



Yilan R&D and Manufacture Center



Land area
10,000
Square meters

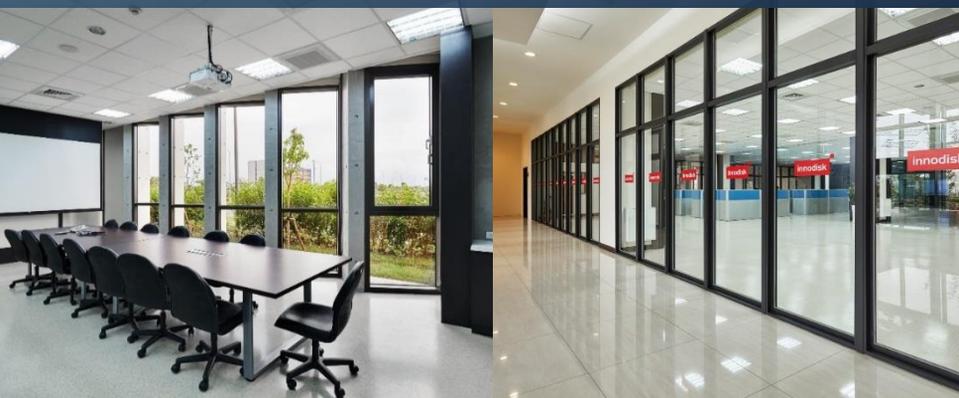
Building area
12,000
Square meters

2021 Yilan Factory capacity
900K
SMT x 6

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



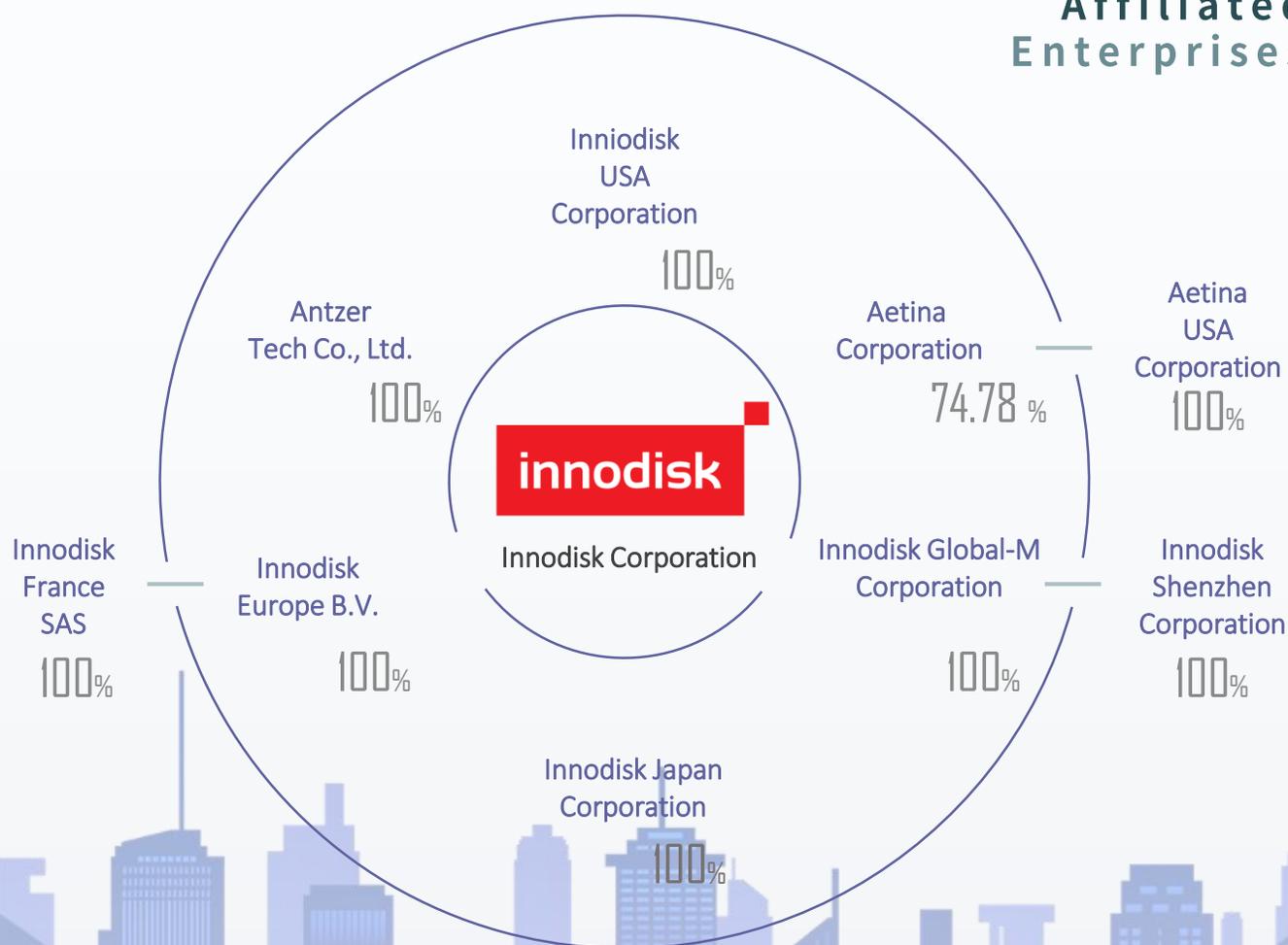
INNODISK launched its R&D Manufacture Center in Yilan Science Park in 2018, which means that Innodisk has entered the era of comprehensive development of “Industry-academia Cooperation and Sw-Hw Co-design”. In the future, we will continue providing innovative technology, as well as more stable and flexible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



The image features a hand holding a small green plant with two leaves, symbolizing growth and sustainability. The background is a light blue gradient with a dotted world map and several blue abstract shapes. The text 'Corporate Governance' is prominently displayed in the center.

Corporate Governance

Affiliated Enterprises



Name of Subsidiary	Relationship with Innodisk Corporation	Holding of the shares of the company			The Company's shareholding of an affiliated enterprise		
		Number of Shares	%	Investment amount	Number of Shares	%	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 Corporation	Subsidiary	-	-	-	17,868,375	74.78%	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	-	-	-	Note	100.00%	175
Innodisk Shenzhen Corporation	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%	-

Note: Number of unissued shares.

Source of Capital

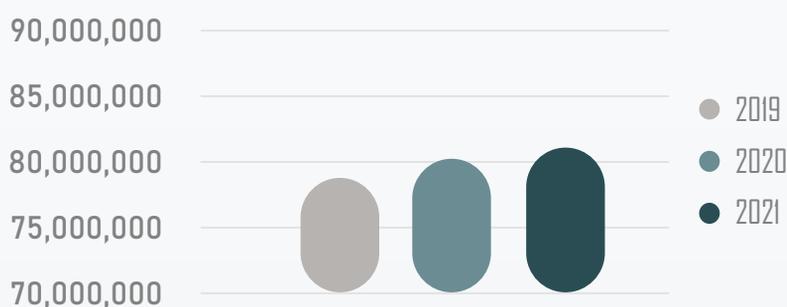
Authorized Capital Stock (common stock)

Outstanding Shares			Unissued Shares			Total		
2019	2020	2021	2019	2020	2021	2019	2020	2021
79,729,451	81,324,040	82,668,040	20,270,549	18,675,960	17,331,960	80,000,000	100,000,000	100,000,000

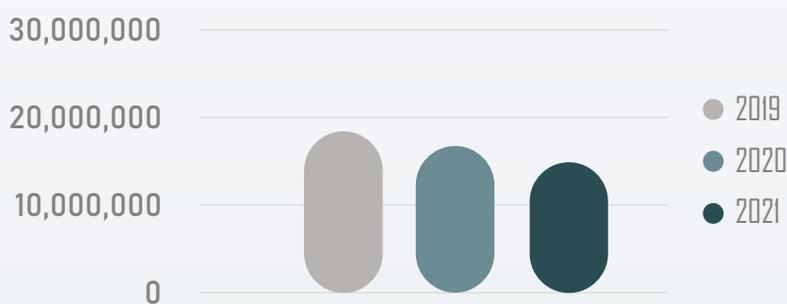
2019
|
2021

Circulation of the common stocks of Innodisk Corporation

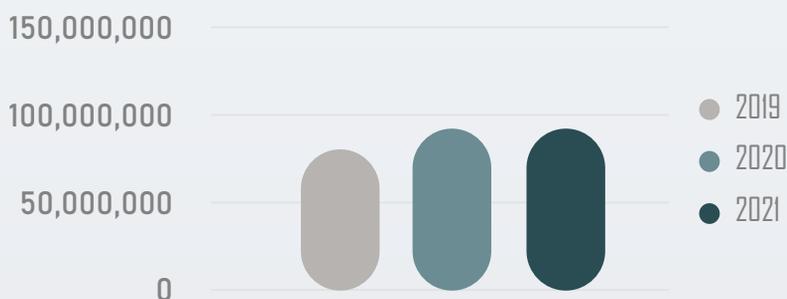
Outstanding Shares



Unissued Shares



Total



Shareholder structure

Number of persons

Number of shares held

Holding ratio (%)

2019 2020 2021

2019 2020 2021

2019 2020 2021

Financial institutions

Financial institutions

Financial institutions

26 21 24

2,277,259 5,571,239 6,466,033

2.86 6.85 7.83

Other legal persons

Other legal persons

Other legal persons

93 164 178

12,494,295 16,442,001 12,642,948

15.67 20.22 15.31

Individuals

Individuals

Individuals

15,117 14,699 14,728

53,082,234 40,098,202 34,505,260

66.57 49.30 41.78

Foreign institutions and foreigners

Foreign institutions and foreigners

Foreign institutions and foreigners

66 85 138

11,875,663 19,212,598 28,977,799

14.90 23.63 35.08

Total

Total

Total

15,321 15,022 15,068

79,729,451 81,324,040 82,592,040

100 100 100

Note: Taken down according to the number of outstanding shares as of the ex-dividend date in 2021

Substantial shareholders

Name of substantial shareholder	Shares	Number of shares held	Percentage of shares held
Rui Ding Investment Co., Ltd.		6,107,037	7.41%
Fubon Life Assurance Co., LTD.		3,089,580	3.75%
Standard Chartered custodian Swayde Bank Rob Tech		3,000,000	3.64%
Standard Chartered Custodian Berry Asia Ex-Japan Smaller Companies Equity Fund		2,706,660	3.28%
Deutsche Bank Custodian NT Asia development master investment account		2,650,000	3.21%
Picchu Investment Co., Ltd.		2,028,977	2.46%
Lee, Chung Liang		1,887,701	2.29%
Cathay Life Insurance Co., Ltd.		1,805,000	2.19%
Jhu, Cing Jhong		1,609,827	1.95%
Standard Chartered Custodian RBC Emerging Markets Dividends		1,373,826	1.67%

Note: The data as of April 02, 2022.

■ Innodisk's governance

Innodisk Corporation devotes to maintain the highest ethical standards and effective accountability mechanisms. We believe that we can build a solid foundation for business development by means of good corporate governance, provide high-quality products and services to the market, and enhance long-term corporate values. The corporate governance policy of our company is handled in accordance with the *Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies* and related laws and regulations. Relevant procedures for the corporate governance are stipulated as follows:

01	Rules of Procedure for Board of Directors	07	Methods for Election of Directors	13	Operating Procedures for Transactions between Enterprises of the Group and Specific Related Parties of the Company
02	Rules of Procedure for Shareholders' Meetings	08	Operating Procedures for Integrity Management and Code of Conducts	14	Rules for Scope of Duties for Independent Directors
03	Internal Control System	09	Code of Ethical Conducts	15	Operating Procedures for Processing Internal Critical Information
04	Procedures for Obtaining or Disposition of Asses	10	Organizational Procedures for Audit Committee	16	Operating Procedures for Applying for Suspension and Resumption of the Transaction Process
05	Operating Procedures for Lending Funds to Others	11	Organization Procedures for Compensation Committee	17	Standard Operations for Processing Requests from Directors
06	Operating Procedures for Endorsement Guarantee	12	Operating Procedures for Financial Business between Affiliated Enterprises	18	Code of Practice on Corporate Governance

The Audit Committee inspects and tracks the execution of internal controls and internal audits in accordance with the relevant requirements. Moreover, the Board of Directors and the management level also review the self-assessment results of each entity as well as the audit reports of the audit entity on an annual basis. The Internal Control Statement is made therefrom, which is submitted to the competent authority on a regular basis.

Financial information

■ Financial situation of Innodisk

- Last year, the operating revenue of the Company was NT\$10,195,658,000, an increase by 43% in comparison with the previous year, where the Consolidated Net Income Attributed to Stockholders of the Company was NT\$1,560,888,000, while the Earnings Per Share (EPS) was NT\$18.94. The Company demonstrated and maintained its stable profitability. The net accounts receivables at the end of last year amounted to NT\$1,556,625,000, an increase of NT\$676,513,000 in comparison with the end of the previous year. Similarly, to avoid the shortage of raw materials due to supply chain chaos, the inventories at the end of last year amounted to NT\$1,664,349,000, an increase of NT\$872,676,000 in comparison with the end of the previous year. At the end of last year, due to the increase in current liabilities, the debt ratio was 27%, an increased by 5% in comparison with the previous year. The financial structure was still robust, and the financial situation of revenue and expenditure was normal. For detailed operating performance and financial information, please refer to the Company's 2021 Annual Report.

Information is also available at <http://mops.twse.com.tw/>

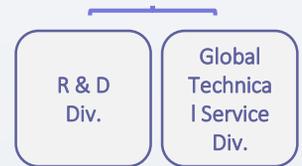
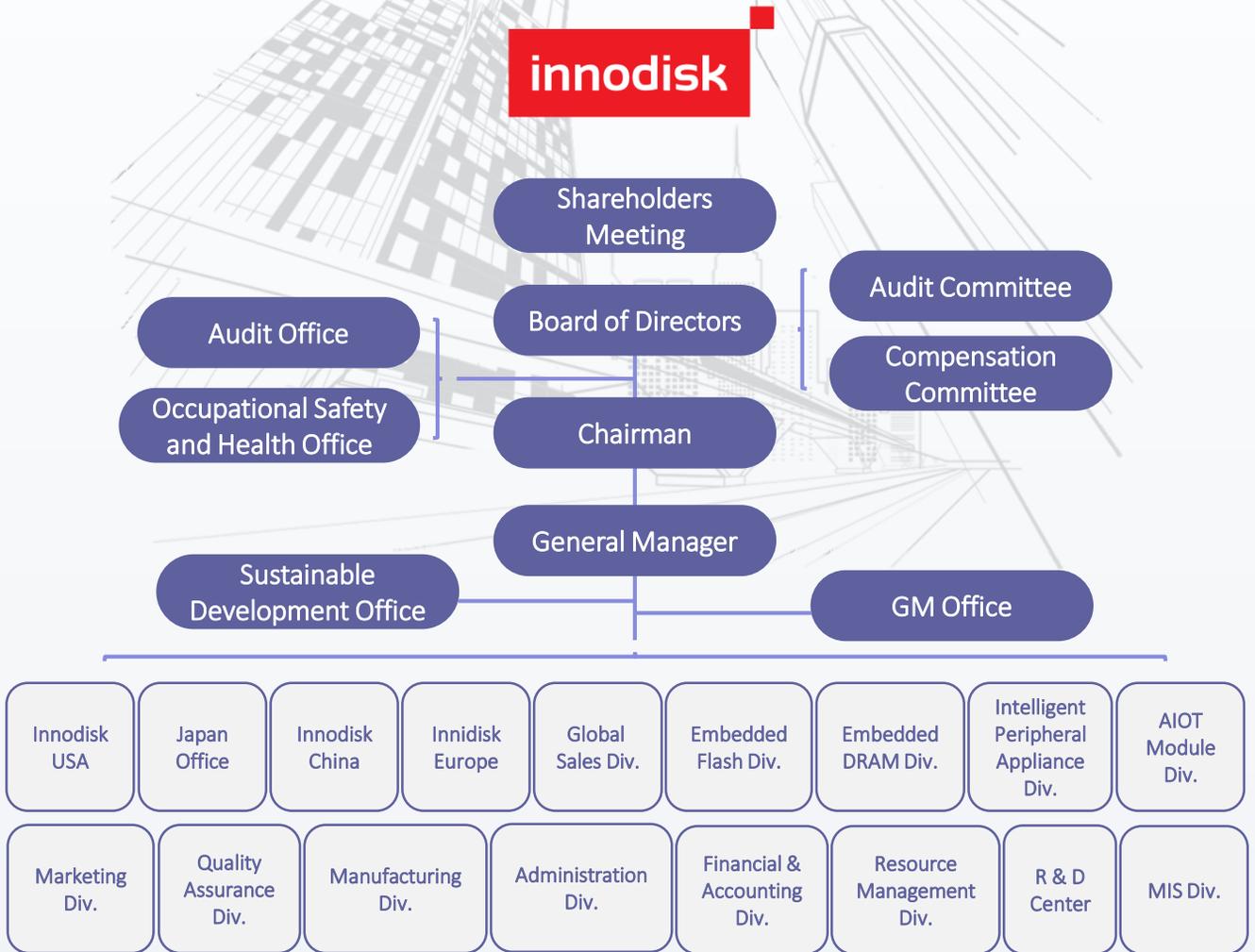


■ 3-year consolidated condensed income statement

	2019	2020	2021
Operating Revenue	7,361,665	7,152,015	10,195,658
Gross Profit	2,317,776	2,133,727	3,092,218
Operating Profit and Loss	1,388,887	1,207,293	1,949,246
Non-operating Income and Expenses	(74,252)	(39,697)	22,808
Net Profit Before Tax	1,314,635	1,167,596	1,972,054
Profit from continuing operations	1,029,199	940,533	1,581,881
Loss of Discontinued Operation	-	-	-
Net Income (Loss) for the current period	1,029,199	940,533	1,581,881
Other Comprehensive Income (Net Income After Tax) for the current period	(4,577)	(1,358)	(7,729)
Total Comprehensive Income for the current period	1,024,622	939,175	1,574,152
Consolidated Net Income Attributed to Stockholders of the Company	1,014,254	931,663	1,560,888
Consolidated Net Income Attributed to Non-controlling Interests	14,945	8,870	20,993
Total Comprehensive Income Attributed to Stockholders of the Company	1,009,677	930,305	1,553,179
Total Comprehensive Income Attributed to Non-controlling Interests	14,945	8,870	20,973
Earnings Per Share (EPS)	12.47	11.46	18.94

Unit: in NT\$1,000

Organizational Structure



■ Board of Directors

– Board members and their duties

There are 9 members in the Board of Directors (including 4 Independent Directors), each with a tenure of 3 years (from July 8, 2021 to July 7 2024). In order to emphasize the independence and diversity of the Board of Directors, Directors of Innodisk comprise the Chairman, the Directors and the Independent Directors, including eight men and one woman. The Directors shall be faithful in conducting their business and fulfill their obligations as a bona fide manager and exercise their functions with a high degree of self-discipline and care.

– Functions of Board of Directors

The Board of Directors of Innodisk conducts its corporate governance operations in accordance with *the Rules of Procedure for Board of Directors* and *the Procedures for Ethical Management and Guidelines for Conduct*. The Board of Directors meetings shall be convened on a quarterly basis (In 2021, the Board of Directors held eight meetings. Please refer to the 2021 Innodisk Annual Report - the Board of Directors operational situations, information available at <http://mops.twse.com.tw/>). The Directors shall also carry out benefit avoidance if they have interests in any resolutions of the Company. The existing Directors shall faithfully perform their duties as Directors, and each of them shall fully express their opinions and reach consensus on the Company's business principles. Once a resolution has passed, the resolution shall be executed by the management level for implementation. Directors shall continuously monitor the performance of the implementation of the resolutions, fulfilling the duties of the Board of Directors.

– Independent Directors

Innodisk has established Independent Directors since 2012, to strengthen the operations of the Board of Directors. The Independent Directors shall have professional knowledge, who shall be limited on their shareholding and concurrent jobs, and who shall remain independent in the scope of the business execution, without direct or indirect interest in the Company. Moreover, Independent Directors exert their maximum functionality, enhance the transparency of the Company's financial statements, safeguard the rights and interests of shareholders, enhance the Company's value, so as to achieve the objectives of sustainable operation.

– Diversity of the Board composition

According to Article 20 of Innodisk's Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be diversified. Except that the Directors who are also Managers of the Company shall not account for one-third or more of the total Directors, appropriate diversification policies for the composition of Directors in relation to the Company's own operations, operation modes, and development needs, shall include, but not limited to, the following criteria of the two main aspects:

1. Fundamentals and values: Gender, age, nationality, culture, etc.
2. Expertise and skills: Professional background (such as legal, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience, etc.; Industry skills and industry experience.

– Members of the Board of Directors shall generally be equipped with the knowledge, skills and qualifications necessary for the performance of their duties. In order to achieve the desired objectives of corporate governance, the Board as a whole shall have the following abilities:

1. Ability to make operational judgment;
2. Ability to conduct accounting and financial analysis;
3. Ability to run operational management;
4. Ability to handle crisis;
5. Be equipped with industry knowledge;
6. Possess international market view;
7. Ability to lead;
8. Ability to make decision.

Corporate Governance



- The 7th Board of Directors of Innodisk consisted of 9 Directors (including 4 Independent Directors), who possessed the knowledge, skills and attainments necessary for carrying out their business, able to provide advice in a timely manner for the Company to make decisions. To implement the diversified policies adopted by the Board of Directors, there are 4 Independent Directors (accounting for 44%), whose tenure was less than three years, in the Board of Directors of the Company. Among the directors, 22% of them are also the employees of the Company; 11% of them are female Directors; the goal of having at least one female Director has been achieved. Three Directors (accounting for 33%) are at the age of 61 to 70; four (44%) Directors are at the age of 51 to 60, and two (22%) Directors are at the age of 41 to 50.

