

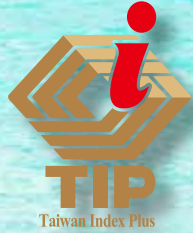
Greater Responsibility, Greater Concern



CSR Honor



FTSE4Good
TIP Taiwan ESG Index



Inventec is selected as a constituent of the following indices:

- FTSE4Good TIP Taiwan ESG Index
- TWSE RAFI® Taiwan High Compensation 100 Index
- TWSE Corporate Governance 100 Index
- TWSE RA Taiwan Employment Creation 99 Index
- MSCI Taiwan Corporate ESG Rating - Level A



Champion of CSR/AI Competition for U.S. International Development



Commonwealth Magazine
2021 Top 2000 Enterprises -
No. 8 in Manufacturing



TOP 50 Taiwan
Corporate
Sustainability
Award



Commonwealth
Magazine
Corporate
Citizen Award



Responsible Business Alliance
VAP Audit Achieving Silver
Status



Corporate
Sustainability
Report Award -
Platinum Award

Inventec

CSR Honor



Excellent Healthy Workplace Award of Taipei



National Occupational Safety and Health Excellent Unit Award



Labor Safety Excellent Unit Award of Taipei



Best Supplier Award



TCSA People Development Award



SGS CSR People Development Excellence Award



Recognition Award for Exceptional Performance of ODM



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In response to stakeholder demand, Inventec has composed the “special topic on COVID-19 prevention” regarding the COVID-19 pandemic in Chapter 4 (p.39) of this report so that they can learn about Inventec’s COVID-19 prevention efforts over the past year. To facilitate efficient browsing of the highlights of Inventec’s “COVID-19 prevention topic,” the key points are summarized as follows:

Since the outbreak of the COVID-19 pandemic in 2020 until now, to protect the health and safety of employees and prevent the risk of suspension of operations that COVID-19 could potentially cause, the chairman and president of Inventec developed and activated the Inventec risk management mechanism (BCP, Business Continuity Plan) at the beginning of 2020 during the initial period of the epidemic by requiring all the company’s factories around the world to set up COVID-19 prevention response teams, formulate COVID-19 prevention plans, implement epidemic preventive measures, dispatch employees for anti-epidemic living, and ensure a continuous chain of operations and uninterrupted service to customers so as to protect the rights and interests of stakeholders.

External response mechanism::

Uninterrupted customer service:

- 1) Provide Inventec’s Epidemic Prevention Plan in accordance with the customer supply chain BCP plan.
- 2) Participating in the training of COVID-19 prevention measures held by customers, and cooperating with customers in epidemic prevention and response.
- 3) According to the requirements of the customer value chain, adjust the production of products in off-site factories to ensure fulfilment of local customer demands.

Continuous supply chain management:

- 1) Confirming the detailed material status of raw materials through thnventec e-Supply Chain information system
- 2) When the epidemic situation is critical, the purchasing staff cooperate with the Company HR’s work-from-home plan to maintain operations.
- 3) In line with customer value chain requirements, increase raw material inventory management to ensure the fulfilment of customer demand.

Group companies are unaffected:

- 1) Purchase of video and hardware equipment and connecting with each factory team to achieve project tasks.
- 2) AR augmented real-time communication and intuitive remote guidance to improve the efficiency of remote communication.

Internal management mechanism:

Epidemic prevention and taking care of health

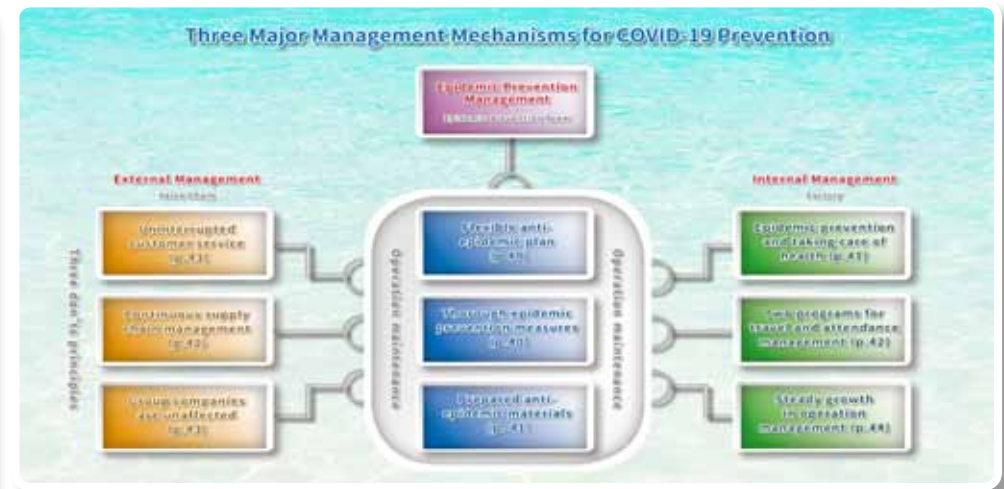
- 1) Rolling adjustment of epidemic prevention policies.
- 2) Switching to telephone or video conferencing.
- 3) Wearing masks during the whole process to ensure the health and safety of employees.

Two programs for travel and attendance management

- 1) Remote workplace.
- 2) Work from home.

Steady growth in operation management

- 1) Digital transformation.
- 2) Industrial upgrading: combining smart factory to create the world’s first open-architecture 5G independent enterprise private network.



1. Overview

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Message from the President

Due to Covid-19, the global consumer markets and robust investment participation were seriously disrupted in the first half of 2020. Major global economies zealously stimulate economic development through various fiscal policies and financial instruments. Following the rollout of various vaccines, the global economy seems to signal optimism about economic recovery in the second half of 2020. However, the disturbed U.S. election and the ongoing trade war between the U.S. and China has also reshaped the global economy. It is hard to predict economic trends; yet Inventec still makes most specific contribution by providing customers with diversified, quality products. Under the effort of all our staffs, our turnover has achieved over TWD 500 billion for three consecutive years. Furthermore, profits have increased in comparison to the previous year adding the contribution of non-operating revenue.

The consolidated revenue reached more than TWD 508.2 billion, slightly higher than in 2019 by 1.47% (consolidated revenue of TWD 500.9 billion). The consolidated pre-tax operating profit was TWD 10.3 billion, which was an increase of 58.94% as compared with 2019. The after-tax net profit attributable to the parent company's shareholders was more than TWD 7.5 billion, which was an increase of 37.04% when compared with the previous year. The consolidated after-tax earnings were TWD 2.10 per share, which increased more than 36% as compared with the EPS of 1.54 in 2019.



President

Maurice Wu

Operating income was mainly benefited from the product differentiation and non-operating income and expenses benefitted from the contribution of idle assets revitalization. The operation grew consistently and effectively.

- With more people working from home and adapting to distance learning, the sales revenue of notebook computers was about TWD 275.8 billion. This is an increase of 11.78% as compared with the previous year.
- The sales revenue from server products which equates to approximately TWD 191.3 billion, increased by 14.65% as compared with the previous year. This attributed to a greater demand for data centers by cloud service providers.
- Although smart device products face readjustment due to customer product strategies, this sales revenue still contributed TWD 39.9 billion accounting for 8% of the consolidated revenue.
- The group's solar energy company faced the unbalanced issue of market supply and demand, striving for modification of active operational strategy. The solar-related sales revenue was TWD 1.1 billion.

To this day, the trade war between the two major economies of U.S. and China has let both experience the inevitably degenerating relationship. And they are developing their own field of core technology and products. Furthermore, the sudden Covid-19 pandemic situation have also let many people make abrupt shift to working from home, and cause the national-wide lockdown crisis. Inventec has demonstrated unbending and devoted determination to develop diversified and high-quality products to satisfy customers' needs through appropriate adjustment of supply chain, planning of production base and breakthrough of technological innovations.