• Situations of individual Board members who enact diversified policies:

Name of Directors	Diversified core items	Nationality	Gender	Age			Tenure of the Independent Director			Operational judgment ability	Accounting & financial analysis ability	Operating management ability	Crisis handling ability	Industry knowledge	International market view	Leadership ability	Decision-making ability
				41-50	51-60	61-70	Less than 3 years	3 to 9 years	More than 9 years								
Chien, huanSheng		Taiwan	♂	✓						✓	✓	✓	✓	✓	✓	✓	✓
Lee, Chung-Liang		Taiwan	♂		✓					✓	✓	✓	✓	✓	✓	✓	✓
Rui Ding Investment Co., Ltd. Representative: Wu, Hsi-Hsi		Taiwan	♂	✓	✓					✓		✓	✓	✓	✓	✓	✓
Jhu, Cing-Jhong		Taiwan	♂		✓					✓	✓	✓	✓		✓	✓	✓
Hsu, Shan-Ke		Taiwan	♂			✓				✓	✓	✓	✓	✓	✓	✓	✓
Wang, Yin-Tian		Taiwan	♂		✓		✓			✓		✓	✓	✓	✓	✓	✓
Lin, Wei-Li		Taiwan	♂		✓	✓	✓			✓		✓	✓	✓	✓	✓	✓
Yang, Kai-Chan		Taiwan	♀			✓	✓			✓	✓	✓	✓		✓	✓	✓
Luo, Shi-Xun		Taiwan	♂				✓			✓		✓	✓		✓	✓	✓

• Education background and work experience of Directors and their main concurrent positions:

Title	Name	Major Experience (Education)	Concurrent positions in the Company and other companies now
Chairman	Chien, ChuanSheng	Department of Mechanical Engineering, Tamkang University Master of Mechanical Engineering, National Central University Entrepreneur Class, National Chengchi University General manager of Innodisk Corporation	General manager of Innodisk Corporation Chairman of Innodisk Shenzhen Corporation Director of Innodisk USA Corporation Representative and Director of Innodisk Japan Corporation Director of Innodisk Europe B.V. Director of Innodisk France SAS Chairman of Mauritius Innodisk Global-M Representative of a corporate director and Chairman of Aetina Corp. Representative of a corporate director of Millitronic Co., Ltd. Representative of a corporate director of Antzer Tech Co., Ltd. Representative of a corporate director of SysInno Technology Inc. Independent Director of Anpec Electronics Corporation

Corporate Governance

Title	Name	Major Experience (Education)	Concurrent positions in the Company and other companies now
Director	Lee, Chung-Liang	Department of Management Science, National Chiao Tung University Graduate School of Management Research, Tamkang University General manager of Power Quotient International	Chairman of Rui Ding Investment Co., Ltd. Chairman of I-MEDIA TECH CO., LTD.
Director	Hsu, Shan-Ke	Department of Management Science, National Chiao Tung University MBA, National Chengchi University Deputy Chief Executive Officer of the General Management Office of Yulon Group Chairman of Xinyang Management Consulting (Stock) Company	Chairman of 3R LIFE SCIENCES TAIWAN LTD. Independent Director of Nuvoton Technology Corporation Director of Parpro Corporation Director of ACME Electronics Independent Director of Winbond Electronics Corp.
Director	Rui Ding Investment Co., Ltd. Representative: Wu, Hsi-Hsi	Department of Information Engineering, Fu Jen University International engineer of Power Quotient International Engineer of Jizhi Technology	Vice president of Innodisk Corporation.
Director	Jhu, Cing-Jhong	Department of Management Science, National Chiao Tung University Master of Management Science, National Chiao Tung University General Manager of Kobayashi Optical Co., Ltd.	Supervisor of I-MEDIA TECH CO., LTD. Associate Professor of Department of Management Science, National Chiao Tung University
Independent Director	Wang, Yin-Tian	Ph.D. in Mechanical Engineering, University of Pennsylvania, United States Associate Professor, Department of Mechanical and Electro-Mechanical Engineering, Tamkang University	Professor, Department of Mechanical and Electro-Mechanical Engineering, Tamkang University Director of the Preparatory Office of the Department of Artificial Intelligence, Tamkang University Independent Director, CHANT SINCERE CO., LTD.
Independent Director	Lin, Wei-Li	Ph.D., Institute of Information Management, National Chiao Tung University (NCTU) Chief Technology Officer (CTO), TAILYN TECHNOLOGIES, INC. (TTI) Deputy General Manager, GOOD WAY TECHNOLOGY CO., LTD. Chief Technology Officer (CTO), General Administrative Department, NEW KINPO GROUP Sales Deputy General Manager and Chief Assistant to General Manager, MITRSTAR TECHNOLOGY CORP. LTD. OF ZYXEL GROUP Deputy General Manager and Executive Vice President of the Greater China, GROUNDHOG TECHNOLOGIES INC. Assistant President, ASIA PACIFIC TELECOMMUNICATIONS CO. (APT) Department of Business Administration, National Chengchi University (NCCU) Master of Business Administration, Kansas State University (KSU), United States Entrepreneur Program, Department of Business Administration, National Chengchi University (NCCU)	General Advisor, ALLEY 55 STUDIOS Chief Advisor, NUWA ROBOTICS
Independent Director	Yang, Kai-Chan	Senior Deputy General Manager and Head of Venture and Industrial Investment Division, CCIC CDIB INTERNATIONAL CORP. General Manager, CCIC CDIB INTERNATIONAL CORP. Deputy General Manager and Division Head, Direct Investment Division, CHINA DEVELOPMENT INDUSTRIAL BANK School of Medicine, National Yang Ming University (NYMU) Professor in surgery, National Yang Ming University (NYMU)	Representative of Legal-person Director, CDIB PARTNERS INVESTMENT HOLDING CORP. Independent Director, SINOPOWER SEMICONDUCTOR INC. Independent Director, WPG HOLDINGS
Independent Director	Luo, Shi-Xun	Attending Physician, General Surgery Division, Taipei Veterans General Hospital Deputy Superintendent, National Yang Ming University Hospital (NYMUH) Superintendent, National Yang Ming Chiao Tung University Hospital (NYMUH)	Contract Physician, National Yang Ming Chiao Tung University Hospital (NYMUH) Council member, Taiwan Surgical Association Supervisor, Taiwan Society for Metabolic and Bariatric Surgery (TSMBS) Council member, Taiwan Peritoneal Oncological Association (TWPOA)

Corporate Governance

■ Implementing the operation with integrity

- The rules governing the proceedings of the meetings of the Board of Directors of Innodisk mainly lie in establishing good governance system, improving supervisory functions, and strengthening management functions. Unless otherwise provided in the laws and regulations or the Articles of Incorporation, the meetings of the Board of Directors shall be conducted in accordance with the Company's "Rules of Procedure for Board of Directors". At the Board of Directors' meeting, the proceeding unit appointed by the Board shall prepare relevant information for inspection by the attending Directors at any time and may, depending on the content of the resolution, notify the non-Director Managers of the relevant departments of attending the meeting and, if necessary, also invite accountants, lawyers or other professionals to the meetings.
- As per the provisions of the Procedures for Ethical Management and Guidelines for Conduct of Innodisk, the following acts are prohibited, including active and passive bribery, illegal political contributions, improper charitable donations or sponsorship, the provision or acceptance of gifts in unreasonable principles, entertainment or other improper interests; infringement of trade secrets, trademark rights, patents, copyrights, and other intellectual property rights; any conducts of unfair competition, products information related to R&D, procurement, manufacturing and sales,; any practices that directly or indirectly harm the rights and interests, health and safety of consumers or stakeholders.

■ Audit Committee

- The purpose of the Audit Committee aims to assist the Board of Directors in carrying out its supervisory duties and tasks entrusted to the Board by the Company Act, the Securities and Exchange Act, and other relevant regulations. The Audit Committee will review the following matters: Company financial statements; Company auditing and accounting policies and procedures; Company internal control systems; possible conflicts of interest; transactions in material assets or derivatives; the collection or issuance of marketable securities; the appointment, removal or remuneration of the certified accountants; and the appointment or removal of the heads of finance, accounting or internal audit, etc. In accordance with the provisions of Articles of Incorporation of the Audit Committee, the Audit Committee has the authority, within its responsibilities, to conduct any appropriate audit and investigation, and shall have a direct channel of communication with the Company's internal auditors, certified accountants, and all employees. The Audit Committee shall have the authority to hire lawyers, accountants or other consultants to assist the Audit Committee in the performing its functions. The Audit Committee shall be convened at least four times a year. (In 2021, the Audit Committee held six meetings. Please refer to the 2021 Innodisk Annual Report - the Audit Committee operational situations, at <http://mops.twse.com.tw/>). The Audit Committee comprises four Independent Directors.

■ Compensation Committee

- To assist the Board of Directors in implementing and evaluating the Company's remuneration policies and the remuneration of Directors and Managers, the Innodisk Remuneration Committee shall be convened at least twice a year. (In 2021, the Remuneration Committee held five meetings. Please refer to the 2021 Innodisk Annual Report - the Remuneration Committee operational situations, at <http://mops.twse.com.tw/>). The Remuneration Committee comprises four Independent Directors.

Sustainable Governance Framework

- To enhance the overall practice of the enterprise sustainable operation, Innodisk is to set up “Sustainable Development Office” to implement enterprise sustainable operation.
- In 2022, the Chairman of Innodisk appointed Wang, Li-Cheng, Chief Financial Officer and Deputy General Manager, as Chief Sustainability Officer to be responsible for formulating strategies and overall objectives for enterprise sustainable operation, reviewing annual plans and related proposals for enterprise sustainable operation, and reviewing the implementation progress and annual results of the enterprise sustainable operation proposals, with a view to achieve coherent guidelines on enterprise sustainability. The CSO shall report to the Board of Directors at least once a year.



- To track practices of sustainability issues in all aspects and establish continuous improvement plans
- To identify and communicate with stakeholders of the Company
- To integrate and implement cross-functional sustainability issues
- To engage in greenhouse gas inventory and consolidation, and report production
- To identify sustainability issues and formulate responsive action plans
- To produce sustainability reports
- To apply for Corporate Sustainability Assessment (CAS)



Manpower Structure

- Headquarters, Innodisk Corporation – the manpower structure categorized by gender and post rank

Year	Entry-level employees		Rank of Manager/ Deputy Manager		Rank of Senior Manager (including Department Head)		Rank of Deputy General Manager and above		Number of physically/mentally-impaired employees
Gender									
2021	255	307	28	19	7	0	9	0	4
2020	225	291	22	18	8	0	7	0	5
2019	220	299	22	18	8	0	7	0	5

- In 2021, the total number of employees in Innodisk Headquarters was 625. Among them, 299 persons were males, and 326 persons were females. Female employees accounted for 52% of the total employees, while the female supervisors accounted for 30.16% of the total supervisors.



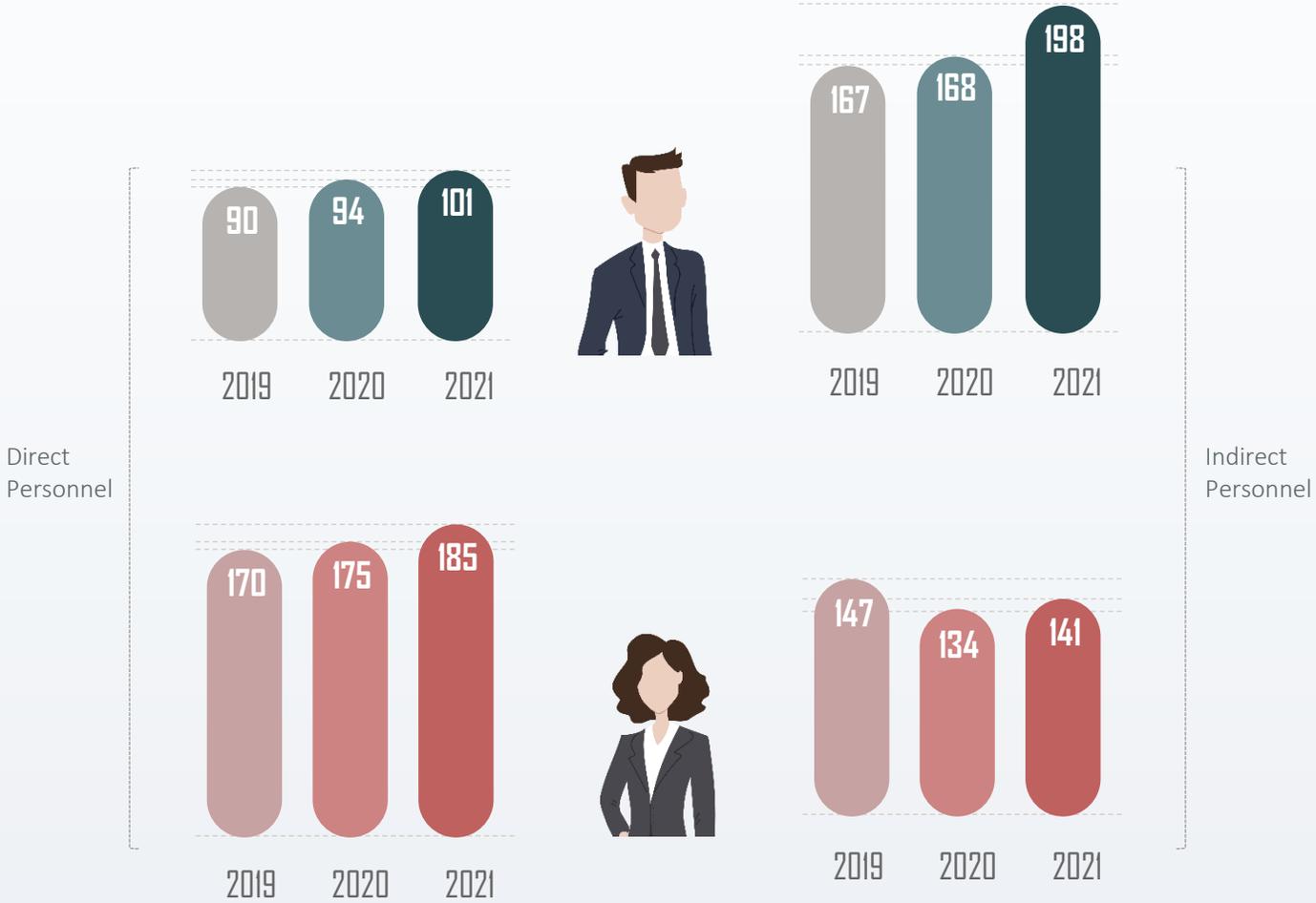
- Innodisk’s manpower structure – categorized by regular/temporary; full-time/part-time; Taiwan Region/Overseas Regions

2021						
Zone	Taiwan Region			Overseas Regions		
Gender			Total Employees			Total Employees
Regular Employees	299	324	623	63	48	111
Temporary Employees	0	2	2	0	0	0
Full-time Employees	296	322	618	63	47	110
Part-time Employees	3	4	7	0	1	1

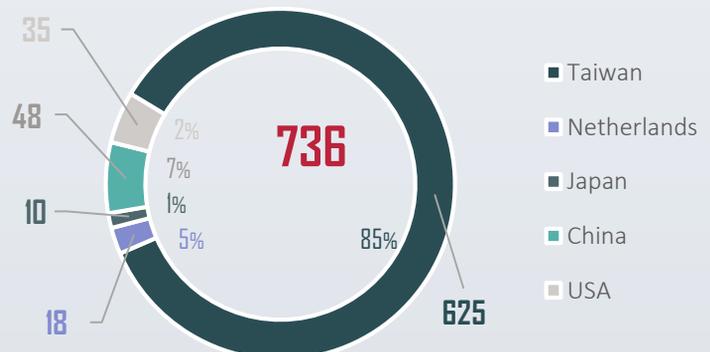
- Temporary employees: Those colleagues (interns) who had been hired under an employment contract (with a valid contract period) with the Company were counted into the statistics of “Temporary Employees”.
- Part-time Employees: Those colleagues (servitors) who didn’t work full-time (where full-time work means “working in regular business hours from Monday to Friday”) for the Company were counted into the statistics of “Part-time Employees”.
- Oversea Employees: Those temporary and part-time colleagues working in overseas regions in accordance with the norms of local laws and regulations were counted into the statistics of “Oversea Employees”.

Manpower Structure

- Innodisk's manpower structure – categorized by direct/indirect personnel



- In 2021, the total number of Innodisk employees worldwide was 736. According to the needs of business development in each region, the manpower structure was set up as follows.



Manpower Structure

- **Innodisk worldwide— Ratios of physically/mentally-impaired employees vs. foreign employees, categorized by gender in every region.**

- Innodisk carried out its talent recruitment appraisal and hiring purely based on position requirements. The Company is committed to fair hiring and talent recruitment without any bias on the conditions unrelated to position requirements, such as nationality, gender, etc.

Region	Total employees			Ratio of physically-impaired employees				Ratio of foreign employees			
			Total employees		Ratio		Ratio		Ratio		Ratio
Taiwan	299	326	625	2	0.67%	2	0.61%	2	0.67%	48	14.72%
USA	21	14	35	0	0%	0	0%	19	90.48%	7	50%
Netherlands	12	6	18	0	0%	0	0%	10	83.33%	4	66.67%
Japan	7	3	10	0	0%	0	0%	7	100%	3	100%
China	23	25	48	0	0%	0	0%	14	60.87%	25	100%

- **Employee retention**

- With the belief that employees are the most important assets to the Company, Innodisk has a well-organized employee welfare system, and actively plans for educational trainings. Employees can be encouraged to strive for continuous self-improvement and fulfill their' personal career development.
- **New hires** — In order to ease new hires' feeling of uncertainty in the process of onboarding, Human Resource personnel will care about each new individual hires respectively, in one month and three months after they entered the Company, for understanding if any one of the new hires is maladaptive or uncertain about his/her job, supervisors, colleagues. or work environment. This is aimed at assisting new hires in quickly merging into and familiarizing with the company environment.
- **Incumbent employees** — In order to be empathic about the various experiences that the incumbent employees might have with the Company, Human Resource personnel will play the roles of listeners through aperiodic interactions with colleagues and feedbacks from supervisors, to understand if employees would like to share anything concerning their work, supervisors, colleagues, or company environment.
- In terms of resignation management, once an employee submits a resignation request to his/her supervisor, Human Resource personnel will arrange a resignation interview with the employee, if necessary, to fully understand the reason why the employee wants to resign.

- **In 2021, the employee turnover rates in each region were listed as follows**

- 20% in Taiwan; 22.92% in Mainland China; 25.71% in United States; 0% in Japan; 2.0% in Netherlands.
The resignation rates in each age group were listed as follows:

Region	Age						
		<30	31~50	>50	<30	31~50	>50
Taiwan		5.60%	4.64%	0.16%	2.56%	7.04%	0.00%
China		4.17%	12.50%	0.00%	4.17%	2.08%	0.00%
USA		2.86%	8.57%	5.71%	0.00%	8.57%	0.00%
Japan		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Netherlands		0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

Reinstatement and Retention after Parental Leave

- Analysis of male/female employees returning to their original positions after parental leave, from 2019 to 2021, is shown as follows:

Year	Number of applicants		Number of persons expected to be reinstated		Actual number of reinstatement		Number of persons completing one year of service after reinstatement		Reinstatement rate		Retention rate	
Gender												
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%
2019	0	6	0	6	0	5	0	2	0%	83%	0%	50%

In 2018-2021, 25 male and 23 female employees were qualified for applying for parental leaves.

2018 - 2021
25 - **23**
 Male Female

■ Labor rights and interests

- Employees have been regarded as the most important assets to Innodisk. In the most fundamental principle, the company systems have been set up in compliance with statutory provisions:
 - Legitimate employment: Innodisk Corporation complies with the provisions of various labor laws and regulations, refusing to employ child workers under the age of 15. All employees under the age of 18 are not allowed to perform hazardous work. Notice procedures for various changes to any labor conditions will be performed in accordance with the provisions of laws and regulations.
 - Free from sexual harassment and discrimination: The Company prohibited any sexual harassment behavior, tangible or intangible. In addition to the formulation of relevant provisions, a designated employee mailbox is available for employees to file their complaints. Employees should not be discriminated against because of the factors such as race, religion, skin color, nationality, gender, etc. In the past, there had never been any disputes arising from identify discrimination in Innodisk Corporation.

Labor Rights

■ Salary Protection

- Innodisk values every employee’s treatment and welfare very much. All employee will get their salaries and remuneration depending on their educational backgrounds, work experiences personal expertise, know-how, professional seniority, and individual performance, regardless of their gender. Innodisk has enacted the remuneration policy based on the following principles:
 - To create harmonious labor relations within the legal norms in view of and in line with related local laws and regulations, to move towards sustainable operations.
 - To combine performance management systems based on the market value of each professional function and the contribution resulting from all the employees’ performance, to provide the suitable remunerations and thereby reach the effect of motivating the employees.
 - To formulate the standard starting salaries for new-hires, which were more attractive than the basic salary standard defined by the government
 - To give monthly performance bonuses depending on the Company’s operating condition and individual performance, in order to motivate employees. To distribute year-end bonuses and employee bonuses depending on the Company's annual surplus, so as to reward employees for their contributions and inspire them for engagement. All bonuses distributed to employees will be determined based on the Company's operating condition, employees’ positions, contribution and performance, regardless of their gender.

■ Average pay variances

- The statistics of the average pay variances by gender are shown in the following table (where the analysis was conducted based on the base salary of the employees at Innodisk Taipei headquarters, excluding the variance in task-oriented supplemental pay arising from station assignments):
- Due to the nature of the industry, the members of R&D and engineering departments were mostly male employees. During recent years, due to organizational growth of the Company, the number of female employees were on the rise. However, there may be minor salary variance in female employees because they are junior than male employees in terms of seniority, not because of their gender.

Position/ Gender		
MKT/PM	0.92	1
RD	1.15	1
Sales	1.06	1
Logistics	0.99	1
Technician	1	1
Operator	1	1
Technical personnel of engineering departments	1.10	1
Senior management level	1.11	1
Manager	No female managers at present	

- According to Taiwan’s local laws and regulations, all employees should be put under the labor and health insurance as well as retirement contribution plan upon on-board. In addition, the Company also provides additional employee group insurances, including life insurance, accidental insurance, inpatient medical insurance, cancer insurance, accidental insurance for daily allowance, etc., so that employees can enjoy a full array of medical protection. Overseas employees will not only be paid as per reasonable and competitive salary levels formulated in accordance with respective local labor market conditions, but also get short-term and long-term incentive rewards given with reference to local laws and regulations, other practices in the industry, and the Company’s operating performance. We intend to reward employees for their long-term contribution to and growth with the Company. Various social insurance systems for oversea employees will also be handled according to local laws and regulations.

■ InnoPro talent cultivation framework



- We provides comprehensive educational training programs and diversified learning channels to cultivate the knowledge and skills required by managers and colleagues in the workplace, as well as their accountable and proactive work attitude, for further enhancing our overall performance level and the Company's operating effectiveness.



General Studies

This program provides opportunities and channels for continuous development and growth for all colleagues, where the orientation training programs for all new hires are arranged and “New hire education training” program is designed for new hires depending on their roles after their on-board with the Company for three months. In addition, aperiodic internal training programs are offered to enhance work efficacy; seminars are held to grasp industry knowledge and trends of technology developments; workshops on soft topics such as physical and mental cultivation are arranged. All colleagues are encouraged to participate.



Technology Academy

The Company holds aperiodic internal education trainings in terms of various expertise and technology fields, such as production operation, marketing and sales, human resources, finance and accounting, quality assurance, environment safety, health, and information, etc. Meanwhile, external training opportunities are also available for applications, where our colleagues can receive subsidies corresponding to the trainings they undertake.



Management Academy

In response to the need of organizational development at the Company and department level, we have been actively cultivating elite managerial talents. The Company periodically holds adequate managerial competency trainings for all levels of supervisors, so as to build a robust middle-level management team. By strengthening the managerial competency, the management levels from top and down can seamlessly work together, thus exerting the excellent execution capability of the team.



Language Academy

In order to connect with the international community and enhance the overall language proficiency of the organization, an online language testing platform has been introduced since 2021, to encourage our colleagues to use in-house learning resources. English-related activities are also arranged. Awards and grants for further education as well as examination fees are also provided. All these efforts are aimed at comprehensively enhancing our incumbent colleagues' English proficiency.



International Academy

As we expand our international operations and growth, we also arrange relevant education trainings according to the development needs of each organization within our group worldwide, so as to assist our global employees in growing and developing.

Employee Development

	2020	2021	Growth rate
Number of training sessions	307 sections	302 sections	-1.6%
Hours of training	1,063 hours	1,264 hours	18.9%
Person-times	4,109 person-time	6,328 person-time	54.0%
Person-hours	8,485 hours	9,429 hours	11.1%
Average training hours (Statistics based on year-end number of persons)	14.9 hours	15.1 hours	1.3%



- **Making good use of digital tools and e-learning resources to keep training and growing without interruption.**

During the pandemic outbreak, in order to protect the health and safety of all the employees, the Company had once suspended all offline courses, which also accelerated the adoption of e-learning applications in the Company. Not only digital learning programs are continuously created in-house, but also e-learning courses are conducted in real time online through TEAMS, an online communications tool. In comparison with last year, although the overall number of training sessions dropped slightly, the overall number of training hours, cumulative person-times and person-hours has been increasing obviously.

- **At Innodisk, everyone has equal opportunities in receiving trainings regardless of gender and job category.**

Human resources are one of the most important assets of the Company. Innodisk Corporate pays much attention to the learning and growth of each of our partner, providing a series of training resources suitable for individual career development, and continuously refining its internal training frameworks and resources. In addition to holding periodic internal education trainings to enhance the professional skills of our colleagues, Innodisk also subsidized and encouraged colleagues to participate in on-the-job trainings and seminars organized by external certification bodies.

- **Continuous introducing and deepening the applications of online systems**

In response to the continuous growth of the organization and the demands in the post-pandemic era, the online systems of "learning modules" and "performance modules" have been successively introduced into overseas subsidiaries. In 2021, the contents of essential off-line courses were continuously made into online courses, allowing colleagues to continue learning regardless of space and time restrictions. In the courses lectured in the second half of 2021, sign-in sheets were changed from paper-based to App-based QR code scanning, along with online questionnaire filling, testing, and inspection and approval. At least 4,000 pages of paper were saved from printing and space therein was also saved for storage of such paper. Thus, the idea of environmental protection and love for the Earth was realized, while supervisors could also inquire about individual learning situation instantly through the online system.

Employee Development

■ Newcomer Trainings:

- After getting on-board with the Company and posted in his/her department, every newcomer must undergo comprehensive work trainings, including work system operations, professional and practical trainings, and job acceptance, so that the newcomer can quickly dive into the job role and exert his/her ability. In addition, in order to let newcomers quickly familiarize themselves with Innodisk's products, quality policies, background culture, and corporate rules, all newcomers must complete the related general studies, namely "Introduction to Innodisk in the International Environment", "Employee Codes and Benefits", "Information Security Practices", "Being Innodiskers - History and Culture of Innodisk", "Labor Safety, Health and Maintenance of the Work Environment", etc. within three months as from the on-boarding date with Innodisk.



Subject		Number of rounds	Hours	Number of trainees
Newcomer Trainings	Online	Unspecified	5.1 hours	177 person-time
	Face-to-face	5	17.1 hours	109 person-time

■ Supervisor Trainings:

- To assist the supervisors of Innodisk in their continuous learning and growing, an in-depth understanding of the supervisors' needs in learning leadership and management was developed, and related trainings were planned. Through the enhancement of the supervisors' leadership and management ability, it was expected that the employees' performance and satisfaction could both be enhanced as well.



Subject		Number of rounds	Hours	Number of trainees
Lesson One for New Supervisor		1	4.5 hours	17 person-time
(Digital course) Know-How Management		1	0.67 hours	17 person-time

■ Trend Seminars:

- In line with trends and knowledge in the industry, experts in the industry were invited to share the latest developments with our employees online in real time, so as to have our employees be better prepared to embrace potential opportunities and take on challenges in the future.



Subject		Number of rounds	Hours	Number of trainees
Live courses online	AR Industrial Manufacturing Applications	1	1.5 hours	126 person-time
	Quantum Technology Revolution	1	2 hours	135 person-time
	Trends in the Smart Medical Industry	1	1.5 hours	129 person-time



Employee Development

■ Performance appraisal system:

- The Innodisk International Performance Management and Development System aims to integrate and enhance overall individual and organizational performance, implement mutual communication and staff career plans, and conduct employee appraisals through a fair and reasonable performance evaluation process. Thus, such appraisal results can serve as the basis for the operations including job promotion, salary adjustment, bonus allocation, staff development, training needs, and so on. In the event of an employee's inability to perform, appropriate counselling programs or assistance will be provided for the employee to transfer to the appropriate position. If the corporate-employee partnership relationship still fails to be satisfactory, appropriate measures will be taken, subject to relevant statutory provisions, such as the offer of severance pay, to ensure the employee's rights and interests.
- Newcomer Appraisal: According to the laws and regulations in various countries, a comprehensive job inspection and scoring would be conducted between six to ten weeks after a newcomer is on board, so as to confirm the results of the trainings offered to the newcomer, as well as the quality of the work offered by the newcomer. If the newcomer fails to meet the standards, reviews will be conducted before related training measures are taken or "job counselling" is arranged, to ensure that all the newcomers can receive their training as required and deliver quality work results.
- Periodic performance appraisals : Innodisk conducts semi-annual performance appraisals worldwide. In 2021, 100% of incumbent employees and supervisors, regardless of gender, were evaluated. The evaluation contents included:
 1. The status of achievement of the job objectives set at the beginning of the period (i.e. at the beginning and in the middle of the year);
 2. Functional performance of the role (e.g. teamwork, continuous improvement, data analysis and decision-making); and
 3. Personal development and improvement plan.
- We not only review the employees' performance, but also pay much attention to their future development, to assist the employees in their continuous growth at work, for enhancing the overall performance of the Company.
- Performance rating and communication: Based on the performance rating and evaluation results, improvement directions and future development, supervisors should conduct performance interviews with the evaluatees to enhance mutual communication with the employee.
 1. Prior to the interview, an employee can propose his/her career development plan related to his/her individual competencies based on his/her development goals and needs, for discussions with the supervisor during the interview.
 2. Supervisors will provide feedbacks and advice on individual employee's performance status, competency strengths and weaknesses, department and organization status, and future goals, while providing any assistance if necessary.
 3. During the performance interview, if an employee objects to the performance results, the employee could also give feedbacks to the supervisor for communication on the rating.
- The overall performance system emphasizes individual value, individual autonomy, support, and tracking, to assist employees in achieving their goals. Depending on individual results, supervisors can organize the overall development needs for the team, arrange tasks to enhance the employees' experience, and complement their abilities with internal or external training courses, so as to achieve overall growth.



Organizational Principles and Codes of Ethics

Employee Code of Conducts

■ Honest business integrity constitutes the paramount principle for Innodisk

The international community pays greater attention to corporate ethics and social sustainability responsibilities. For enterprises to operate in the long term, they must continue to meet the expectations of and win respect from the general public. Business ethics reflects the core of the culture of the enterprise, which also forms the most fundamental discipline requirements for the employees in Innodisk. The Company has been committed to upholding business ethics, by viewing integrity as the highest guiding principle. All employees must observe the highest standards of integrity, where all forms of conducts of corruption, extortion, blackmail, and embezzlement are totally prohibited. In this regard, we also abide by the “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Ethics” formulated in 2012 to conduct our business operation.

■ Prevention of illegal gains and malpractices

Being a listed company in the stock market, Innodisk shall not only follow the laws and regulations related to general companies and taxes in terms of various operations and practices, but also shall comply with the requirements for securities trading laws and regulations and related corporate governance. In view of this, in addition to enhancing the awareness of law compliance among supervisors and employees at all levels through educational trainings, meetings, etc., we also deploy internal control and auditing mechanisms to achieve and ensure the anti-fraud effects through our compliance.

■ Whistleblowing mechanism

In addition, an anonymous complaint mailbox was in place for employees. To help the stakeholders of the Company have better understanding about the Company's corporate code of ethics, we complies with “the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies”. The mechanism includes anonymous whistleblowers and named whistleblowers, where relevant evidence of all the reported contents including people, matters and objects will be clarified. The Company will take various appropriate actions, depending on the severity of the circumstances, and will keep a secret of the identity of the whistleblower as well as the contents of his/her report. The Company will also protect the whistleblower as well as the employees involved in the investigation process from retaliation or unfair treatment, so that employees can feel free to communicate their opinions under the conditions of safety and confidentiality.

Innodisk has always adhered to the principle of fair and impartial trading, as well as the operation ideas based on ethics, integrity and honesty. If anyone discovers that any conduct made by an employee of the Company or by any relevant person acting on behalf of the Company may violate the Company's “Procedures for Ethical Management and Guidelines for Conduct”, please report to the Company by providing and attaching relevant evidence, via email or by telephone.

Based on the principle of honesty and integrity, a complainant or whistleblower must provide his/her real name and contact information, for the Company to accept and handle the case. Meanwhile, the Company promises that the personal information about the complainant or whistleblower will be kept strictly confidential in accordance with the “Personal Data Protection Act”.

Case acceptance by:

Innodisk Management Department

Dedicated e-mail:

inno_supervisor@innodisk.com

Reporting hotline:

02-7703-3000 #1800



Sustainability Management



Strategies and Goals for Sustainable Development

■ The United Nation’s Sustainable Development Goals (SDGs)

- Innodisk believed that sustainable cooperate operations shall commence from the corporate core value itself, while integrating with the UN’s sustainable development goals (SDGs), to set up the short-, mid- and long-term goals, discuss and incorporate such plans into its business plans, and strengthen the Company’s commitment to sustainable corporate development.

SDGs items	Innodisk’s actions and achievements
No poverty	Helping students from disadvantaged families to develop skills
	Offering scholarships or bursaries for disadvantaged groups
Good health and well-being	Acquiring safety and protection equipment
	Promoting sports atmosphere
	Advocating health and safety awareness, and offer trainings
	Introducing ISO45001 and conduct periodic risk assessments to reduce the probability of occupational hazards
Quality education	Helping children from disadvantaged families to remain in schooling
	Cultivating professional talents in the Company to lead children to develop diverse skills
	Offering scholarships for employees’ children
Gender equality	Formulating maternity conservation plans
	Provide maternity allowance
Affordable and sustainable energy	Expanding the procurement of Taiwan Renewable Energy Certificate(T-REC)
	Adopting high energy-efficient approaches for production
Reduced inequalities	Offering scholarships or bursaries for children from disadvantaged families to help children remain in schooling and receive equal access to learning
Sustainable cities, communities and society	Donating special funds to the Cardinal Tien Hospital and National Yang Ming Chiao Tung University Hospital, in response to the global COVID-19 pandemic, so as to balance the quality of medical care in urban and rural areas
Climate action	Introducing ISO14064-1 to disclose greenhouse gas emissions
Peace, justice, and robust systems	Observing the “Fair Trade Act” for anti-corruption and anti-bribery

Stakeholder Identification and Engagement

Innodisk intends to reach effective engagement with various stakeholders, to achieve the goal of sustainable corporate development. Innodisk particularly sets up a Sustainability Task Force, to grasp and identify the issues and priorities concerned by the significantly-related stakeholders through survey questionnaires, to form the reference bases for information disclosure in this report. The followings are the systematic descriptions about the engagement process for the stakeholders:

1



■ Establish the communication goals

- Innodisk considers the Corporate Social Responsibility Report as a strategy for sustainable corporate management. Through discussions by the internal Sustainability Task Force, nine goals about the following three issues have been set up. We hope that the disclosure of the information about the Sustainability Report will help achieve the purpose of communication.
 - Business aspect of corporate sustainability: Strengthen corporate governance / Strengthen risk control / Enhance customer satisfaction
 - Environment aspect of corporate sustainability: Stride into green management / Commit to energy saving and carbon reduction / Focus on environmental protection
 - Social aspect of corporate sustainability: Achieve mutual communication / Care for employees / Strive to make contribution to the community
- Innodisk has developed a total of 31 communication topics in conjunction with the foregoing nine goals.

2



■ Identify stakeholders

- Based on the communication purposes and the ratings of the five key indicators (namely necessity, influence, contribution, rationality, and affinity), as well as the daily communication with relevant stakeholders. Innodisk identified the relevant stakeholders according to operational patterns.

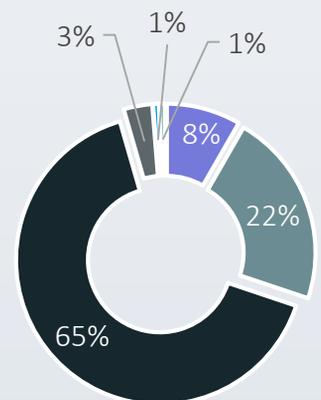
Necessity | Influence | Contribution | Rationality | Affinity

3



■ Gather the issues of corporate social responsibility

- Survey questionnaires were widely distributed to stakeholders to facilitate the understanding of matters concerned about by the stakeholders and the collection of feedbacks on relevant information.
- Targeted survey subjects: As for employees, domestic employees were surveyed. As for customers, global customers were surveyed.
- A total of 156 questionnaires were collected for the year of 2021, representing an increase in the survey return rate by 49% in comparison with that in the previous year.



■ shareholder ■ client
 ■ employee ■ supplier
 ■ competent authority ■ Community

Stakeholder Identification and Engagement

4



■ Analysis of corporate social responsibility issues

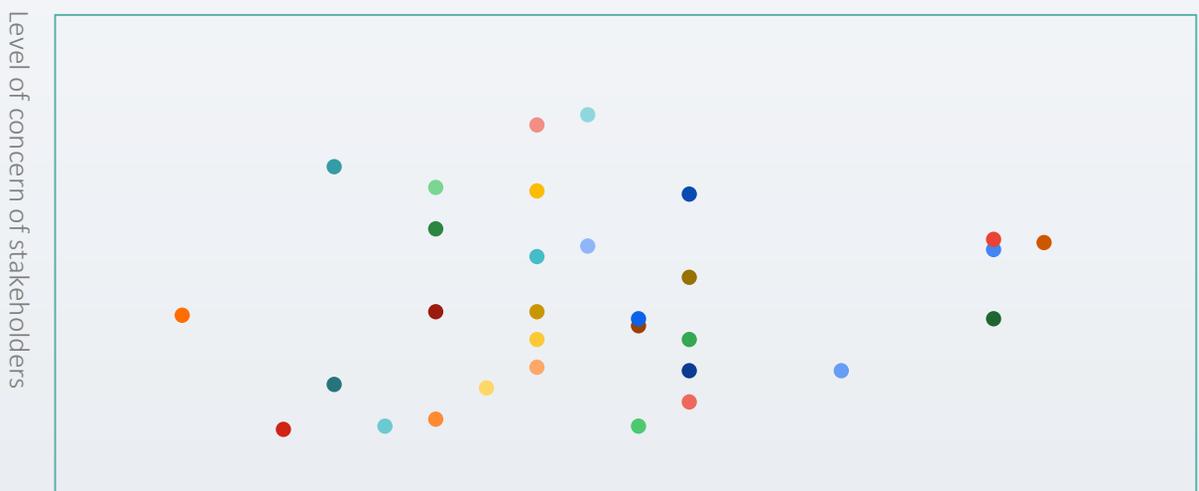
- Through the issuance of questionnaires to stakeholders about the level of concerns for various issues, along with the analysis of the questionnaires collected, Innodisk can grasp the various issues concerned about by stakeholders. Through the issuance of questionnaires to senior executives about the impacts on the Company's operations arising from various issues, and through the integration and analysis of the two questionnaire results, INNODISJ can identify major issues ed by both stakeholders and the Company, which have been disclosed in this Report.

5



■ Reviews and results

- The scope of major concerns defined in this Report mainly cover the headquarters in Xizhi, factory operation, upstream and downstream vendors for the Company's headquarters, but not all the data on related companies and overseas information.
- Based on the survey results in accordance with the substantive analysis process, an analysis was conducted on the stakeholders' level of concern for various issues. Consequently, Innodisk has been identified four key issues, which will serve as the cornerstones for Innodisk to conduct the focal points in communication and performance improvement, as shown in the following figure:



- | | |
|--|--|
| <ul style="list-style-type: none"> ● Corporate Governance ● Operating Financial Performance ● Privacy Policy ● Product quality / technical research ● Customer Service Management ● Environmental Policy / Management System ● Green Supply Chain Management ● Waste Management and Recycling ● The use of raw materials and recycled materials ● Hazardous Substance Management ● Green Product / Service Design and Development ● Recruitment and the Ability to Attract and Keep Outstanding People ● Satisfaction Survey of Employee ● Social Performance Management of Suppliers ● Participation in Community and Society's Activities ● Stakeholders Communication | <ul style="list-style-type: none"> ● Sustainable Development Strategy ● Risk Management ● Moral / Ethical Conduct ● Satisfaction Survey of customers ● Supply Chain Management ● Air Pollutant Control ● Greenhouse Gas Emissions ● Product Carbon Footprint ● Energy Management ● Water Use and Waste Water Discharge Control ● Occupational Safety and Health ● Labor Relationships ● Employees' Rights ● Career Development and Training ● Employee Welfare and Salary |
|--|--|

Stakeholder Identification and Engagement

6



■ Critical issues

- Based on the survey results, the critical issues are: Talent recruitment and retention, corporate governance, sustainable development strategy, and product quality/technology development.
- As per the analysis conducted on the surveys, the four critical issues for the year of 2021 were not that many as in the year prior. However, focus could be more centered on these fewer issues and information on the various issues could be disclosed in more details.