The IMF projected that the 2021 global economic growth to be 6% and we presume that all major economies will gradually recover. Although the stimulus and relief package released by different countries might trigger the concern of inflation, Inventec is actively creating a favorable operational environment based on the niche of product development. The company has also set the goal of revenue growth higher than previous periods. The business plan and outlook are classified into the following aspects:

I. Products business:

1. The server businesses benefitted from emergence of new platforms and significant business growth in large data center customers, the higher percentage of customer orders and operational growth is reasonably foreseeable.
2. Notebooks have benefited from the effects of the stay-at-home economy fueling by Covid-19 pandemic. Brand suppliers are introducing new middle-to high-end mixed models of commercial notebook, and they will strengthen the AI and digital applications. With outstanding product design and quality assurance over years. Notebook business operation is expected to remain in its heyday.
3. Due to the constant introduction of new IoT and AI applications, the market demand for smart devices remains robust. However, the orders are taken according to the consideration on status of product quotation. Therefore, it needs to evaluate subsequently the efficiency of capacity utilization, expand new customers and increased orders from existing customers. In contrast to the operation of last year, new products will be introduced into the market in succession throughout this year.
4. The development of emerging business is also in progress: automotive electronics are under developed, focusing on designing to reach the level of smart car configuration. As for the application of medical products, it is hoped that Inventec will be involved in providing comprehensive smart health care.

II. Digital transformation: To be able to commensurate with world-leading management technology, digital transformation is imperative. We will use the digital transformation blueprint to redefine our business model and operational flow, reshuffle organization, and set performance goals. It will also optimize operational indicators and focus on a combinatory benefit analysis of developing product, and also enhance profit visibility and precise project management.

III. "AI for Industries" and "Industries for AI": All Inventec production plants already successively transformed into smart manufacturing plants. With advanced process technology incorporated with IoT, big data, and AI technology, we aim to improve quality and we also aim to optimize the processes with smart production link in order to develop the smart plant for industrial 4.0 and 5G applications. These innovations will achieve a new milestone in AI for industries. On the other hand, the Industries for AI will focus on the development of medical field and autonomous machine from AI technology to provide better medical care for an improved quality of life.

Message from the Chairman

Ethical corporate management is always the prime directive of Inventec. We have set up competence of each functional committee under the Board and established a corporate governance unit to improve corporate governance. We also enhance information transparency and strengthen communication with stakeholders to achieve the goal of sustainable operation. We value talent development and will comply with Environmental, Social and Governance (ESG) related issues; reinforce the disclosure of relevant information; voluntarily fulfill the sustainable development of environment and society and we will collaborate closely with "Inventec Group Charity Foundation" to perform corporate social responsibilities.

"Innovation, quality, open mind, and execution" are the core concept of Inventec's operation. We will follow the internal protocol of company culture to transfer the internal experience to the employees, share resource, stick to strict management and abide by through execution to face a challenging operational environment. Inventec has transformed from a traditional assembly company to an engineering company that provides its customers with all-in-one product design and total solution services.

With the rapid change in international business, Inventec will uphold the spirit to "face the challenges, resilient within the changes" to move forward. We believe that we will achieve the goal of continuous business growth and simultaneously fulfill corporate social responsibility through our comprehensive thinking, innovative and strategic business plans to create business value for all stakeholders.

Chairman

Tom Cho



1.2 About Inventec

1.2.1 Overview of Inventec



“Innovation, Quality, Open Mind and Execution” as proposed by Kou-I Yeh, Chairman of the Inventec Group, is the core philosophy for business operations of Inventec. For a long time, all employees of the Inventec Group adhere to the operation philosophy.

- ◆ Company name: Inventec Corporation
- ◆ Date of establishment: June 9, 1975
- ◆ Industrial category: ICT (Information and Communications Technology)
- ◆ Operation headquarters: located in Taipei City, Taiwan, operating points are established globally (Asia, North America, Europe, etc.)
- ◆ Chairman: Mr. Tom-Hwar Cho
- ◆ President: Mr. Yung-Tsai Wu
- ◆ Total employees: 20,079 (2020/12/31)
- ◆ Revenue in 2020 approximately NT\$ 508.2 billion
- ◆ Inventec stock code: 2356 (listed company in the Taiwan Stock Exchange). Please refer to the "Company Profile", "Capital Overview", "Operational Highlights", and "Financial Information" of Inventec Corporation 2020 Annual Report for the important investments, equity, share capital, shareholder structure, business scope, payments to government, and sales volume.

1.2.2 RBA Membership



VAP audits of factories in Taiwan and China achieve silver status.