Critical Issues	Critical cause assessment	Operational policies	Corresponding GRI section	page numbers	Boundaries impacted						
					Employees	Customers	Shareholders/ investors	Suppliers	Local communities	Government agencies	
Talent acquisition and retention	Innodisk views employees as the most important assets and spare no efforts to create a happy corporate image.	Aperiodic staff care and education training, as well as comfortable working environment, have been provided to the employees.	GRI 404-3	39	Direct						
Corporate governance	The quality of corporate governance should be improved, to allow the sustainable operation of the Company.	We pay much more attention to sustainability issues related to ESG and set up the role of Chief Sustainability Officer in 2022.	GRI 102-18	26	Direct	Direct	Direct	Indirect			
Sustainable development strategy	Sustainable operation, and the reciprocal benefits between the Company and the society and environment have been addressed.	We care about international sustainability issues and have introduced TCFD, to continue to contribute to the sustainability of the Company.	GRI 201-1 GRI 419-1 GRI 307-1	24	Direct	Indirect	Direct	Indirect	Indirect	Indirect	
Product quality/technology development	New technologies and products are offered to meet customer's requirements.	We continue engaging in R&D on new products and new technologies and then apply for various patents.	Autonomous disclosure	13	Direct	Direct		Direct			

Communication Mechanisms for Stakeholders

Objects	Communication issues and modes	Communication channels and frequencies
Customers	<ul style="list-style-type: none"> ◆ Completing the annual satisfaction surveys as requested by customers. ◆ Completing the annual survey on mining source conflict, to declare mining sources in line with customers' requirements, and never making use of mining sources in any area of conflict ◆ Implementing protection measures on confidential information in response to the request of customers ◆ Declaring the statement of non-use of child labor and the statement of the product origin, as per customers' requests ◆ Conducting audits from the customer end to the vendor end ◆ Introduction to the factory production process of the customer's end 	<ul style="list-style-type: none"> ◆ Annual customer satisfaction questionnaire ◆ Timely meetings for sudden issues ◆ Conference calls for specific topics ◆ Annual regular customer visits ◆ Quarterly QPR ◆ External communication mailbox ◆ VIP convention ◆ Customer site audits/ visits
Employees	<ul style="list-style-type: none"> ◆ Setting up an "Employee Suggestion Box" at the Company's restaurant for collecting our employee's opinions at any time ◆ Organizing a "labor-management committee" 	<ul style="list-style-type: none"> ◆ Permanent deployment of such a box ◆ Quarterly meetings for representatives from both the employer side and the employee side
Investors and shareholders	<ul style="list-style-type: none"> ◆ Convening the annual general meeting (AGM), where the Chairman, Directors, and Senior Executives report the financial statements and operational status of the Company to all shareholders, and then recognize the surplus distribution and pass resolutions on important issues, etc. ◆ Announcing and disclosing financial statements and significant financial business information of the Company and on the Market Observation Post System (MOPS) 	<ul style="list-style-type: none"> ◆ Annual general meeting (AGM) on a yearly basis ◆ Periodic disclosure of financial business information ◆ Aperiodic disclosure of material information on the Market Observation Post System (MOPS) ◆ A spokesman system for responding the shareholders' questions
Suppliers	<ul style="list-style-type: none"> ◆ Certified qualified suppliers ◆ Implementing green supply chains (or green project management, GPM) ◆ IQC inspection status 	<ul style="list-style-type: none"> ◆ New product approval ◆ Updates of related quality documents ◆ Aperiodic communication via telephone and mailbox ◆ Field audits on a semi-annual basis ◆ Survey audits on a semi-annual basis
Outsourcers	<ul style="list-style-type: none"> ◆ Commissioning external parties for product quality control ◆ Conducting trial production of new product models ◆ Validating outsourced deliveries and outputs ◆ Engaging in technical exchanges. 	<ul style="list-style-type: none"> ◆ Monthly quality meetings ◆ Yearly factory site audits ◆ Aperiodic communication via telephone and mailbox
Government agencies	<ul style="list-style-type: none"> ◆ Reporting work safety practices and occupational safety and health personnel ◆ Reporting our waste disposal plans 	<ul style="list-style-type: none"> ◆ Aperiodic official releases from the Environmental Protection Administration (EPA) and the Department of Labor Inspection (DOLI)
Local community buildings	<ul style="list-style-type: none"> ◆ Informing of specific conditions such as power outages, construction, computer rooms, fire drills, etc. ◆ Serving as a member of the Management Committee to participate in community public affairs 	<ul style="list-style-type: none"> ◆ Aperiodic communication via telephone and mailbox ◆ Regular participation in meetings and activities
Media	<ul style="list-style-type: none"> ◆ Releasing product information (covering new products and new technologies) ◆ Releasing corporate information (eg. relocation, award winning, social welfare, etc.) 	<ul style="list-style-type: none"> ◆ Aperiodic interviews by the media and lunch/dinner meetings with the media ◆ Monthly (on the average) press releases to the relevant media
Schools	<ul style="list-style-type: none"> ◆ Executing various projects (scholarships, collaborative industry-school projects, etc.) ◆ Releasing activity information 	<ul style="list-style-type: none"> ◆ Aperiodic communication via telephone, mailbox, and communications software apps ◆ Regular meetings within the school semester ◆ Regular school visits (holding events, award presentation activities, etc.)

Supply Chain

■ Supplier management

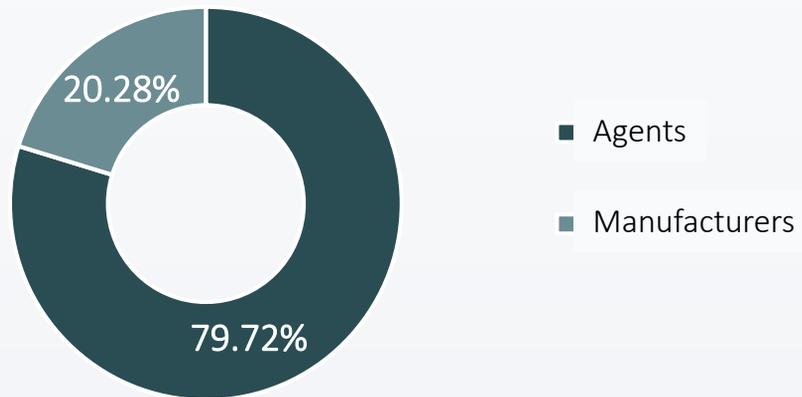
- Since the establishment of the Company, Innodisk has taken the basic operation strategy of “setting roots in Taiwan to have prospects worldwide” which has also been applied to the purchasing policy for the Company. In order to meet the characteristics of “small in quantity and diverse in functions” for industrial products, our Taiwan base has been set up as the production base that can satisfy the diverse needs of global customers through diversified product mix and flexible production strategies. For this very reason, when selecting suppliers, we also give priority to the manufacturers locally registered in Taiwan.
- After 17 years of growth and thriving development, Innodisk has reached the scale of a major international factory. Meanwhile, in selection of supply chains, we have begun to adopt an array of adjustments by addressing the stringent needs of numerous international customers.
- In addition to the original emphasis on product quality, cost competitiveness, stable delivery, and technical services, Innodisk has also begun to focus on the requirements for the rights and interests of supply chain workers, as well as environmental protection, safety and health risk management control. We take many approaches to help suppliers improve their management standards. We made efforts with the hope to lower the operation risks and costs for Innodisk itself and its suppliers, so that the partnership relationship of mutual growth could be achieved.
- All suppliers of Innodisk were selected in accordance with the supplier management practices set forth in the Company's ISO process. During their business operations, we ask our suppliers to fully comply with all relevant laws and regulations in Taiwan or the local laws and regulations in the countries where the suppliers register. Moreover, suppliers must pay special attention to the sustainable operations by the executive steering group (ESG), business ethics, labor rights and interests, working environment, safety and health, etc.



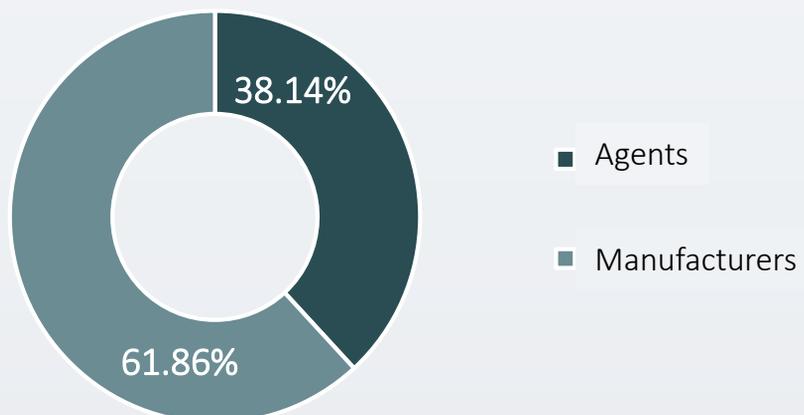
■ Composition of the supply chains

- As mentioned earlier, in order to meet the diverse needs from global customers, Innodisk has set up a wide range of products; therefore, we need many suppliers to assist Innodisk in offering a wide range of products. In 2021, a total of 118 suppliers had business transactions with Innodisk. We have diverse sources of suppliers, ranging from top-notch international electronics factories majoring in component manufacturing, to local manufacturers specialized in customized production services.
- The procurement were mainly categorized by their relevance to the materials produced, including the categories of manufacturers and agents.

- In terms of the amount of business, agents accounted for 79.72% and manufacturers accounted for 20.28%.

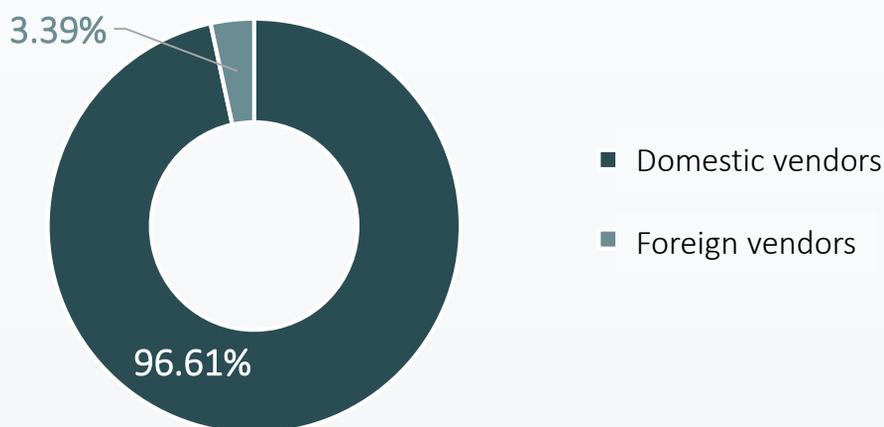


- In terms of the number of businesses, agents accounted for 38.14% and manufacturers accounted for 61.86%.

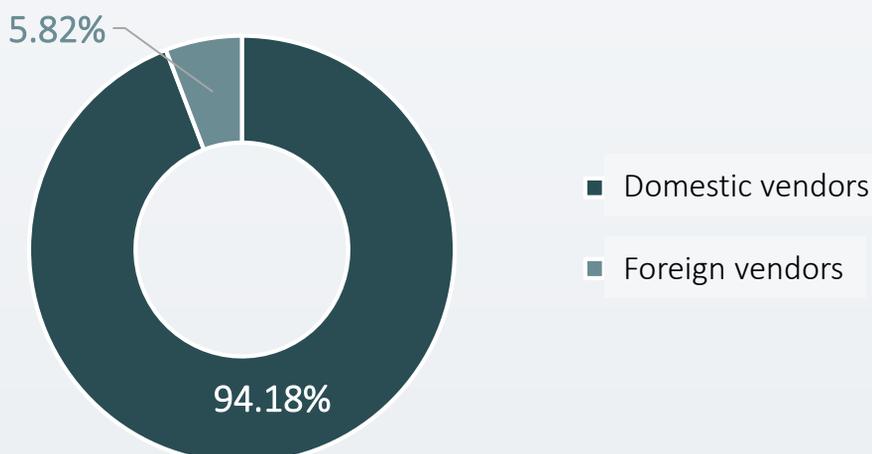


■ Localization of the supply chains

- In addition to having strived for the best in the principle of “setting roots in Taiwan to have prospects worldwide”, Innodisk hopes to contribute to Taiwan's economy and employment market, and to reduce the carbon dioxide emissions generated in the process of production and transportation. Therefore, when selecting suppliers, we give priority to local manufacturers. In terms of the number of businesses, 114 suppliers among the suppliers for the Company have registered in Taiwan, accounting for 96.61%.



- In terms of amount of business, foreign manufacturers accounted for 5.82% and domestic manufacturers accounted for 94.18%.



Supply Chain

■ Supplier management

Paper review	Field audit	Supplier assessment	IQC records	Periodic evaluations
Supplier Initial Assessment Data Sheet: Suppliers are selected based on their quality/ delivery/ price/ service.	As for PCB/ structural vendors, the Company's personnel of quality control, engineering, and quality assurance will go to the supplier's factory for conducting document audits or field audits.	A qualified supplier shall be qualified only after successfully passing paper review or field audit and assessment.	Every entry of IQC records is fully documented, which will be reported to every supplier as the basis for continuous improvement.	Suppliers are evaluated based on their performance on delivery, which are scored by procurement and quality control personnel of the Company, for the purpose of conducting the suppliers' quality improvement measures and evaluating the subsequent procurements.



Quality



HSF



Delivery



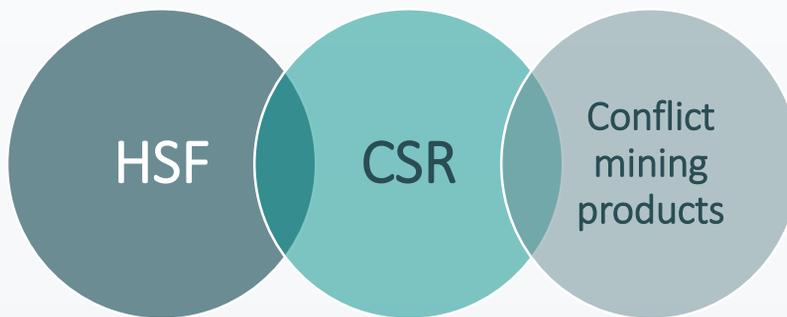
Services

- In addition to an assessment of the suppliers' quality, cost, delivery, service, and technical capabilities, Innodisk implements the procurement management based on green supply chain. Suppliers are evaluated in accordance with the following basic principles:
 - Innodisk's suppliers must fully comply with relevant local laws and regulations and define their risk control mechanisms.
 - Innodisk's suppliers shall establish their management systems, covering the issues regarding environmental protection, employee health and safety, and hazardous substance free (HSF).
 - Innodisk's suppliers must undertake and guarantee that their products are "free of hazardous restricted substances" and provide the following information:
 - ✓ Testing and reporting on hazardous restricted substances for products
 - ✓ Understanding and collection of the elements related to materials and parts
 - ✓ Collection of the information about toxicity and prohibited use (Material Safety Data Sheet) about the chemical in question
 - ✓ Execution of a promise on non-use of hazardous substances

Procurement and Supplier's Social Responsibility

■ Suppliers' social responsibility, auditing and counseling

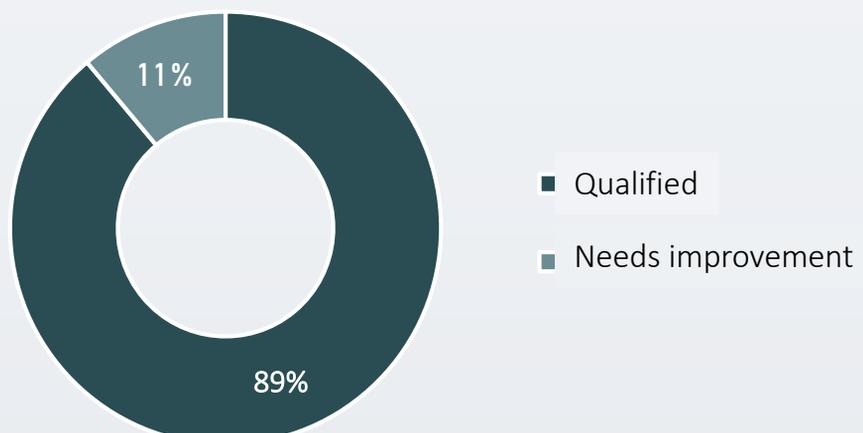
- With a supply chain management procedure in place, Innodisk introduces the Responsible Business Alliance (RBA) into the supply chain, to conduct counseling and auditing related to "human rights, environment, security, health, and management systems", for understanding the extent to which suppliers have managed and implemented the aspects of health, safety and environment (HSE). The Company continues encouraging suppliers to put emphasis on business ethics, protect laborers' human rights, pay much attention to the health, safety and environment (HSE) in workplaces, and develop the materials and processes that can reduce environmental impact.



■ Supplier ratings

- Innodisk has established rigorous supplier selection standards and audit management systems. In order to ensure that suppliers meet the Innodisk's international standards, an on-site audit must be performed first by Innodisk's quality assurance personnel, or a self-evaluation must be performed by the suppliers themselves, for the selection of new suppliers, and then another evaluation must be performed by relevant department within Innodisk.
- In addition to the rigorous initial screening, written reviews or on-site audits will be periodically conducted for our focal suppliers on a semi-annual basis. Those suppliers which have performed well and passed various reviews can be given with more business in procurement or became long-term business partners of Innodisk. As for those suppliers which have been evaluated as rating C for two consecutive times, although they are still deemed as qualified suppliers, they still must propose their improvement plans. Among the 72 suppliers under evaluation in 2021, a total of 8 suppliers needed to propose improvement plans.

2021 Evaluation



Procurement and Supplier's Social Responsibility

■ Risk management for suppliers

- In order to ensure a continuously stable supply of all raw materials, Innodisk had been actively introducing alternative materials from 2020 to 2021 under the market situation of material shortage and finding more than two suppliers to supply the materials. For special materials where alternative materials do not exist or multiple suppliers can not be found, long-term supply guarantee agreements will be negotiated with those suppliers.
- Suppliers must notify Innodisk six months in advance, in case of any product process change or discontinuation plan related to any parts and materials under the Suppliers' Quality Assurance Agreement, where Innodisk must be given with the first and final right to purchase such parts to ensure smooth transition of parts and materials.
- Innodisk itself also prevents the suppliers from having tight capacity or other unexpected situations that may lead to delivery delays, while setting up the principle for materials preparation. Basically, for most of the raw materials, Innodisk will prepare the inventory stock on them that can last for more than three months, along with orders placed with the suppliers that can last for one month, to ensure the security of material supply and dispatch.

■ Code of Ethical Conduct in procurement and for suppliers

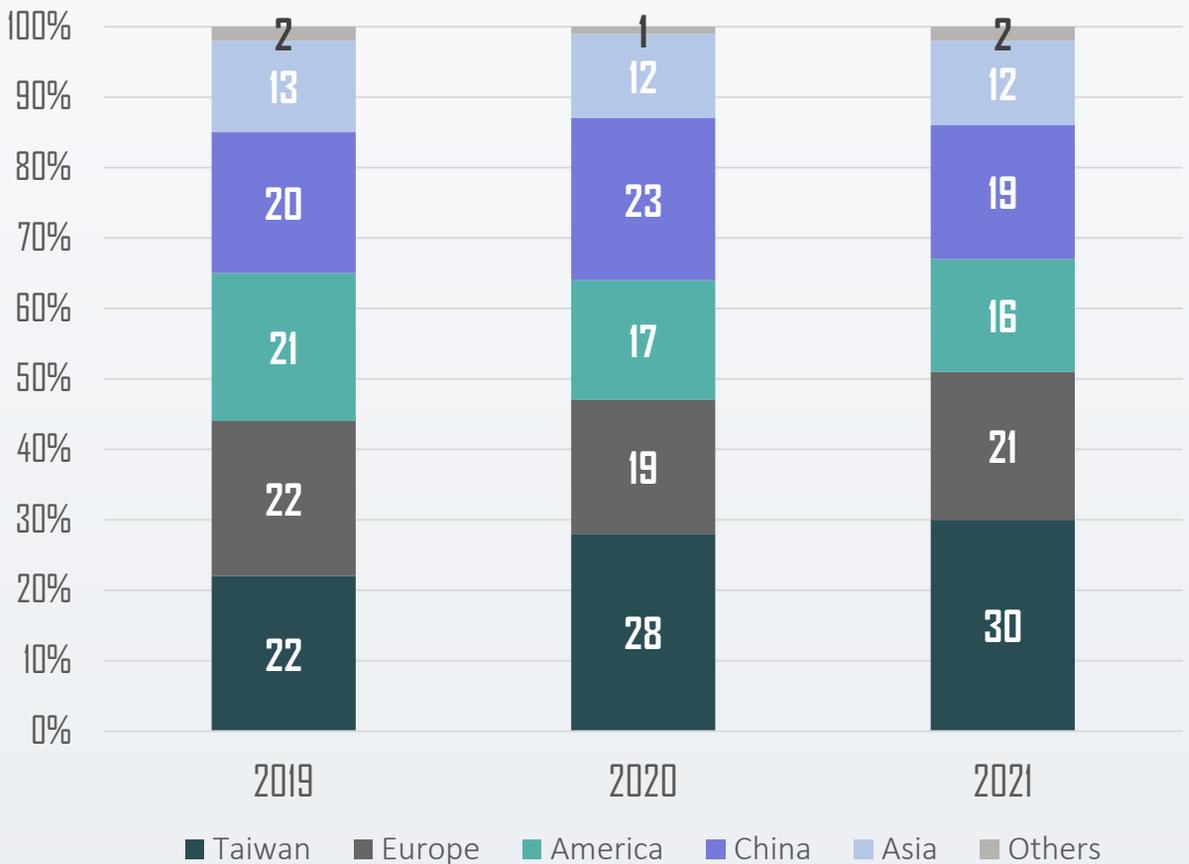
- To avoid frauds between its personnel and suppliers, Innodisk procurement staff are periodically rotated in shifts, and procurement staff are strictly prohibited from receiving financial or material kickbacks from suppliers. They are not allowed to have meals with suppliers without any consent from their supervisor.
- In order to ensure all purchasing information from leaking, suppliers shall not disclose to other companies or individuals about any information related to part number, amount, quantity, etc. of the materials purchased by Innodisk, in accordance with the provisions of the Supplier's Quality Assurance Agreement.

Services Provided by Innodisk

Founded in 2005 and officially listed in 2013, Innodisk has been marketing internationally under the brand “Innodisk” since its establishment. Its products have covered industry-level embedded flash storage, industry-level DRAM modules, embedded peripherals and software solutions.

With the basic operation strategy of “setting roots in Taiwan to have prospects worldwide”, Innodisk has its global headquarters and R&D and Manufacture Center set up in Taiwan. With its strong innovative research and development capabilities and the ultimate ability in product customization, Innodisk has successfully launched its products and conducted business around the world. Moreover, multiple business premises have been established in the US, China, Europe, and Japan, etc., to locally provide thorough technical and business support to global customers.

- The percentages and changes of business revenues of the Company in each region of the world over the past three years are shown below:



Strategies for Sustainable Development

- Innodisk's sustainable development strategies comprise the following four key aspects, namely: Quality/HSF/ Environment/ Information security:

Quality Policies ISO9001	HSF Policies IECQ : QC080000	Information Security Policy ISO27001	Environmental Health Safety Policies ISO14001+ISO45001+ISO14064-1
Innovative and Reliable Design Professional and Dedicated Services Satisfactory and Trusty Quality Fast and Accurate Delivery	To have effectiveness monitoring To compliance the policy To use green products To satisfy customers	Everyone is responsible for information security	To strengthen eco training To reduce carbon emission To run sustainable management To promote safety awareness To promote employee health To control harm risk To compliance the policy To continue improvement To reduce the pollution To get zero disaster target

- Quality policy:** The Company has obtained an ISO9001 certificate and implemented its business according to such requirements.
- HSF policy:** The Company has obtained a QC080000 certificate and has always complied with and continuously kept up with RoHS and REAH regulations for product raw materials and products.
- Health, safety and environment policy:** The Company has obtained ISO14001 & ISO45001 and ISO14064-1 certificates and carries out according to such requirements.
- Information security policy:** The Company has obtained an ISO27001 certificate and carries out according to such requirements.