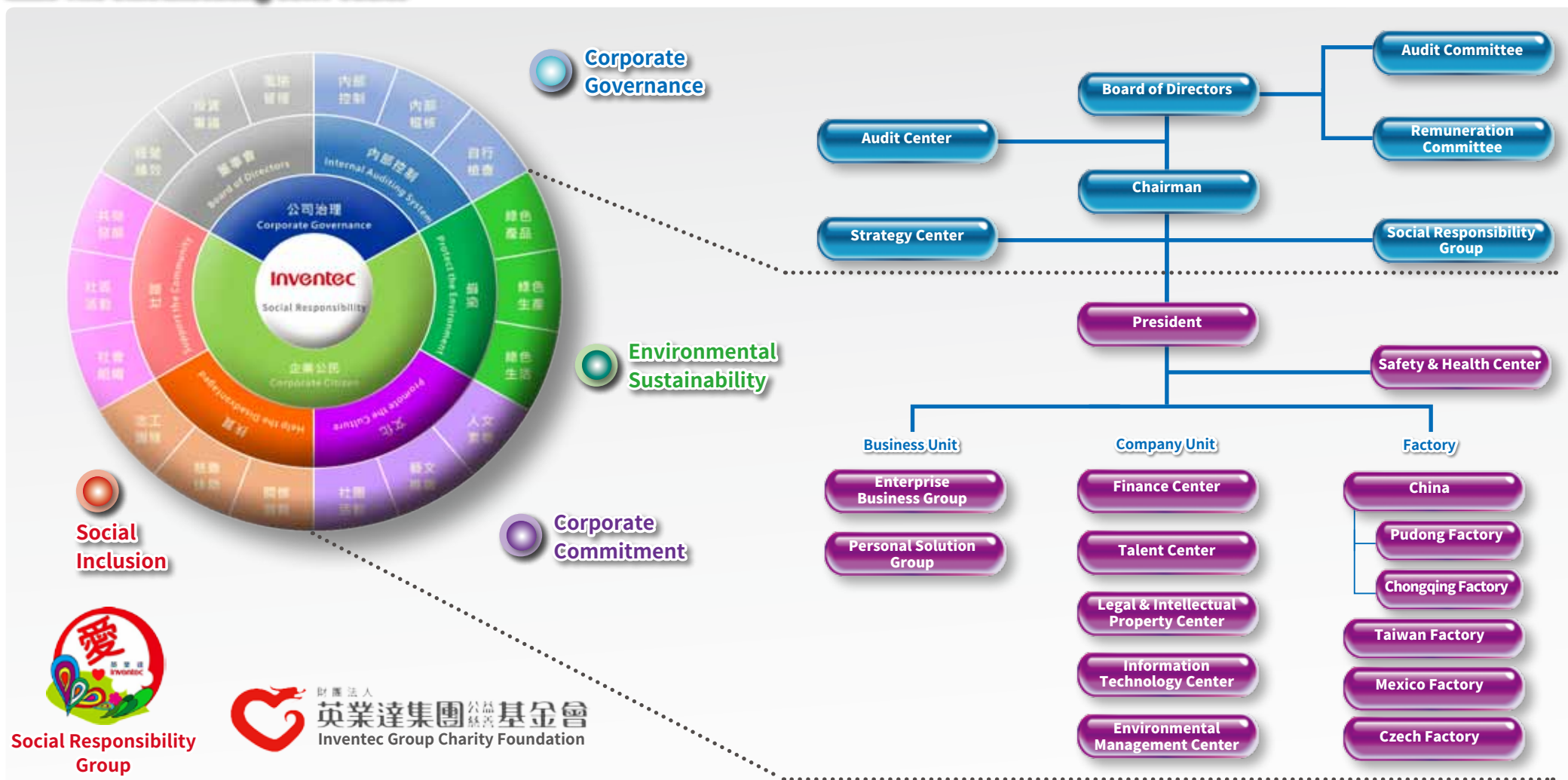
- ◆ Inventec is a member of RBA (Responsible Business Alliance). It abides by the RBA Code of Conduct, internally conducts staff training and promotes RBA-related operations, and externally cooperates with customer needs and supply chain management, to fulfill the responsibilities of RBA members.
- ◆ Every year, RBA-ONLINE's SAQ (Self-Assessment Questionnaire) assessments and VAP (Validated Assessment Program) audits and improvements are carried out at various factories around the world. The factories in Taiwan, China, Europe and America that received RBA audits in 2020 have no priority non-conformances in terms of Labor, Health and Safety, Environment, Ethics, and Management Systems. As for the remaining non-conformances found in the VAP audits, the closure audits were carried out according to the RBA regulations to confirm improvements. In the future, Inventec will continue to follow RBA standards, meet the customers' RBA demands, and externally disclose the CSR information.



The company's annual report
issued by Inventec in 2021

1.2 About Inventec

1.2.3 The Unit Executing CSR Policies



◆ Inventec adheres to "corporate governance" internally and practices "corporate citizenship" externally. Corporate governance is carried out through the operation of the Board of Directors, internal control system, and through the four aspects of "Protect the Environment, Promote the Culture, Help the Disadvantaged, and Support the Community" to meet the needs of corporate commitments and environmental sustainability. Social inclusion is led and implemented by Inventec Group Charity Foundation and Social Responsibility Group.

◆ The enterprise level of "corporate social responsibility" of Inventec is the Chairman of the Board of Directors, and the "Social Responsibility Group" is established under the Chairman to be dedicated to promoting corporate social responsibility related affairs. With Inventec Group Charity Foundation, making social responsibility policy, system, or related management guidelines of responsible corporations and the proposal and implementation of a substantive launch plan, report the implementation plan and results to the board every year.

1.3 About Sustainable Operation

2030 Vision Plan



The stakeholders



Operational development



Future perspective



Fulfill social responsibility



The United Nations Sustainable Development Goals



Inventec's sustainable strategic goals

2025 Strategic Goals

Demonstrate "market value":

Integrate the resources of the Group and invest in the future of the Group through the fixed assets activation and the intangible assets assessment.

Becoming an "internet company":

All business activities of the group can be connected to the Internet to provide a comprehensive solution.

2030 Strategic Goals

Becoming a "social enterprise" and actively assisting in solving social problems in a business manner and enhancing our "social responsibility."

◆ Inventec actively implements corporate sustainability, hopes that its efforts are recognized and supported by all stakeholders, and implements the business philosophy of "innovation, quality, open mind, and execution" in various core value links. Inventec abides by "corporate governance" internally and practices "corporate citizenship" externally.

◆ In response to the United Nations Sustainable Development Goals (SDGs), Inventec has formulated the 2030 sustainable vision program, which encompasses the four major aspects of "Protect the Environment, Promote the Culture, Help the Disadvantaged, Support the Community" in moving towards sustainable corporate development. Upholding the spirit of "Greater Responsibility, Greater Concern" and seeing Inventec's responsibility in the needs of others, Inventec looks forward to a bright and glorious future. Through planning a "new value, new mission, new future," the company will implement the 2025 and 2030 strategic objectives of sustainability and enhance our "social responsibility" duty.

2. Stakeholder Engagement

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2.1 Communication Management

Stakeholders Identification Management Process



Inventec's 8 Major Stakeholders



Material Topic Identification Management Process



2.1.1 Stakeholder Identification Management Process

◆ To strengthen stakeholders' communication mechanism, Inventec has formulated an internal management process for identifying stakeholders, as shown in the left figure, by referring to GRI Standards and AA1000 SES (2015) international standards. In order to effectively differentiate stakeholders related to Inventec CSR, including employees, customers, suppliers, shareholders/investors, government agencies, communities, media, competitors, non-governmental organizations (NGOs), research institute, and labor unions, the top eight major stakeholders are ranked and listed through a questionnaire, the descriptions of which are as shown in the left figure.

2.1.2 Material Topic Identification Management Process

◆ The purpose of Inventec's top ten beliefs is to encourage the employees of Inventec to make the best response to the issues that concern its stakeholders. With regard to interaction and communication with stakeholders, Inventec has set up communication channels and assigned dedicated personnel to listen to the needs of all stakeholders before providing the relevant advisory and consultation services. In order to implement information transparency and strengthen stakeholder communication and engagement, Inventec has established an internal "management process for identifying material topics." Through the processes of differentiation and response, which serve as the most fundamental communication channels between Inventec and stakeholders, the company can achieve transparent communication and respond to the material topics. Content related to "management process for identifying material topics" is shown in the left figure.