ISO9001 X ISO14001 X IECQ QC080000 X ISO45001 X ISO14064-1 X ISO27001

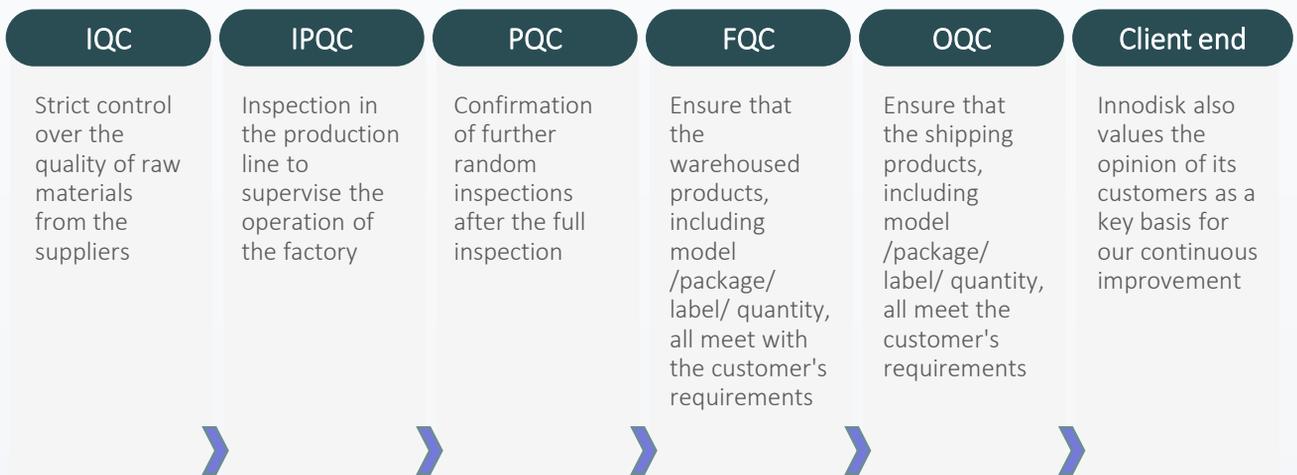
Quality Management System X Environmental Management System X Occupational Safety and Health Management System X Hazardous Material Process Management System X Information Security Management System



Please scan the QR-code for details about more certificates available on the Company official website.

Product Quality

- Innodisk firmly believes that good quality arises from strict production standards and layers of control of the production specifications. From design and development, production and manufacturing, to delivery services, Innodisk always promises to maintain good quality.
- In 2021, five on-site audits for the suppliers were performed by Innodisk’s quality control personnel. The scoring criteria included quality management, health, safety and environment (HSE) management, hazardous substance free (HSF), etc. The total core was 100 points. Suppliers with more than 70 points were qualified suppliers, and the five suppliers audited in 2021 were all qualified suppliers.



- In addition, Innodisk promises to provide the best customer services, and “Top Services™” is our core value. Innodisk commits itself to provide real-time information exchanges and create good interactions with customers around the world.

MyInnodisk Management
Welcome

Home
My Orders
My Shipment
My RMA
My FAE
Downloads
Inbox / Send
Web Inquiry

Home

News: 2016/02/04 : Innodisk Announces New Industrial SSDs Equipped with AES Encryption

Resources Updates

2016.03.25

- Innodisk_USB_Drive_3ME_Technical_Product_Specification_Re...

2016.03.24

- ISMART_API_V5.1.5(Windows).rar
- InnoDisk_ISMART_Linux_EXE_3.9.7.pdf

2016.03.23

- M3DT-2GSJ2C0E-F.pdf
- ISMART_V5.1.5.zip

2016.03.22

- iCoverX v1.1.0.zip
- ISMART_V3.9.7.tar.bz2
- EGPL-G201_Datasheet.pdf

My Profile

View all your customers.

You have **109** registered users.

You have **0** waiting for approval.

Inbox

View letter from your customers

0 new messages.

My Order

View your customer orders and delivery status.

33 updated status.

My RMA

View and manage all customer RMA and delivery status.

0 updated status.

Customer Satisfaction Surveys

- Annual satisfaction surveys are conducted on customers engaged in transactions with Innodisk during each year. The contents cover aspects such as product quality, hazardous substance free (HSF) management, delivery turnover, after-sales service, technical services, information flow, etc. Total score was 5 points. Questionnaires were sent automatically from the system and those customers whose annual transactions are less than NT\$500,000 will be excluded from such surveys.
- If the score of an individual customer satisfaction in one survey item is lower than 3 points or if the overall average score is lower than 3 points, the improvement measures will be discussed within the relevant department of Innodisk on those items with lower scores, and the results will be responded to the customers.
- In 2021, there were totally 1,332 trading customers, where 708 customers with annual trading volume lower than NT\$500,000 were excluded from the survey. Valid returns from the questionnaires were received from 315 customers, with an overall average score of 4.7 points. The survey item with the highest average score was 4.8 point for “overall customer response and response efficiency”, and that with the lowest score was 4.4 point for “delivery turnover”.

Questionnaires

315

Average score

4.7

4.8

The highest score

4.4

The lowest score



■ Innodisk’s customer privacy policy (confidentiality clauses)

- The Company has a fundamental commitment to its customers that it will strictly adhere to the confidentiality clauses in the contents of the Confidentiality Agreement with our customers. During the cooperation process, any confidential information provided by the customers, including hardware and software technical data, or even the customer information provided by our agents, will be pre-entered into confidentiality clauses with the customers based on their needs so as to ensure the safety of such information from the customers.

Operation Continuity and Risk Management

In order to provide customers with comprehensive and uninterrupted services, Innodisk deploys the continuous operation management mechanism to ensure the maintenance of the operation of the important operation items in the event of natural disasters, information system catastrophes, or critical situations in man-made incidents, to resume normal operations as soon as possible, mitigate the impact of disasters and the disruption to the operations, protect the rights and interests of customers and shareholders, and reduce the impact of risks while increasing competitiveness.

- Hourly DR backups are kept, and an annual offsite redundant recovery drills will be exercised. In the event of a production line failure at Xizhi Plant or Yilan Plant, the onsite database can be transferred to the offsite within one hour so as to maintain the continuous operation of the production line, while all records can be saved without missing.
- The exercise of the 2021 offsite redundant recovery drill was completed on December 19, 2021, in which the onsite database at Xizhi Plant was successfully transferred to Yilan Plant within an hour, operating in Yilan Plant for two weeks, and then its backup information was sent back to the Xizhi Plant. This redundant recovery plan allows database to be transferred in less than an hour in case one of the plants failed to operate, so as to keep the production from being interrupted.



Evaluation

Planning

Practice

MRR

Minimum resource requirements

BIA

Business impact analysis

BCP

Business continuity plan

DRP

Database recovery plan

PDCA

Product continuous amelioration



Task Force on Climate-related Financial Disclosures

The risk management system of Innodisk is designed for identifying and analyzing the risks to which the Company was exposed, setting appropriate risk limits and controls, and monitoring the risks as well as the compliance with risk limits. Through the risk management mechanism, potential risks and opportunities for the Company can be identified, and risk controls can be effectively implemented, so as to ensure the normal operation of the Company, create values for shareholders, employees, customers, and the society. etc., and ultimately achieve the goal of the Company's sustainable operation.

- The analysis matrix for significant risk and opportunity management is shown below:

Degree of impact				
High	1 3 11			
Medium		12		
Low	4 6 7 10	2 5 8 9	13	
	Low	Medium	High	Possibilities

Transformation risks

- 1 Climate policies and regulations
- 2 Customers requirements on low carbon
- 3 Stakeholders' requirements on low carbon
- 4 Price increase of raw materials (carbon tax/ carbon fee/ fossil fuel price)
- 5 International green initiatives
- 6 Price volatility of international fossil fuels

Physical risks

- 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)

Opportunities

- 11 Low carbon footprint
- 12 Climate reputation
- 13 Low carbon rewards

Task Force on Climate-related Financial Disclosures

• Transformation risks:

Climate-related issues	Potential financial risks	Time of impact	Coping strategies
Climate policies and regulations	Extra expenses related to regulation compliances (renewable energy compliance fee/ carbon fee/ carbon tax/ product carbon footprint) Increased operating costs due to higher electricity prices	Short term	Continuously enhanced energy efficiency Autonomous energy policy (purchase of Renewable Energy Certificate(REC) and construction of solar panels)
Customers requirements on low carbon	Increased operating costs associated with meeting customers' needs	Short term	Committed to meeting customers' needs and aligned the Company with international standards and initiatives
Stakeholders' requirements on low carbon	Short-term market fluctuation caused by corporate shareholders/ corporate investors' willingness to investments depending on whether the Company takes specific actions and has long-term plans in coping with climate change.	Medium term	Continued to strengthen energy conservation and carbon reduction efforts so as to increase the shareholders and investors' confidence in the Company
International green initiatives	Costs of energy transformation to address net zero emissions	Long term	Continuously improve energy efficiency Energy autonomy policy (purchase of renewable energy certificates (REC) and construction of solar panels)

• Physical risks:

Climate-related issues	Potential financial risks	Time of impact	Coping strategies
Acute weather events (flooding/ water scarcity/ power outages)	Causing the production suspended at the factory and the damage of the production products, due to power failure at the factory Impacting employees' commuting safety, resulting in lower productivity.	Short term	Enhancing the emergency response measures for any power outage
Long-term physical risk (sea level rise)	Possibly resulting in expenses related to the relocation of the operation site	Long term	Committing to environmental protection, energy conservation, and carbon reduction, to work together in maintaining the earth environment
Long-term physical risk (drought)	Affecting daily water used in the operations	Long term	Promoting the concept of water saving for employees.
Long-term physical risk (average temperature rise)	Increasing air conditioning power consumption, resulting in higher operating costs.	Long term	Continuing raising the awareness of energy efficiency and environmental conservation.

Task Force on Climate-related Financial Disclosures

- Climate opportunities:

Climate-related issues	Potential financial risks	Time of impact	Coping strategies
Climate reputation	The Company's net zero carbon emission can help customers reduce their carbon footprints so that the customers can engage in business cooperation with Innodisk.	Medium term	Continuing paying attention to the customers dynamics and international issues.
Low carbon rewards	Interest rate subsidies on bank financing to reduce interest expenses.	Short term	Kept an eye on the bank's green policies.

An aerial photograph of a dense, vibrant green forest. A winding river flows through the center of the forest, surrounded by thick mist or low clouds that partially obscure the trees. The overall scene is lush and natural. The image is framed by a white background with blue abstract shapes and a dotted world map pattern.

Environmental Sustainability

■ Important milestones

Hazardous Substance Management



■ Green supply chain management



Supplier evaluation

Supplier evaluation criteria have been formulated for reviewing the documents submitted by the suppliers and for conducting audits at the suppliers' sites. The suppliers should be evaluated semi-annually and be required to spare no efforts to meet the green project requirements. Meanwhile, the suppliers are regularly audited on-site and requested to make improvements and conduct systematic operations and management, so as to ensure the delivery of quality products to Innodisk's customers.



Materials approval management (GPM NET)

A systematic database management system was built based on disclosure of material information at source, which was a platform for green declaration, review, and process communication in terms of materials. We will not only improve the efficiency of material approval operations, but also effectively use and control the information of product environmental materials.



Product control regulations

Hazardous substance free (HSF) product operating standards were formulated, including control standards for prohibited, restricted, and controlled substances, as well as disclosure requirements for future concerns. Such standards point out a direction to follow for green products and materials procurement.



Message communication

In addition to maintaining close communication on the daily system platform or via telephone or correspondence, Innodisk invites important supplier partners to attend the supplier meetings for promoting the objectives and requirements for green products and corporate sustainability responsibilities (CSR) in the future, so that the supplier partners can have better understanding of Innodisk's strategic directions and be well-prepared for supporting and cooperating with Innodisk in the next phase.

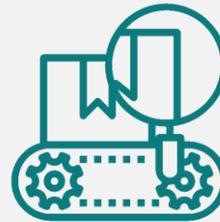
Hazardous Substance Policy

Effective monitoring

Parts/ auxiliary materials

X-ray fluorescent (XRF) inspections

Over spec



- Re-sampling
- Kick off the non-conformance process
- Third-party testing
- Third party chemical testing

Non-conformance statistics

Year	Number of abnormal parts detected	Non-conformance rate (%)	Conformance rate (%)
2019	2	0.0176%	99.982%
2020	2	0.0191%	99.981%
2021	4	0.0275%	99.972%

Total pieces of non-conforming categories in 2019-2021

Part category	Number of pieces	Non-conforming items
CF CARD FRAME	1	Total bromine (Br) beyond limit
PIN HEADER	5	Total bromine (Br) beyond limit
Hexagonal copper column	1	Total lead (Pb) beyond limit
WIRE TO BOARD	1	Total bromine (Br) beyond limit

Enforcing the laws and regulations

- CE Marking serves as the pass to sell products in EU countries, which was applicable to all member states of the European Union where electrical and electronic products must comply with the requirements of the electromagnetic compatibility (EMC) directives. Only products with CE Marking can be sold to the European market, which was a mandatory requirement that all vendors must comply with.
- Declaration of conformity and CE Marking: Electrical and electronic products must be clearly marked with the CE Marking; that is, Innodisk declares that its products comply with all applicable European Union regulations (including the EU machinery safety, electromagnetic interference (EMI), and RoHS directives). After the products are put into the market, manufacturers should preserve the foregoing declaration and related technical documents for 10 years.

Compliant with the requirements of EU standards

Conformite Europeene

RoHS compliant



Hazardous Substance Policy

■ Green products - Create environmentally-friendly products to reduce environmental impact.



Green design

Increasing the possibility of recycle and reuse



Green procurement

The raw materials supplied by the suppliers must comply with international regulations and customer requirements



Green database management

Efficient management and retention of technical files



Green supply chain

A supply chain connected by upstream and downstream suppliers



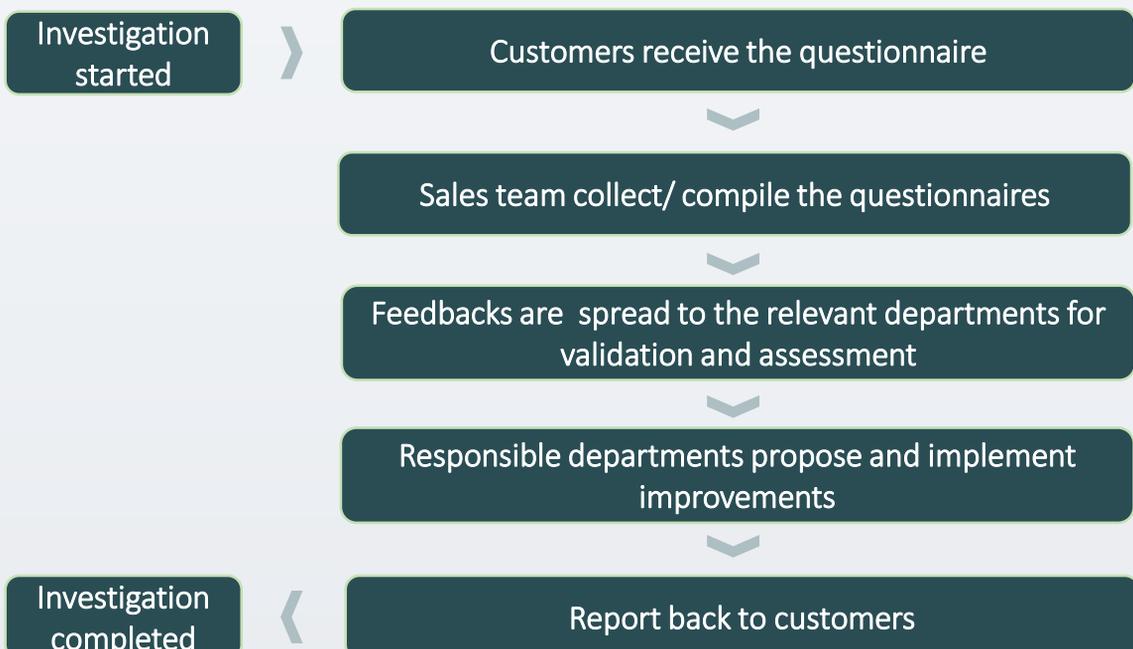
Green certification

IECQ:QC080000 /ISO14001

■ Customer satisfaction

– In the first quarter of each year, Innodisk conducts a customer satisfaction survey to confirm customers' satisfaction with the Company's products, the Company itself, services, hazardous substance management, marketing, etc. We collect customers' feedbacks on the quality of the products we delivered, and the services we provided, which will be used as the basis for subsequent evaluation or continuous improvement. The customer satisfaction survey ensures that the customers' needs will be understood and properly addressed.

– The process of customer satisfaction survey is detailed in the following figure:

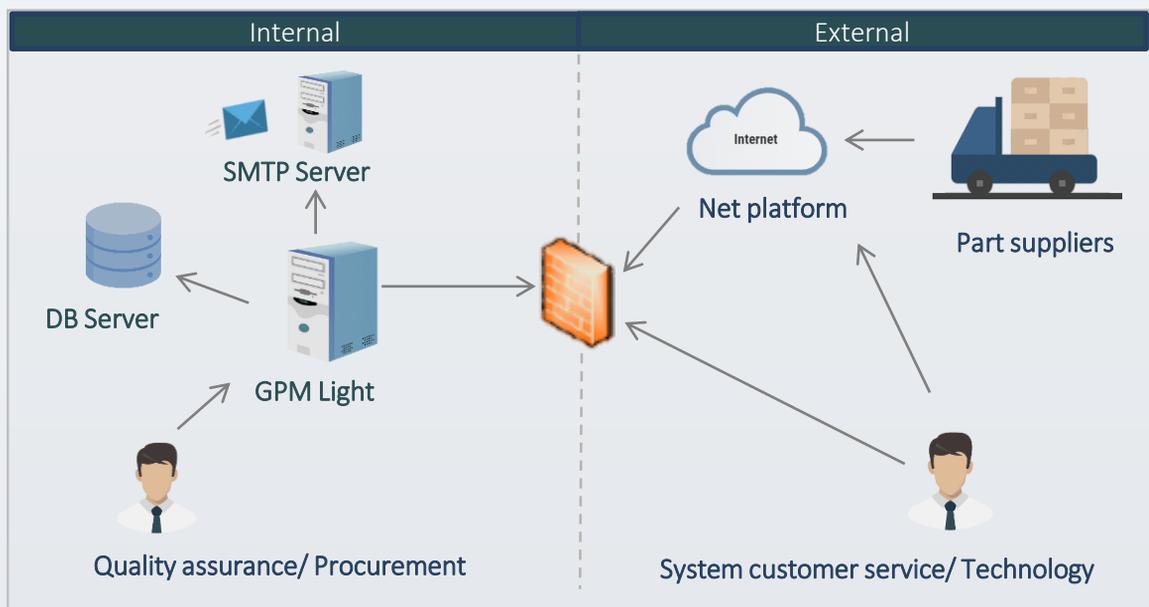


Establishment of Green Product Management System

- Innodisk has built a hazardous substance free (HSF) management system and introduced a GPM green supply chain platform, which incorporate the aspects such as materials, international regulations, customer specifications, suppliers, etc. First, the suppliers directly report their green product inspections, control status, and drawing specifications on the GPM platform, and then the Innodisk Review Group will validate, analyze, and confirm whether the suppliers' products comply with the green product specifications. Meanwhile, with the incorporation of the requirements of the green design concept of major international vendors, Innodisk's green product management system can further provide messages about its green product management to external customers, and then incorporate the green clauses and the environmental protection requirements from customers into the Company's existing operational management system, serving as a reference for the Company's designs of daily green products.
- The hazardous substance management system enables the Innodisk Green Product Management System to be more efficient, convenient and rigorous, which forms a part of Innodisk's green competitiveness. Though the GPM platform, the supply chain management can become more efficient; therefore, competent suppliers will be selected to continuously supply compliant electronic parts and structural components for producing green products and enhancing international customers' satisfaction and trust. As for the management of hazardous substances in products, the "HSF Product Operating Standards" has been enacted, covering the EU requirements for the Restriction of the use of certain Hazardous Substances (RoHS), and Halogen-Free, as well as the EU policy of Registration, Evaluation, Authorization and restriction of Chemicals (REACH), to ensure that the parts and materials used will comply with the environmental protection requirements asked by the customers and the laws. From R&D and design to supply chain management, the suppliers are subject to restrict requirements for limited usage or prohibited applications of the controlled hazardous chemical substances in every stage, to reduce environmental pollution and impacts to human health caused by waste electronic products.

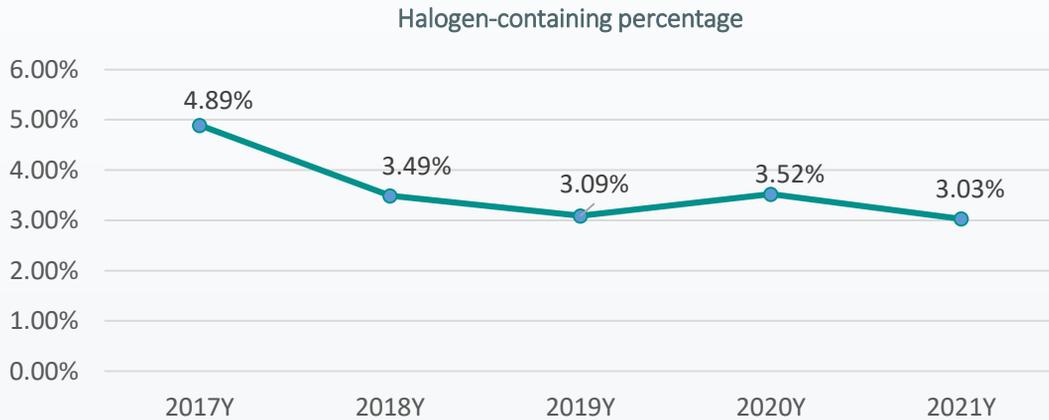
■ Green supply chain and parts approval system

- Since the introduction of GPM in late 2015, the original parts approval system and the green supply chain management process have been changed from the combination use of conventional paper and electronic systems to an online system for form filling, operation, and review, which not only reduces paper outputs and waste of resources, but also provides a platform for good interaction between the supply end and the demand end. In one year after the introduction of the GPM system, we dedicate to optimizing systematic customization and optimization process; parts specifications are separated from the green file review process, thus optimizing the timeliness of time-to-restart after any disapproval.
- In 2019, the GPM.NET supplier platform was upgraded to incorporate cloud systems.