2.1.3 Topic Identification

◆ To properly understand core issues and lead the group towards sustainability, the company has implemented major domestic and international sustainability standards (such as GRI Sustainability Reporting Standards and SASB Sustainability Accounting Standard), customer requirements (for example, Responsible Business Alliance Code of Conduct), customer and peer Corporate Social Responsibility reports, Sustainable Development Goals (SDGs), third-party rating agency questionnaires, major current events both at home and abroad, and other material topics identified and analyzed through the mechanism of each functional unit in order to fully understand the concerns of the stakeholders. Inventec has obtained important information feedback that serves as the reference for corporate governance and the management of corporate citizenship by communicating and interacting with the stakeholders and carrying out experience exchanges, sharing and learning via various communication types and mechanisms to conduct in-depth analysis of stakeholders' expectations. Please refer to the descriptions in each chapter for Inventec's coping strategies for different topics.

2.1 Communication Management

Communication with the 8 Major Stakeholders

Employee



Employee

Critical information	Communication instructions of stakeholders	Content
<p>Employee welfare and training expenses: More than 1.26 billion</p> <p>Employee salary: Average amount NTD 996 thousand Median NTD 809 thousand</p>	What employees mean to Inventec	<ul style="list-style-type: none"> Main assets of the company
	Two-way communication, communication frequency and channel between Inventec and the employees	<ul style="list-style-type: none"> The responsible unit is required to gather and organize opinions for carrying out communications through employee care meetings, employee forums, manager/supervisor forums, online communication platforms, or sporadic suggestions every year. The human resources unit holds management and labor council or monthly meetings every year to carry out communication. The responsible unit will post problems and countermeasures on the bulletin board on an as needed basis.
	Way of engagement of Inventec and the employees	<ul style="list-style-type: none"> Consultation, negotiation, participation, and cooperation
	5 topics for discussion about which employees are concerned	<ul style="list-style-type: none"> Risk management (COVID-19 epidemic response) Talent cultivation Occupational safety and health Employee welfare Financial performance
	Content of response	<ul style="list-style-type: none"> Inventec established an anti-epidemic response team to formulate COVID-19 prevention plans, implement epidemic prevention measures, dispatch employees to prevent epidemics, carry out early deployment of the value chain, serve customers without interruption, and ensure continuous operation. (Risk management-COVID-19 epidemic response) The consolidated after-tax earnings per share is NT\$ 2.10, an increase of 36% when compared with NT\$ 1.54 in 2019. (Financial performance) Employee welfare and training: In 2020, the amount of money invested in factories in China and Taiwan reached more than NTD 1.264 billion. (Talent cultivation, employee welfare) Club growth was 18% in 2020. (Employee welfare) As announced by the Directorate-General of Personnel Administration, Inventec planned three make-up workdays in 2020 as holidays, which surpassed the required laws and regulations. (Employee welfare) Total training hours: 747,087 hours. (Talent cultivation) The company obtained four major awards about safe, hygienic, and healthy worksites in Taiwan, including the National "Occupational Safety and Health Excellent Unit Award", the "No Accident Labor-Hour Record Award" of the Ministry of Labor, the "Labor Safety Excellent Unit Award" of Taipei, and the "Excellent Healthy Workplace Award" of Taipei. (Occupational Safety and Health) Financial performance: Please refer to 4.1.7 Financial Performance
	CSR report's chapters for employees	<ul style="list-style-type: none"> 4. Operational Development and 5. LOHAS Life



Customer

Critical information	Communication instructions of stakeholders	Content
<p>Collaborative customers' green products obtained 362 environmental certifications</p> <p>Customer service obtained 826 product safety certifications</p>	What customers mean to Inventec	<ul style="list-style-type: none"> Main source of revenue of the company.
	Two-way communication, communication frequency and channel between Inventec and the customers	<ul style="list-style-type: none"> Each responsible unit takes the initiative to respond to the standards, audits, or questionnaires requested by customers through the committee as needed every year. The responsible unit fills out the SAQ questionnaire on the RBA-Online Supply Chain & CSR Management Platform every year.
	Way of engagement of Inventec and the customers	<ul style="list-style-type: none"> Consultation, negotiation, participation, and cooperation.
	6 topics for discussion about which customers are concerned	<ul style="list-style-type: none"> Risk management (COVID-19 epidemic response) Information security Compliance with laws and regulations (Labor, environment) Green products Climate change Supply chain management
	Content of response	<ul style="list-style-type: none"> Inventec established an anti-epidemic response team to formulate COVID-19 prevention plans, implement epidemic prevention measures, dispatch employees to prevent epidemics, carry out early deployment of the value chain, serve customers without interruption, and ensure continuous operation. (Risk management-COVID-19 epidemic response) Inventec performed the Validated Audit Process (VAP) of the Responsible Business Alliance (RBA), aiming at 33% of high-risk suppliers. (Supply chain management) Carbon emissions were reduced by 23.25% compared to the base year of 2015. (Climate change) No complaints against customer privacy violation or loss of customer information were received in 2020. (Information security) Six factories all over the world passed the third-party reviews of IECQ QC 080000. (Green products) No penalties related to labor and environmental regulations were received in 2020. (Compliance with laws and regulations) Green products: Please refer to 4.2.2 Green Research and Development
	CSR report's chapters for customers	<ul style="list-style-type: none"> 4. Operational Development and 6. Environmental Sustainability

Customer

Government Agency

Supplier (Including Contractor)

Shareholder / Investor

Community

Media

Research Institute

2.1 Communication Management

Communication with the 8 Major Stakeholders

Employee

Customer

Government Agency



Government Agency

Critical information	Communication instructions of stakeholders	Content
7th corporate governance evaluation: Top 6-20% company in terms of corporate governance Environmental protection expenditure: More than 140 million	What government agencies mean to Inventec	<ul style="list-style-type: none"> All corporate regulations and resources support have been standardized.
	Two-way communication, communication frequency and channel between Inventec and the government agencies	<ul style="list-style-type: none"> The responsible unit discloses information on the company website, uploads the annual report and CSR report, and makes information public on the Market Observation Post System every year according to regulations. The corresponding units cooperate with the government's requirements on conducting factory inspections, fire drills, and emergency response drills every year in accordance with government documents. The responsible unit operates in coordination with annual declaration requirements on inspecting the company's compliance with various environmental regulations and collecting statistics related to environmental protection data. The corresponding units occasionally participate in government policy announcements and advocacy, projects, and activities.
	Way of engagement of Inventec and the government agencies	<ul style="list-style-type: none"> Consultation, negotiation, and participation
	8 topics for discussion about which government agencies are concerned	<ul style="list-style-type: none"> Risk management (COVID-19 epidemic response) Anti-corruption Information security Energy management Investment strategy Water resources management Climate change Compliance with laws and regulations (environment)
	Content of response	<ul style="list-style-type: none"> The risk management policy was formulated and reported to the Board of Directors in May 2020, and the operation status of risk management is required to be reported to the Board of Directors every year to strengthen its implementation. To cope with the COVID-19 epidemic, the company has established an anti-epidemic response team to formulate COVID-19 prevention plans, implement epidemic prevention measures, dispatch employees to prevent epidemics, carry out early deployment of the value chain, serve customers without interruption, and ensure continuous operation. (Risk management-COVID-19 epidemic response) The amount of money invested in research and development in 2020 was more than NT\$ 9.72 billion, an increase of 2% over 2019. (Investment Strategy) For anti-corruption training, a total of 10,239 people from seven factories around the world participated in integrity management training programs. No major violations took place in 2020. (Anti-corruption) With respect to information security management, an information security management committee has been formed to keep abreast of the risk status of the factories' information security on a daily basis, weekly adjust and review countermeasures aimed at information security, and report information security results every month. Six factories from around the world have passed the ISO 27001 information security management system certification. (Information security) Seven factories from around the world passed ISO 14001 third-party reviews. (Compliance with environmental laws and regulations) Seven factories from around the world passed ISO 14064-1 third-party verification. (Climate change) Three factories from around the world passed ISO 50001 third-party examination. (Energy management) The amount of recycled water has increased by 365% (14,272 tons) since 2020 compared with 2017. (Water resources management) Risk management and investment strategy: Please refer to 4.1.1 Risk Management and Countermeasures and 4.2.4 Research and Development Program
	CSR report's chapters for government agencies	<ul style="list-style-type: none"> 3. Sustainable Governance, 4. Operational Development, and 6. Environmental Sustainability