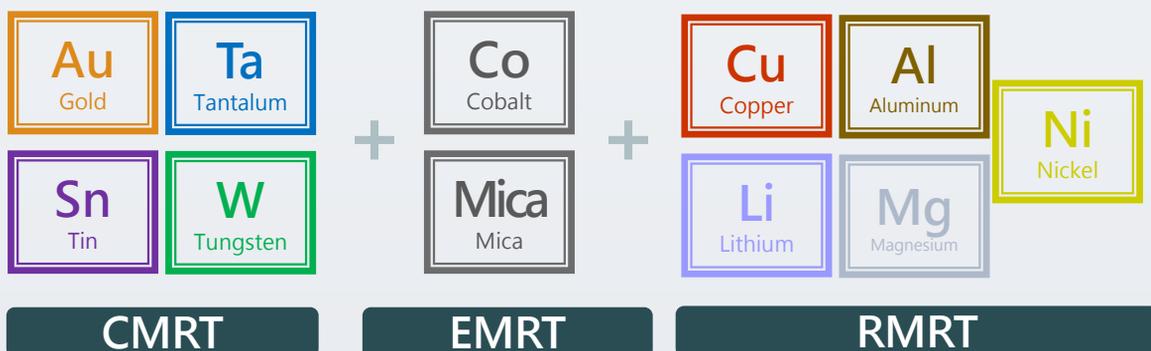
Introduction of Halogen-Free Materials

- Since hazardous substances such as corrosive gases will be released during combustion and heating, IEC (International Electrotechnical Commission) has defined the standards for halogen-free materials therein. In response to the requirements for the large number of customers in the market, Innodisk takes the initiative to comprehensively introduce the procurement of Halogen-Free parts. Despite the substantial challenges encountered during such implementation, Innodisk always tries its best efforts in selecting materials. As of the end of 2021, halogens-containing parts accounted for only 3.03% of the total materials.



■ Responsible mining products

- The proceeds from the illegal trade in tantalum, tin, tungsten and gold (3TG) in the Democratic Republic of the Congo and its neighbors have become a financial resource for local armed groups. The severe violations of human rights are closely related to these armed groups and their mining business. These mineral products are known as “conflict mining products” among which, metals such as tantalum, tin, tungsten and gold, are used in many consumer products (including electronic products) through the global supply chain. Mining is an intensive process involving social and environmental risks, which must be managed. Moreover, metals involves therein are not limited to 3TG, or the Democratic Republic of the Congo.
- Like the 3TG issues, unsafe working conditions and child labor in the artisanal mining of cobalt metals have also been gaining much more attention.
- As a member of the supply chain, Innodisk is also obliged to complete its due diligence, communicating to its suppliers through its official website and contracts with the suppliers, about its requirements of “not supporting or using conflict mining products, and not utilizing conflict mining products” from its suppliers in Innodisk’s parts or products. Through due diligence conducted on the conflict mining products, Innodisk expects to work together with its suppliers towards sustainable corporate development, jointly ensuring that Innodisk’s products contain no conflict mining products. In 2021, Innodisk also received special requests from brand name customers requesting Innodisk’s due diligence study about mining products/ mining fields, especially on raw materials such as aluminum (Al), copper (Cu), lithium (Li), magnesium (Mg), nickel (Ni), etc.



Yilan R&D and Manufacture Center - with a silver-grade logo of green building

- With its support for sustainable environmental development, Innodisk implements the goal of green building in Yilan R&D and Manufacture Center.
 - The perspective of environmental protection has been embedded into the design blueprint for the building-- the green space is extended; the space for solar panels is set aside; double-layer glasses with good light penetration and low radiation are adopted. Not only the green environment and environmental protection can be achieved, but also the wide viewing angle and the friendly environment help keep the employees comfortable at work.



Energy saving



Ecology



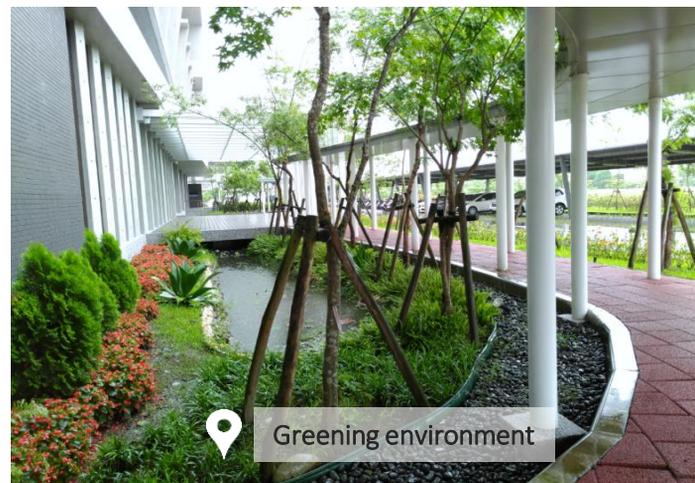
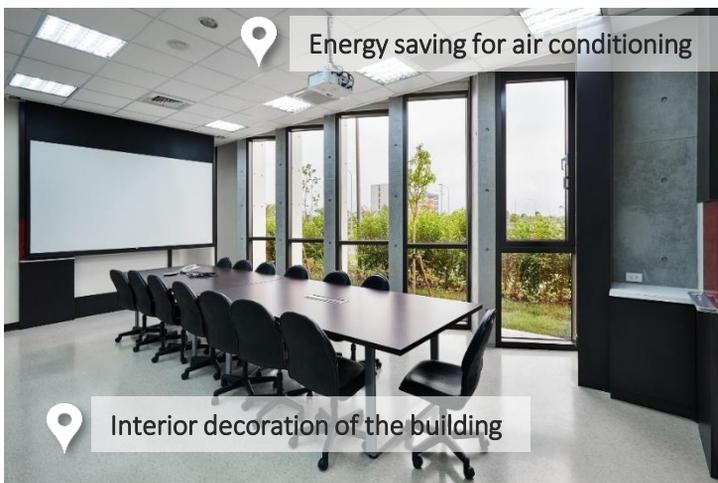
GREEN BUILDING



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 resource management
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Compliance with environmental protection regulations	Table of total expenditure on health, safety and environment (HSE)	Occupational Safety and Health	Energy management
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■ ISO certification management

- Since its establishment, Innodisk has not only focused on the research and development of its products and has strived to become a leading manufacturer in the field of industrial control, but also has viewed environmental protection as the Company’s top responsibility. Therefore, Innodisk introduced ISO14001 certification and became ISO14001-certified in 2012. Moreover, the Company upheld continuous improvements so as to deliver its commitment to caring for the earth and sustainable development.
- In 2018, the Company also became ISO45001-certified. Work safety and health performance have been enhanced through risk prevention and continuous improvement, so as to ensure workplace safety.
- In 2020, the Company further became ISO14064-certified. The possibility of saving and improving energy consumption has been explored through the greenhouse gas examination, so as to reduce environmental impact and enhance corporate social responsibility and image.

■ To save energy, the Company has long been promoting among our colleagues to take the following energy-saving measures.

2016	■ Replace obsolete equipment with products with energy-efficient labels	2021	■ Electronic service of process
	■ Purchasing RECs	2020	■ Paperless office
2015	■ Turn off the power supply to reduce standby power consumption during continuous holidays	2019	■ Adopt energy-efficient LED lighting fixtures throughout the factory area
	■ Periodically test the power distribution panel to maintain good power efficiency	2018	■ Yilan R&D and Manufacture Center –with a silver-grade logo of green building
2014	■ Check the current flow at each location at the end of each month to ensure safety		■ Adopt fire indicators of LED type
	■ Adopt parallel connection for the air conditioning systems in the factory, to reduce the number of ice water main units required		



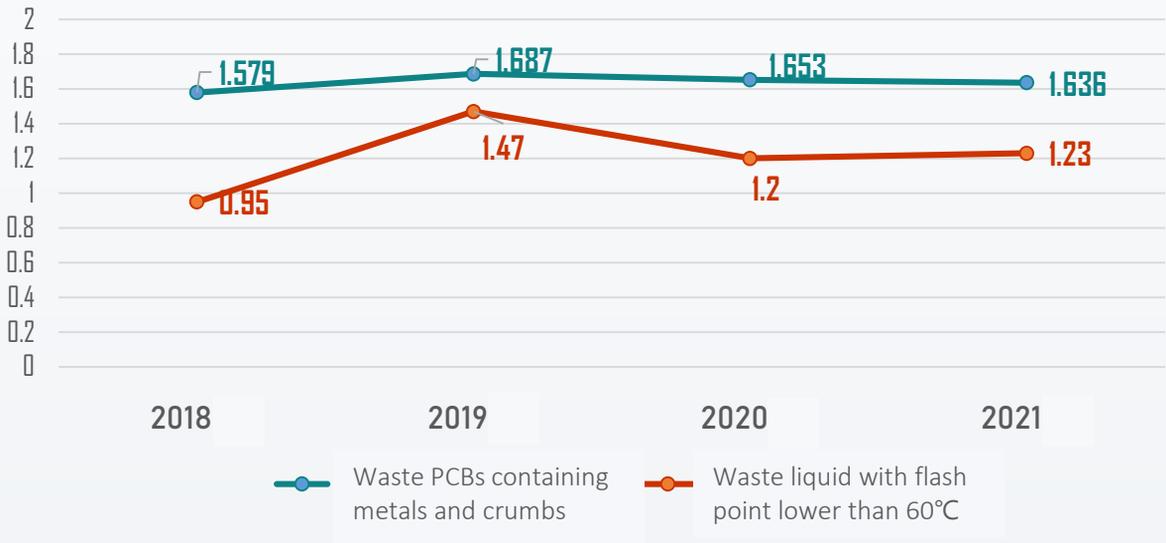
Waste Management

Waste Management

- The types of industrial waste generated by Innodisk fall into three major categories, namely General Industrial Waste, Hazardous Industrial Waste, and Resource Recovery. The General Industrial Waste refer to the daily life waste which will be disposed by a qualified waste clearance company entrusted by the park management center. The Hazardous Industrial Waste contain the PCB waste containing metals and crumbs, and the waste liquid with flash point lower than 60°C. Resource Recovery include scrap plastic, scrap iron, scrap tin, scrap dry batteries, scrap paper, scrap PET bottles, scrap aluminum foils, etc.

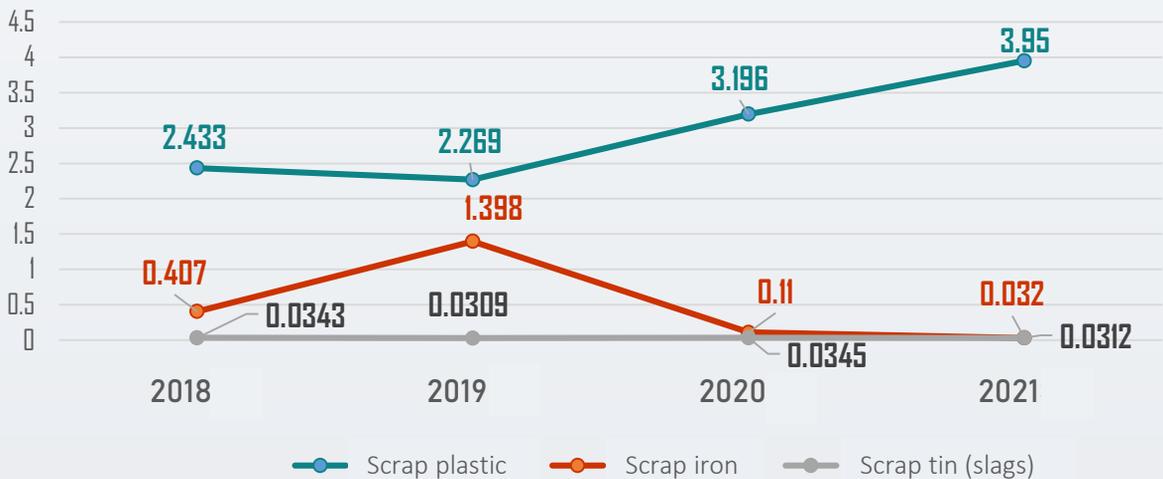
Xizhi Plant (Hazardous Industrial Wastes)

Unit: Tons



Xizhi Plant (Resource Recovery)

Unit: Tons

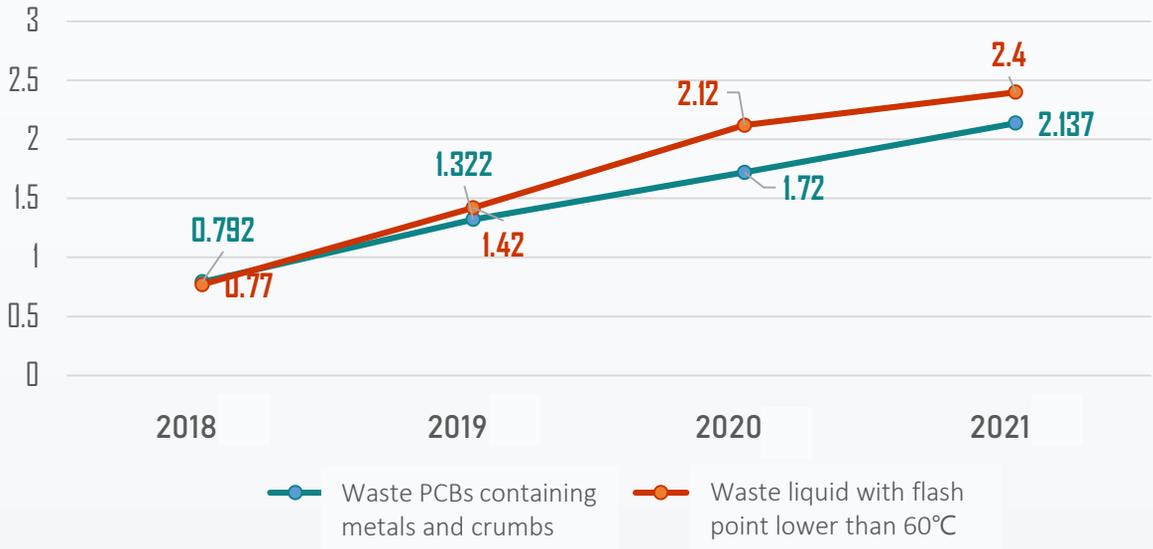


Waste Management

Waste Management

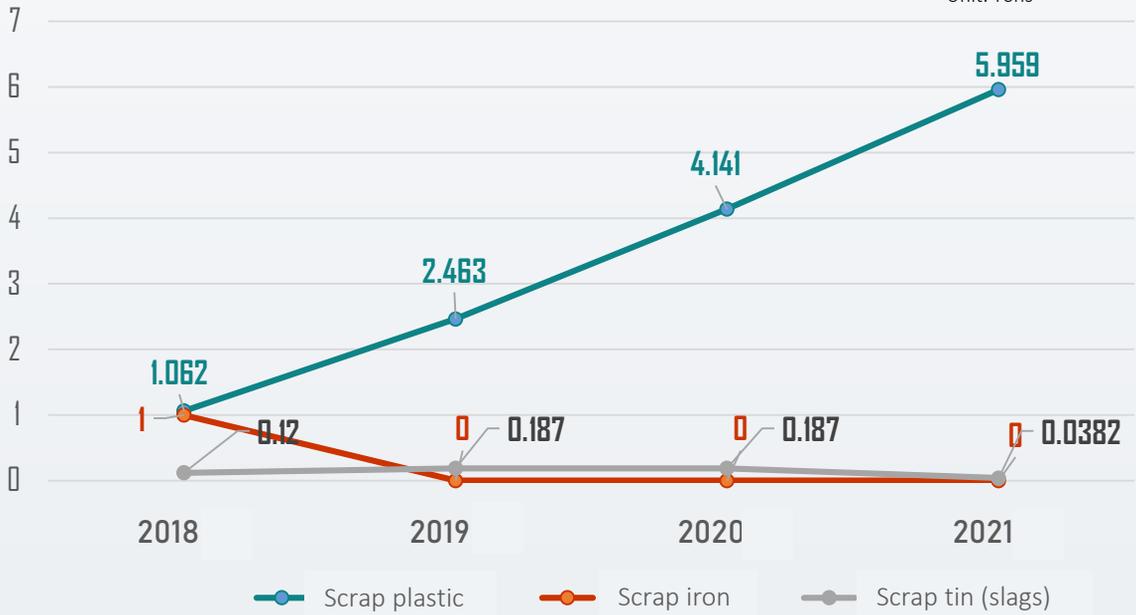
Yilan Plant (hazardous industrial wastes)

Unit: Tons



Yilan Plant (resource recovery)

Unit: Tons



Air Pollution Management/ Water Resource Management

■ Air pollution management

- The waste gas emitted from Innodisk’s manufacturing processes did not obviously contain air pollutants, and the Company is not listed to be one of the controlled businesses by the Environmental Protection Administration (EPA). However, due to its commitment to environmental protection, the Company still arranged qualified certifying authorities for carrying out the testing of particulate pollutant emissions annually. Over the years, the results of such tests had been consistent with the emission standards provided by the EPA.

Xizhi Plant	2019	2020	2021
TSP($\mu\text{g}/\text{m}^3$) Inspection results	37	51	41
Emission standard	500	500	500
Compliance	✓	✓	✓

Yilan Plant	2019	2020	2021
TSP($\mu\text{g}/\text{m}^3$) Inspection results	61	25	24
Emission standard	500	500	500
Compliance	✓	✓	✓

■ Water resource management

- Water is not used during the production manufacturing process by Innodisk. We only use water in employees’ daily life, and the source of water is tap water. In Xizhi Plant, the water meters are public facilities; the water meters used for the Company are not exclusive for Innodisk. So, the water consumption statistics data are calculated in proportion to the overall public water meters shared in the building.

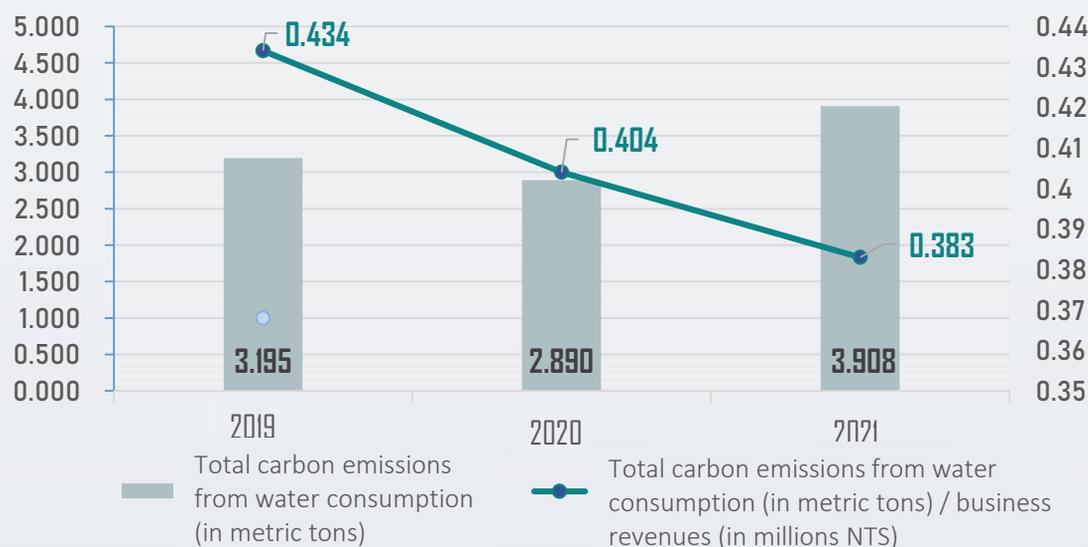
Xizhi Plant	2019	2020	2021
Total water consumption (m^3)	5,902	4,328	5,918
Water consumption per capita	13.1	9.6	12.7

Yilan Plant	2019	2020	2021
Total water consumption (m^3)	5,974	5,338	7,720
Water consumption per capita	39.8	35.5	40.2

Note: In 2019, 2020, the calculation of water consumption per capita was based on 450 people, whereas in 2021 on 466 people as of December.

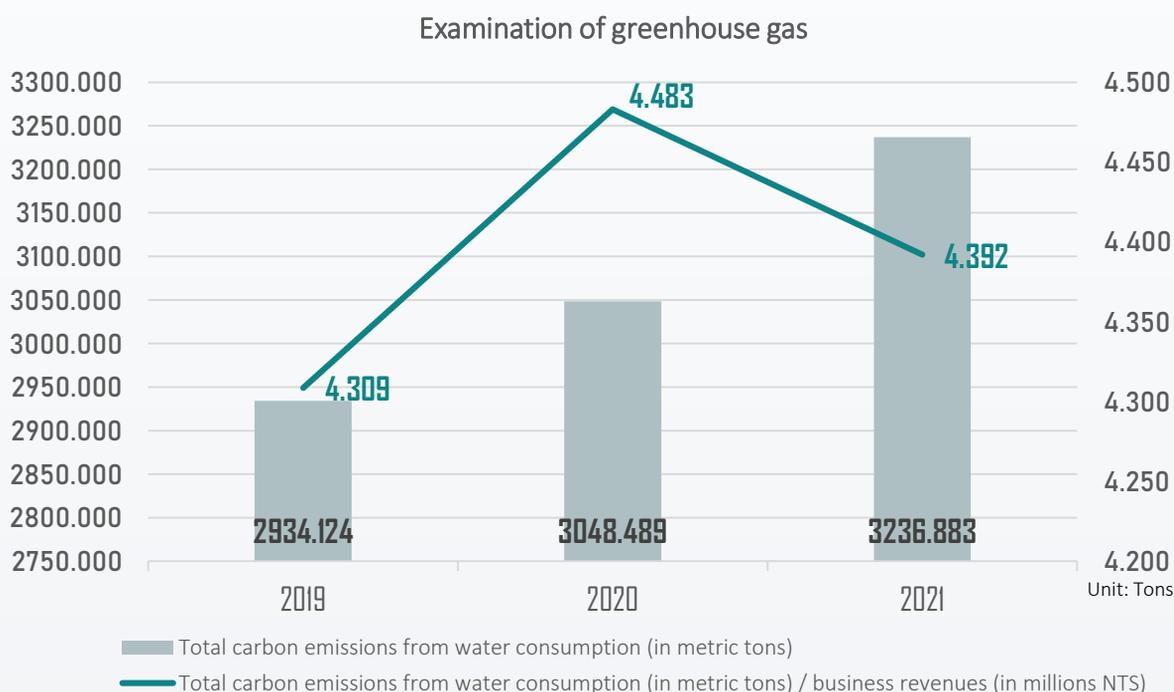
- No industrial wastewater is generated by INNODISK, and only waste water in daily life is generated.
- The water consumption in the Xizhi headquarters was calculated based on proportional apportionment of the daily living water consumption among the tenants in the building in the Science Park, whereas the water consumption in Yilan Plant was calculated based on an independent water meter.

Water resource



Energy Management

- The largest source of emissions from the production manufacturing process and operation of Innodisk mainly came from electricity. In the 2020 examination results, since carbon emissions of raw materials were newly added to the emission sources disclosure this year, the total greenhouse gas emissions of the headquarters increased. The carbon emissions from the raw materials purchased in 2021 accounted for over 60% of the total examined emissions.
- Although total emissions in 2021 increased in comparison with that in 2020, the intensity of emissions in terms of emissions per capita decreased by 2% in comparison with that in the previous year, as shown in the following figure.



- Innodisk examined seven types of greenhouse gas emissions, including CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. Since the emission source of raw material is also incorporated into the emission source disclosure this year, the base year was set to be 2020, with a total of 8825.465 metric tons CO₂e in the base year. Moreover, relevant verifications were completed by a third party in accordance with ISO14064-1:2018 version.
- The greenhouse gas emissions in 2021 was 10,178.986 metric tons CO₂e in total, as per the base of location, and 10,131.296 metric tons CO₂e as per the base of market.
- In 2021, Innodisk purchased 95 renewable energy certificates (REC) for a total of 95,000 kW/h of electricity, all of which were allocated to the headquarters in Xizhi as per the declaration. The emissions declared under the renewable energy certificates (REC) fell into the base of market, whereas the emissions from the non-renewable energy fell into the base of location. Therefore, the emissions as per the base of market were lower than those as per the base of location.
- The indirect greenhouse gas emissions from Category IV Energy was also examined this year, where the indirect greenhouse gas emissions from raw material ICs purchased amounted to 6311.0461 metric tons CO₂e, accounting for 62% of the Company's total greenhouse gas emissions; the indirect greenhouse gas emissions from the upstream production (electricity) of energy purchased amounted to 583.3678 metric tons CO₂e accounting for 6% of the Company's total greenhouse gas emissions.
- The scope of the examination of the energy management within Innodisk covered two factories, which accounted for 100% of the Company's business revenue, namely Xizhi headquarters and Yilan Plant.

Environmental and Occupational Safety and Health Management

■ Compliance to the regulations of environmental protection and occupational safety

- In 2021, Innodisk had not been fined due to any violations against the laws and regulations of the environmental protection and occupational safety.

■ Table of total expenditure on health, safety and environment (HSE)

- In 2021, Innodisk increased the number of monitoring points (e.g. for CO₂, illumination, etc.) to allow its employees to work in a healthy and safe environment; hence, the total costs for testing the items in the operating environment increased.

	Xizhi Plant			Yilan Plant		
	2019	2020	2021	2019	2020	2021
Waste removal	222,800	215,950	144,700	387,000	520,998	311,850
Testing of the operating environment	32,000	43,545	83,265	45,045	43,260	81,025
Testing of air pollutants + Perimeter noise (Yilan)	9,450	9,450	9,450	15,000	15,750	15,000
Testing of drinking water quality	10,800	10,800	10,800	3,600	3,600	3,600
Procurement of protective equipment (including first aid kit and medication)	24,437	187,497	44,426	22,232	19,420	18,122
Printing of GHS markings	6,000	0	0	0	0	0
Total	174,690	467,242	162,411	472,877	603,028	429,597

■ Occupational safety and health

- In order to prevent occupational injuries, we carry out periodic autonomous inspections on the machinery and equipment, and we implement educational trainings on general occupational safety and health and on fire prevention, to strengthen the employees' awareness of safety and health. In the factory areas, hazard signs are sufficiently provided to prevent occupational disastrous incidents from happening. In addition, to ensure that the working environment complied with the standards of safety and health, periodic testing of operating environment for the employees are conducted, including the tests and measurements for drinking water quality, noise, organic solvent concentration, carbon dioxide concentration, illumination, etc. to ensure the quality of the working environment, safeguard the health of the employees, and avoid occupational diseases.
- Electric distribution panels are locked and controlled to prevent employees from being impacted by any induced current due to mistaken power-on.



Environmental and Occupational Safety and Health Management



Traffic safety seminars



Chemical leakage drills



Hearing protection training

- In 2021, no occupational disastrous incidents happened to the Company, except for traffic accidents occurring during the employees’ commuting to and from work. In addition to the issue of occupational safety, Innodisk pays much more attention to the health of its employees. We not only invite occupational specialist physicians to offer consultation on-site on a monthly basis, but also hold health seminars for the employees for discussing the issues related to health and safety on a quarterly basis. The Company provide employee health checkups once every two years, which is a superior arrangement better than that as stipulated in the *Labor Standards Act*. We also hold health promotion activities, including implementing the policy of “NO-Smoking” workplace, preparing breast milk collection rooms for female employees, offering of a safe and hygienic dining environment for the staff, etc.
- In order to raise the employees’ awareness of safety and health for preventing occupational disasters, we implement educational trainings on general labor occupational safety and health, fire prevention seminars, organic solvent leakage workshops and drills, and external in-service trainings on safety and health for supervisors on a periodic basis every year.

■ Statistics of occupational injuries

- In order to implement occupational safety and health management based on a higher standard, Innodisk has started applying for a monthly report on the number of working hours without disasters since March 2014. As of December 2021, no disasters had happened to the Company for a total of 6.92 million hours. In July 2021, Innodisk obtained its fifth certificate of the disaster-free working hours from the Industrial Safety and Health Association (ISHA) of the Republic of China. Accordingly, the employees can be reassured about the working environment, so that we can implement the goal of zero-hazard work environment.
- No occupational hazardous or work safety incidents happened in the factor, so the statistics showed “zero” for the frequency of disability injuries and the severity of disability injuries (In 2021, a total of 4 traffic accidents happened when the employees commuting to and from work, which were not included in the statistics).

Site	Year	Number of disability injuries	Number of days of disability injuries	Total hours experienced	Frequency of disability injuries (FR)	Severity of disability injuries (SR)	Combined injury index (FSR)
Xizhi Plant	2019	0	0	954,395	0	0	0
	2020	0	0	909,261	0	0	0
	2021	0	0	941,196	0	0	0
Yilan Plant	2019	0	0	261,656	0	0	0
	2020	0	0	300,128	0	0	0
	2021	0	0	357,576	0	0	0

Descriptions of the definitions:

FR = Number of disability injuries (person-time) x million working hours/ total hours experienced; Combined injury index = $\sqrt{\frac{FR \times SR}{1000}}$

SR = Number of disability injuries (days) x million working hours/ total hours experienced

■ Contractor management

- To reduce the work injuries of the contractors, we have established the “Contractors’ management procedure” to prevent the contractors from suffering hazards due to insufficient awareness in the workplace or from neglecting the safety and health management during the operating period, to strengthen the contractors’ management of safety and health and the working environment. Prior to entering the site, the contractors are requested to implement the relevant occupational safety and health stipulations to ensure and enhance the safety of all operations. In 2021, no occupational hazards had happened to the contractors in the Company’s construction and repair works.

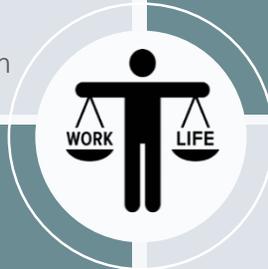
Work vs. Life Balance

Regulations

- Compliance
 - Four major programs of the *Occupational Safety and Health Act*
 - Educational trainings on occupational safety and health
 - Physicians/ nurses on-site services
 - Emergency personnel configuration

Health management

- Offering
 - Health counselling
 - Health care
 - Health checkup report and assessment



Friendly environment

- Offering
 - Automated external defibrillation (AED)
 - First aid kit
 - Breast milk collection room

Health promotion

- Arrangement
 - Health promotion activities
 - *InnoLife* health monthly magazine
 - *InnoLife* music appreciation
 - Massage services by the visually-impaired

■ Four major programs of the *Occupational Security and Health Act*



Workload management

- Monthly assessment : Assessment of overtime hours.
- Annual assessment : Workload scales.
- Occupational medical and health counselling: Risk assessment of cardiovascular diseases for the next 10 years; work and personal workload assessment.
- In 2021, there were 514 persons filling out the fatigue scales and occupational nursing assessments, and then got subsequent care.



Maternity protection

- Human Resources Department provide maternity protection for the persons who need this.
- Health risk assessment, and workplace environment and operational assessment are provided.
- Occupational medical and health consultation are arranged.
- In 2021, there were 15 persons under the maternity protection cases; all of them have undergone maternal environmental assessments, occupational medical consultation, and occupational nursing care.



Human factor engineering

- Occupational medical/ occupational nursing: Work site visits.
- Annual assessment: Musculoskeletal self-assessment form.
- In 2021, there were 514 persons completing musculoskeletal self-assessment forms, and subsequent occupational medical and occupational nursing.



Unlawful infringements in workplaces

- Annual assessment: Worksite hazard identification of unlawful infringements and risk assessment form, and Supervisor's autonomous review form.
- Assessment method: Surveys were conducted by random selections of one or two people per department.
- In 2021, the risk assessment of hazard identification and supervisor's autonomous reviews were completed, and there were no major unlawful infringement incidents.

Work vs. Life Balance

■ Physician on-site service contents:

- ✓ On-site service items
Employee health consultation, 15-20 minutes per person
Worksite hazard identification and risk assessment
- ✓ On-site service frequency
Xizhi Plant: Once per month, and 3 hours each time
Yilan Plant: Once per season, and 2 hours each time
- ✓ Physician consultation was offered to 69 persons.



On-site health consultation

15-20

minutes/person

Number of people receiving consultations

69 persons



On-site frequency

1 time/month
Xizhi Plant

3 hour/time
Xizhi Plant

1 time/season
Yilan Plant

2 hour/time
Yilan Plant



— Upholding a "sharing" attitude, Innodisk creates a sharing environment. The love from the Innodisk people was extended to all corners of the society. Relaxing massages for the employees are offered, and those employees who participated in the massage activities can donate a small token to the Foundation for public welfare. In 2021, a total of NT\$120,100 was donated to the Foundation which was then able to give love to the children.



innolife
InnoDisk Corporation – Work and Life balance



讓身心靈不再緊繃

- 頭痛、肩頸痠痛、腰痠下背痛
- 長期使用電腦、低頭族或長時間坐姿不正確
- 安排紓壓按摩·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
紓壓時間：30 min/人
捐款：50 NT (請交至管理處 職護 Nienyng#1225)



紓壓按摩做公益



宜鼎國際教育基金會
小額捐款 讓愛建立在孩子們身上



Work vs. Life Balance

■ Pandemic prevention measures

• The Company's pandemic prevention measures

- The Company adopted two shifts (A/B) of work rotation.
- All employees should measure their temperature before they can enter the work area.
- Home screening self-test kits are provided every week for all employees to monitor their health conditions.
- Those employees with respiratory symptoms such as colds and fever are required to cooperate with the occupational health care and to report their physical condition daily.
- Pandemic prevention notices are periodically released for employees to keep abreast of and stay in line with the pandemic prevention measures taken by the Government and the Company in combating the COVID-19.
- Physical meetings in the meeting rooms are controlled, and meetings are conducted online or via video conferences instead.
- A fast screening testing space is set up for visitors to do the COVID-19 fast screening, and only those with negative test results are permitted to enter the Company.
- Partition boards are set up in employee cafeteria, and the employees are divided in groups to go to cafeteria in timeframes.
- Interior ventilation is maintained, and environmental disinfection was enhanced.
- Health promotion activities were planned to take place online instead.
- Nine departments participated in the promotion activity of the hand-washing pithy formula "inside, outside, cross-over, arching, thumb, standing, wrist", where the nine departments demonstrated the correct hand-washing steps in a fun and informative way.

• The Company strengthened the pandemic prevention - fast screening for COVID-19

- Delta virus variation caused the COVID-19 outbreak in the community in May 2021 and Taiwan entered Level-3 Alert. Thinking of its employees, the Company conducted the fast screening procedures to safeguard the health of its employees and their spouses, so that we could create a safe and worry-free working environment for all employees. A total of 3 fast screening sessions were conducted in June 2021. Meanwhile, the Company also prepared fast screening test kits for visitors to the Company, so that the visitors were tested with fast screening and then were allowed to enter the office area if they were confirmed negative.
- The Company also provides fast screening test kits for its employees in times of severe COVID outbreak, so that the employees can do the fast screening at home during weekends ahead of time before Monday. Those with negative test results can come to work on Monday as usual, so as to ensure that employees can work in a safe environment.



Work vs. Life Balance

新冠防疫防疫措施

■ Encouraging birth-giving to children and the happiness project

- Since 2015, Innodisk has fulfilled its corporate social responsibility (CSR) in encouraging birth-giving to children and reducing the burden of child-raising for our employees.



Birth-giving benefits

- Cash gift NT\$3,000 .
- A subsidy of NT\$30,000 was provided for those giving birth to the second child (including the second and more).
- Total subsidy for eligible employees amounted to NT\$510,000. (including NTD120,000 in 2021 for 4 eligible applicants)



Child care allowances

- For children born during the employment of the employees, monthly allowance given to the employees was 6% of the salary for children aged 0 to 6 years. For employees with two or more children aged 0 to 6 years, the maximum amount of the allowance is up to 10% of the salary.
- Total child care allowance amounted to NT\$6,156,693. (including NT\$2,133,872 in 2021 for 62 eligible applicants)



accumulated people	2	6	23	31	41	49
accumulated amount	133,237	529,584	937,962	1,194,301	1,428,349	1,933,260

■ Scholarships for employees' children

- Since 2019, scholarships for employees' children have been provided to encourage employees' children who have good performance at the school.
- Amount of schooling incentives per school year: NT\$1,000, \$2,000, \$3,000, and \$4,000 per child, respectively for students in the elementary school, junior high school, senior high school/vocational school, and college/university/graduate school.
- Number of applicants: 59 in 2019, and 67 in 2020.
- The total amount of schooling incentives for the past two years amounted to NT\$189,000 (including NT\$150,500 in 2021 for 95 eligible applicants).



Health Promotion Activities

Health promotion activities in 2021				
NO.	Time	Subject	Satisfaction survey	Number of participants
1	2021/01/05	2021 Zodiac fortunes analysis	97	32
2	2021/02/25	Stock market investment sharing	92.2	44
3	2021/03/31	Popular table games analysis	98.8	17
4	2021/05/10	Detection of metabolic syndrome	95.4	17
5	2021/09/10	First aid training on CPR and AED	98.2	9
6	2021/06/08	Enjoy life with slim body figure	90.6	8

Satisfaction survey

95.37 points

Number of participants

686 persons

Popular table games analysis



Enjoy life with lean body figure



CPR+AED first aid



Stock market investment sharing



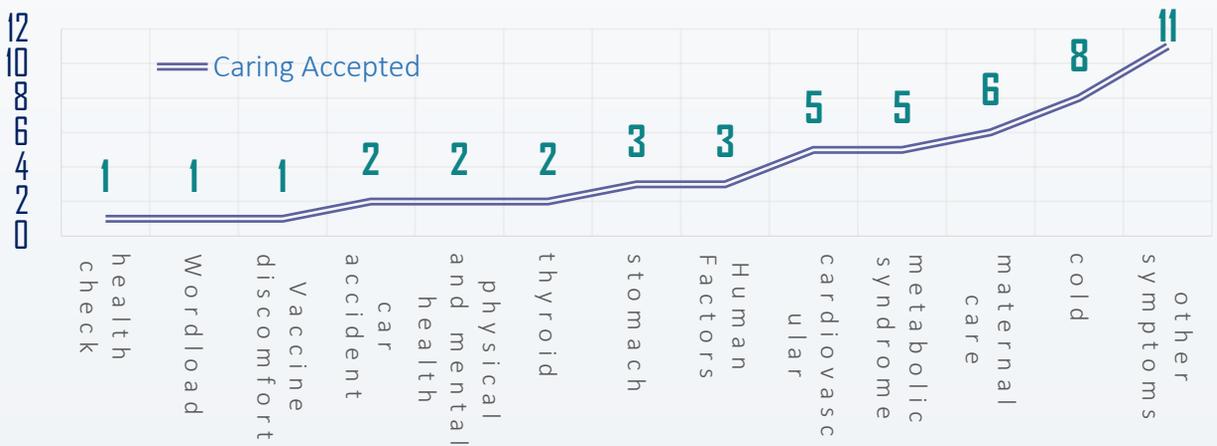
2021 Zodiac fortunes analysis



Health Management

Health care

- Through the notifications from department supervisors and Human Resource Department, occupational nursing care has been provided for health care, health education, tracking and record-keeping.
- The items for caring employees include caring personal health problems, physical and mental health, influenza, the three highs, blood pressure control, human factor engineering, maternity protection, workload management, etc.
- Health care was provided to 50 persons.



Online interactive platform

- A "sports ethos" platform was established to enable the employees to share health-related knowledge and sports results, and to promote sports ethos, where the employees were encouraged to develop their own habits of taking exercises and to improve their physical health. Those employees who were less active in exercise were encouraged to gradually develop a healthy exercise habit in the principle of 333.

Albee Ho 2021-03-09 11:11

I would like to highly recommend the "Duck House" in Wu-Jie, Yi-Lan. The environment was clean. The ducks were adorable, friendly, and very well taken care of. (Photos from the Internet)

3 2

Nicole Han @2021-03-09 18:18
Thanks, Albee! The new layout is fantastic!

Albee Ho @2021-03-09 11:13
Admission is free!! And You can purchase a BIG pack of feed for only NTD\$10!!

Nicole Han 2021-03-09 18:17

Low carb diet intro from VOGUE magazine.

2 0 網站連結 Link

Johnny Lin 2020-09-07 11:36

I brought my family to Mt. Dajian last Saturday. I went jogging along a river that evening. On Sunday, I brought my kids climbing on Mt. Yuemei. I must have lost at least 10 kg after such an intense exercising schedule. What a happy time with my family.

Je Lin 2020-11-02 08:47

I completed my FIRST EVER marathon on October 25. I finish it in over 5 hours, which was not a good time. I enjoyed it, though. There were a lot of mountain paths, which I was not familiar with. I only practiced running on a plain path, so I had a hard time running a mountain. I'll be attending New Taipei City Wan Jin Shi Marathon in March next year. I am practicing running on mountain paths and hope to finish the Wan Jin Shi Marathon in 4 and a half hours.

Nicole Han @2020-09-07 18:06

Aww, it was so sweet. I bet that you have lost 10 cm of your bare waist size.



Corporate Responsibility



Integrating Enterprise Resources and Focusing on Education and Cultivation

- Based on the concept of "sharing" and "undertaking", Innodisk established the Innodisk Education Foundation in 2015 as a platform for gathering love and resources and a system for long-term care. Adolescents are the main targets in such service. We focus on the three main aspects, namely "steady schooling", "encouraging skill learning" and "caring for the public welfare".
- In 2021, combining the efforts from the shareholders, the management level, the Company's employees and their families, the customers, private NPO organizations, and the general public that recognize the services provided by the Foundation, the Foundation promoted education cultivation programs and public welfare activities with an emphasis on New Taipei City, where the corporate headquarters is located, and Yilan, where the R&D center is located. In total, the Foundation had worked closely with 15 junior high schools, and 6 high schools and vocational schools, in the areas of basic science and technology education, career exploration, skills learning and application, economic assistance, etc.
- Innodisk focuses on the development of industrial storage equipment, upheld a corporate culture of "Top Service", and become a leading brand in the industry. During the period of six years for contacting with students, the Foundation has been fully aware that, in addition to the cultivation of students' professional competence, an intrinsic ability that students must develop is to learn the "appropriate attitude of matter handling". And the meaning of "attitude" to one person was as much as the storage device to the main body of electronic equipment. Although the storage device is inside the electronic equipment, the better the ability of the storage device, the higher effectiveness the electronic equipment will have. Therefore, the Innodisk corporate culture was integrated into various educational projects, to train our next generation to have "professional" skills and proper "attitude".



The twenty-third term of the Directors of the Innodisk International Education Foundation



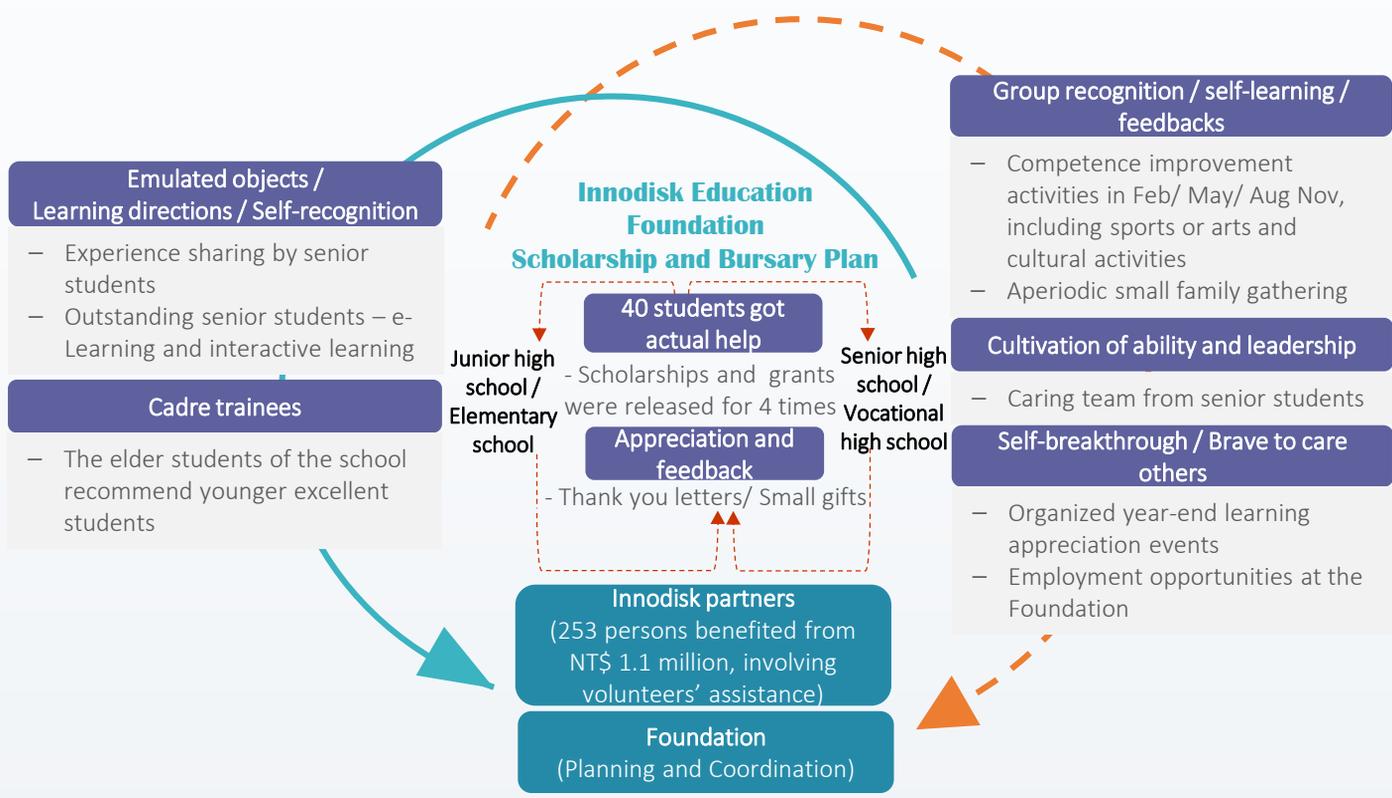
Bringing the corporate culture into the camp activities

- ▶ for students to cultivate proper attitudes in matter handling

Innodisk Corporate Culture



In addition to scholarships we keep you company



In 2021, the Innodisk International Education scholarships and bursaries supported and assisted 39 students ranging from elementary schools to high schools and vocational schools in Taipei City, New Taipei City, and Yilan. Since its establishment in 2016, Innodisk International Education scholarships and bursaries has supported and assisted a total of 117 students for 221 person-times, with an average support of 1.88 years per person (currently, the maximum duration of the support has reached six years). This year, under the influence of the pandemic, three sessions of activities have been organized physically and online, respectively. The contents of the activities included group interaction, snow-Q cake making, composition on marine environment, on-line lessons on thank-you cards and card books, blue-dye and cultural activities in Sanxia, etc. A total of 209 participants attended such events, where interactions with students and their families took place and children were led to learn the "attitude of matter handling". This year, a "Care Team" is set up to take in older children to carry out various activities together.

In 2021, seven students were successfully admitted to enter public or private universities. Two students opted for major studies related to social work, children and support, for passing on Innodisk's idea of helping international community members.

Active participation by Innodisk's employees and shareholders: With 253 people's donations, NT\$1.1 million was raised to help stable schooling for children, involving 10 volunteers and 106 hours of services, in accompanying children for learning.

The year of assistance	Number of persons assisted	Number of person-times	Average
Year 1	64	64	---
Year 2	22	44	---
Year 3	18	54	---
Year 4	8	32	---
Year 5	3	15	---
Year 6	2	12	---
Total	117	221	1.88



Integrating with the corporate culture and carrying on the "attitude"

The corporate culture of Innodisk emphasizes "just do it" which was in line with the concept of "learning by doing" promoted by the current education system. Accordingly, the three training activities, namely the "e-maker association", "Recovery camp for handmade value", and "Community skill base" were conducted from junior high schools to vocational high schools.

– The e-maker association:

We use the PowerTech material package developed by Professor Hong, Rong-Chao of Taiwan Normal University. The teachers from the cooperative schools have been trained by Innodisk Education Foundation, so that these teachers became qualified for teaching the training courses, and then these teachers set up various associations. In groups of two, and in line with the "learning by competition" pattern, intra-school contests are set up for the first semester and inter-school contests are set up for the second semester. Additional incentives will be provided to those schools that intend to participate in contests at the national level, while scholarships will be provided to good performing schools therein. Through teamwork, team members need to "listen to each other's ideas". These contests in various stages offer students with opportunities to embrace challenges at different levels, so that students learned that the only way to get good grades is through "continuous improvement". Moreover, various unexpected situations occurring during the contests will allow students to train their stress resistance ability and flexibility. With fun and interesting teaching materials, basic education in science and technology has been promoted, while the children's attitude of matter handling can also be cultivated.

– Recovery camp for handmade value:

Under the co-ordination of the Innodisk Education Foundation, senior high school and vocational high school premises were borrowed, to collect used small appliances/ computers from various sectors (including the customers of the Company), and specialized experts were invited to train university students in their maintenance skills. In turn, the specialized experts and trained university students led senior high school students and vocational high school students to carry out repair and maintenance of second-hand appliances. Finally, the refurbished or revised products that have been recovered were provided to family assistance centers, Tzu Chi, Qinxian Junior High School in New Taipei City, Dongshan Junior High School and Ercheng Elementary School in Yilan County to be used in the computer courses thereof or for the replacement of the teachers' administrative computers.



Recovery camp for handmade value
168 students form **5** senior high schools.
recycled **220** small appliances and **59** personal computers.



4 sessions of home appliance/computer training courses had trained **33** college students in appliance maintenance and verbal expression.



581 students form **13** high schools.
Completed **281** robot monster

With the idea of "learning before service" at the Innodisk Education Foundation, students participating in this program were encouraged to continue their improvements through the pattern of learning ► implementation/ services ► finding shortcomings ► learning again. Innodisk employees also served as professional experts in demonstrating the corporate culture of Innodisk, so that students could learn their profession and feel a true "working attitude" in the camp.

Integrating with the corporate culture and carrying on the "attitude"



- In 2021, the Innodisk's "Recovery camp for handmade value" program was recognized as an outstanding education program for the "Future education, Taiwan 100" award in 2021. For a company like INNODISK without educational business background, this award is a privilege honor and a reflection on the Company's profound self-expectation. We deeply appreciate 10 of Innodisk partners who accompanied children to study for 160 hours and help children cultivate "abilities" and "attitudes".

- Holiday skills base: To expand the concept of second-hand maintenance and to break the school boundary, "holiday skills bases" in Xizhi of New Taipei City, Nan'ao of Yilan County are set up respectively. Students who live/study in these two areas are welcome to join the skill base trainings if they are interested in computer maintenance. The skill base program usually starts on a specific Saturday morning on a monthly basis. Courses offered in the skill base program are instructed by the engineers of Innodisk or the students of Ming Chuan University. At the end of the skill base program, the students taking the program have to assist local schools in handling scrap computers. In this skill base program, students learn skills, and schools can get help, information, and the equipment can extend its life cycle. The three parties all get benefits while practicing the sustainable conducts.



Holiday skill base program held in Xizhi and Nan'ao. A total of **129** students participated in this program and **77** computers used in various schools were cleaned up and tidied up by the students completing the program.



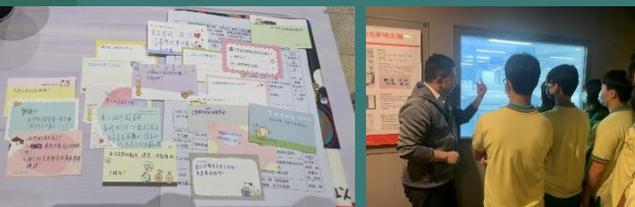
Nan'ao skill carnival activities involved **357** students from Nan'ao Senior High School to participate, and **75** professionals, teachers and members to assist in organizing such activities.

- In 2021, various practice activities of the Foundation were integrated; the Company's employees and trading customers were mobilized, and various community entities were cooperative with Innodisk. A school-wide "skill carnival" was held at Nan'ao Senior High School. Considering that it was not easy for Nan'ao District to exchange information with the outside world, Nan'ao did not get many opportunities for stimulation therefrom. Therefore, the skill carnival event was themed on three major topics, namely "Technology, Skill, and Culture", simultaneously running in three different modes, namely lecture, experience activity, and skill practice. A wide range of instructors, professional teachers and practitioners and relevant staff were invited to lead students from Nan'ao Senior High School to know different types of skills. Through such activities, we enabled a variety of skills to be spread into rural areas, allowing students to have opportunities to learn from the new options they did not have before.

Cultivating in junior high schools and enlightening children through skill education

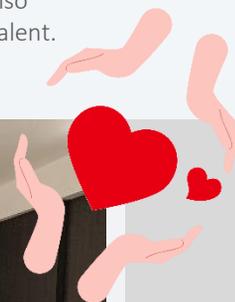


- A 15-year-old will face the first major choice in his life, “to go to a senior high school? Or a vocational high school?”. Children at this age just begin to think about their career direction. At Innodisk, how can we help these children?
- Accordingly, Innodisk worked with the Counselling Offices of several junior high schools to promote the “Future dream building project”. After a school year of systematic services through these schools, students of this age group were given chances to know skills, learn skills, and saw how themselves be fit in such skills. Meanwhile, these children were also reminded that career thinking should be a life-long thing, also a buildup from life experience. Only by continuously studying and refining, can they advance their skills with the times. We expect the students to take away more understanding about their life, not just an answer to choosing to go to a senior high school or a vocational high school.
- In 2021, this dream building project was conducted for 827 students from 7 schools in New Taipei City and 8 schools in Yilan County. A total of 15 sessions of launch ceremonies took place. Through this project, students took the opportunity to communicate with schoolteachers, while developing their ability to learn skills beyond schoolwork, to have greater possibility in the future. A total of 28 participants attended the 15 sessions of seminars which also broadened the students’ imagination about their career. A total of 865 copies of the dream building notes were released as transcript records of these courses on technical education for students. Moreover, 9-grade students were led to pay visits at industrial sites for five times and engaged in public welfare services for five times even under the disruption of the epidemic situation. In addition, 72 students who won the skill contests in New Taipei City and Yilan were awarded with prizes. They received public recognition in front of all schoolmates. Thus, those children who can learn excellent skills will also be proudly granted with scholarships in front of their peers.



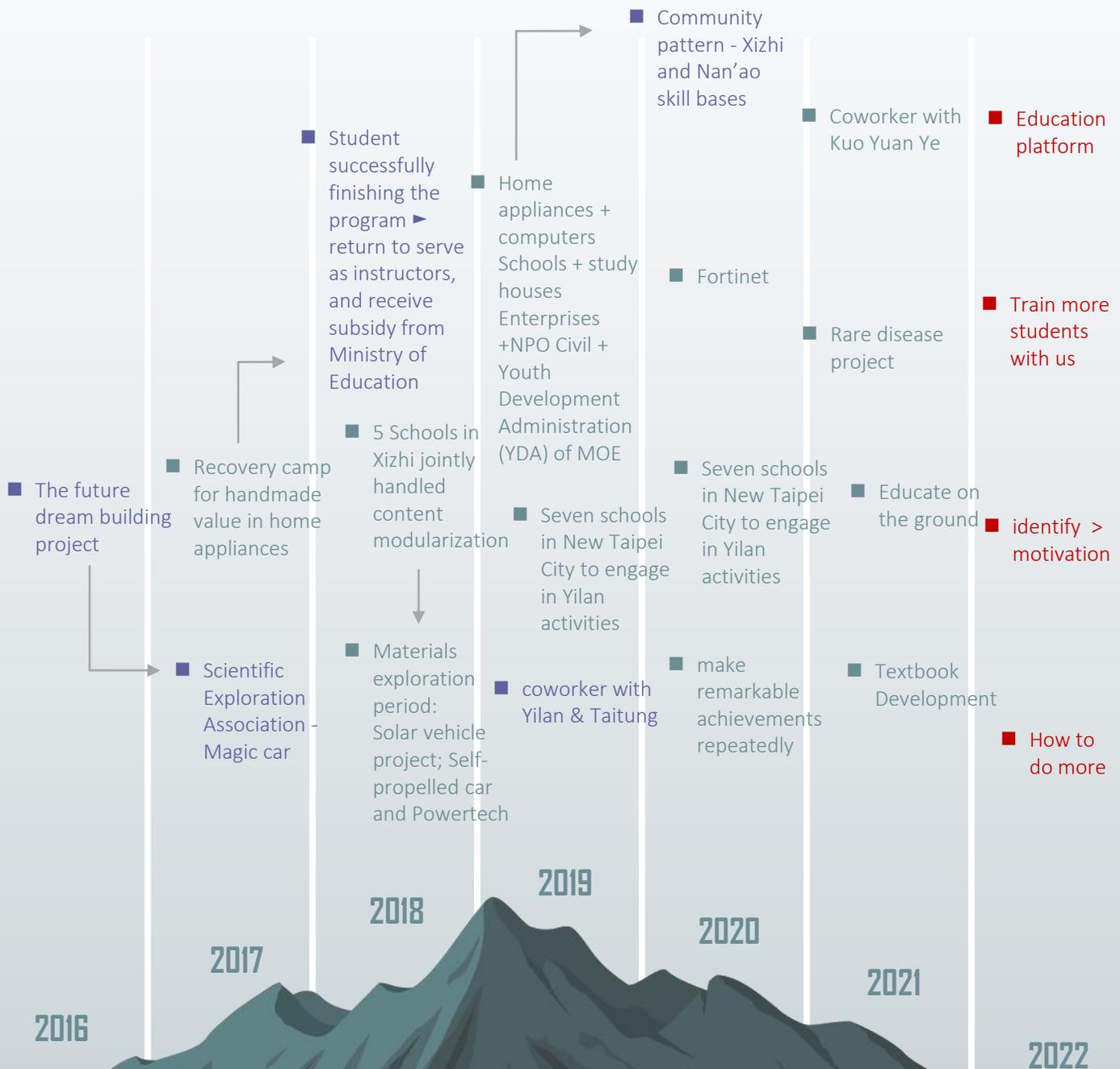
Striving for public goods during the pandemic

- In 2021, during the pandemic outbreak, the number of people in need of care and attention increased. However, the public welfare activities which supported by the Company had to compete with the COVID-19 in terms of timing. By upholding the spirit of competing with time, the employees of INNODISK, other companies in the industrial park, customers and schools cooperating with Innodisk were encouraged to join with us in serving the public goods as much as we could.
- The blood donation campaigns were held respectively in January and November in 2021. A total of 101,000 c.c. of blood was collected. We thanked so many enthusiastic people who were willing to help. Especially during the January blood donation campaign, Innodisk subsidized two dollars for every 1 c.c. of blood donated. Along with the fund raising from other companies in the industrial park, a total of NT\$170,000 were collected through these activities, where such funds were donated to Taiwan Foundation for Rare Disorders (TFRD) for the care of sick people.
- Some crops could not be exported for sale this year due to the COVID-19 outbreak. In order not to cancel out the efforts made by the farmers in the entire year, as well not to waste foods, Innodisk bought the fruit Sakya (450 kg) and the vegetable cabbage (1,060 kg) to share with our employees, customers, major trading partners, and schools. This was how Innodisk supported out farmers with practical actions.
- At the end of the year, Innodisk worked with Huashan Social Welfare Foundation (HSWF) in sewing pillows which were given to elderly people living alone, so that such pillows could accompany the elderly through the cold winter. A total of 26 male and female employees took part in the event, who made use of their lunch break, after work hours, or their own free time to make such pillows, either by themselves or with their families. To this end, a total of 72 pillows were completed. Those participating employees not only help others, but also found themselves have good sewing talent.



Continuing focusing on education and cultivating children's inner attitudes

- Over the past six years since its establishment, the Innodisk Education Foundation has focused on education services, continuously sharing skills and accompanied children in their studies. Students are encouraged to practice their hands-on works, listen to others' suggestions, so as to continue to refine their skills or works. Meanwhile, students are encouraged to maintain maximum flexibility, without limiting themselves. We hope that through students' physical practice, children can cultivate their attitudes in matter handling, while Innodisk's cooperate culture can also be passed down to the next generation.
- Upholding the concept of "continuous improvement for the better", Innodisk Education Foundation has held various activities, so that the activities can bring more inspiration for the children. The Company is also the strongest support behind schoolteachers. Together with schoolteachers, we committed ourselves to educating children.
- In the future, many more employees within Innodisk will also join these education and public welfare activities, because this is all about the corporate culture of Innodisk.





Appendix



GRI Indexes

GRI Guidelines – No. of the disclosed item	Title of the disclosed item	Page
102-1: 2016 Name of the organization	Introduction to the Innodisk's Sustainability Report	3
102-2: 2016 Activities, brands, products, and services	Major Products	8 15~18
102-3: 2016 Location of headquarters	Global business and sales locations	10
102-4: 2016 Location of operations	Global business and sales locations	10
102-5: 2016 Ownership and legal forms	Corporate Governance	27~30
102-6: 2016 The markets where we provide service	Services provided by Innodisk	54
102-7: 2016 Scale of the organization	Global business and sales locations/ Manpower structure	10 32~34
102-8: 2016 Information on employees and other workers	Manpower structure	32~34
102-9: 2016 Supply chain	Supply chain	48~51
102-10: 2016 Significant change to the organization and its supply chain	No significant changes	-
102-11: 2016 Precautionary principle or approach	Business continuity and risk management	58
102-12: 2016 External initiative	The Company had not executed external initiatives	-
102-13: 2016 Membership of associations	No membership of the Union or Association	-
102-14: 2016 Statement from senior decision-maker	The Chairman's Speech	4
102-16: 2016 Values, principles, standards, and norms of behavior	Organizational principles and ethical guidelines	41
102-18: 2016 Governance structure	Corporate governance/ organizational structure	26~30
102-40: 2016 List of stakeholder groups	Stakeholder Identification and Engagement	46
102-41: 2016 Group Compact	The Company has not executed a group agreement with the trade union	-
102-42: 2016 Identifying and selecting stakeholders	Stakeholder Identification and Engagement	46
102-43: 2016 Approaches to stakeholder engagement	Stakeholder Identification and Engagement	46
102-44: 2016 Key topics and concerns raised	Stakeholder Identification and Engagement	46

GRI Indexes

GRI Guidelines – No. of the disclosed item	Title of the disclosed item	Page
102-45: 2016 Entities included in the consolidated financial statements	Financial Information	25
102-46: 2016 Defining report content and topic boundaries	Stakeholder Identification and Engagement	46
102-47: 2016 List of material topics	Stakeholder Identification and Engagement	46
102-48: 2016 Re-editing of information	No reprogramming	-
102-49: 2016 Changes in reporting	No significant changes	46
102-50: 2016 Reporting period	Introduction to the Innodisk Sustainability Report	46
102-51: 2016 Date of the latest report	Introduction to the Innodisk Sustainability Report	-
102-52: 2016 Reporting cycle	Introduction to the Innodisk Sustainability Report	-
102-53: 2016 Contact person for answering the questions regarding the report	Introduction to the Innodisk Sustainability Report	3
102-54: 2016 Claims of reporting in accordance with the GRI standards	Introduction to the Innodisk Sustainability Report	3
102-55: 2016 GRI content index	GRI content indexes	3
102-56: 2016 External assurance	Introduction to the Innodisk Sustainability Report	3
103-1: 2016 Explanation of the material topic and its Boundaries	Stakeholder Identification and Engagement	3
103-2: 2016 Management guidelines and relevant components	Stakeholder Identification and Engagement	92~93
103-3: 2016 Evaluation of the management guidelines	Stakeholder Identification and Engagement	3
201-1: 2016 Direct economic value generated and distributed	Financial information	25 財報
307-1: 2016 Non-compliance with environmental laws and regulations	No violations of environmental regulations	-
401-3: 2016 Parental leave	Analysis of re-employment after parental leave for employees in Taiwan headquarters	35
404-3: 2016 Percentage of employees receiving regular performance and career development	Employee development	37~41
405-2: 2016 Ratio of basic salary and remuneration of women to men	Labor rights and interests	36
419-1: 2016 Non-compliance with laws and regulations in the social and economic area	No violations of laws and regulations in the social and economic fields	-

Independent Third Party Assurance Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE INNODISK CORPORATION'S CORPORATE SUSTAINABILITY REPORT FOR 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
 SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Innodisk Corporation (hereinafter referred to as Innodisk) to conduct an independent assurance of the Corporate Sustainability Report for 2021 (hereinafter referred to as the Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification 2022/04/07–2022/04/29. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
 This Assurance Statement is provided with the intention of informing all Innodisk's Stakeholders.

RESPONSIBILITIES
 The information in the Report and its presentation are the responsibility of the directors or governing body (as applicable) and management of 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 stakeholders.

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

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

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

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

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

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

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

LIMITATIONS AND MITIGATION
 Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

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

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

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

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

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AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

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

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

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

Impact
 Innodisk has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services. More performance and/or analysis are expected in future reporting.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, Innodisk's Corporate Sustainability Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more detailed discussions in each material topic, which shall focus more on practical actions and performances than general descriptions. More quantitative outcomes, for where is applicable, are also expected. Additionally, good deeds of the company are also encouraged to be fairly reported.

Signed:
 For and on behalf of SGS Taiwan Ltd.



David Huang
 Senior Director
 Taipei, Taiwan
 24 May, 2022
www.sgs.com



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innodisk