Supplier (Including Contractor)

Critical information	Communication instructions of stakeholders	Content
Execute Validated Audit Process (VAP) of Responsible Business Alliance (RBA) to 33% of the high-risk suppliers Organize an accumulative total of 272 sessions of the advanced technology/new product exchange forum	What suppliers mean to Inventec	<ul style="list-style-type: none"> The main source of products and materials of our company.
	Two-way communication, communication frequency and channel between Inventec and the suppliers	<ul style="list-style-type: none"> The responsible units communicate with the contractors including human resources agencies, service outsourcers (security, cleaning, dietary suppliers), waste removal and disposal, and factory engineering contractors. The responsible unit organizes an annual Sustainable Supply Chain Summit. The responsible unit holds Sustainable Supply Chain Forum and requests questionnaires to be filled out every year. The responsible unit elaborates occupational safety and conducts on-site interviews as necessary every year. The responsible unit makes responses via the supplier website as needed every year.
	Way of engagement of Inventec and the suppliers	<ul style="list-style-type: none"> Participation and cooperation
	4 topics for discussion about which suppliers are concerned	<ul style="list-style-type: none"> Financial performance Climate change Energy management Supply chain management
	Content of response	<ul style="list-style-type: none"> The amount of profit after tax has reached more than NT\$ 7.5 billion, an increase of 37.04% when compared with the previous year. (Financial performance) Inventec used 5.39 million kWh of green electricity for the year of 2020, saving 1.06 million kWh of electricity. (Energy management) Inventec continues to optimize the mitigation and adaptation mechanism of environment, greenhouse gas, energy management, green components, etc. (Climate change) The percentage of business deals with local (Greater China) suppliers accounts for 82% of all contracts. (Supply chain management)
	CSR report's chapters for suppliers	<ul style="list-style-type: none"> 4. Operational Development and 6. Environmental Sustainability

Supplier (Including Contractor)

Shareholder / Investor

Community

Media

Research Institute

2.1 Communication Management

Communication with the 8 Major Stakeholders

- Employee
- Customer
- Government Agency
- Supplier (Including Contractor)
- Shareholder / Investor



Shareholder//Investor

Critical information	Communication instructions of stakeholders	Content
<p>The EPS is NT\$ 2.10</p> <p>The amount of money invested in research and development expenditure is more than NT\$ 9.72 billion</p>	What shareholders / investors mean to Inventec	◆ Main source of fund of the company.
	Two-way communication, communication frequency and channel between Inventec and the shareholders / investors	◆ The responsible unit regularly shares such information through shareholders' meeting, investor conferences, financial reports (monthly/quarterly), annual reports, company websites, and news media every year.
	Way of engagement of Inventec and the shareholders / investors	◆ Consultation and participation
	4 topics for discussion about which shareholders / investors are concerned	<ul style="list-style-type: none"> ◆ Risk management (COVID-19 epidemic response) ◆ Financial performance ◆ Investment strategy ◆ Climate change
	Content of response	<ul style="list-style-type: none"> ◆ Inventec established an anti-epidemic response team to formulate COVID-19 prevention plans, implement epidemic prevention measures, dispatch employees to prevent epidemics, carry out early deployment of the value chain, serve customers without interruption, and ensure continuous operation. In regard to innovative research and development, the group invested NT\$ 9.72 billion in research and development in 2020. As for customer service, the company has been granted the "ODM Recognition Award" and "PBR Ranked #1" by clients. (Risk management COVID-19 epidemic response) ◆ The amount of profit after tax has reached more than NT\$ 7.5 billion, an increase of 37.04% when compared with the previous year. (Financial performance) ◆ In 2020, the sum of money invested in plant equipment reached more than NT\$ 2.433 billion. (investment strategy) ◆ For greenhouse gas management, in 2020, the greenhouse gases emission intensity (Scope 1 emissions and Scope 2 emissions) was 32,659 metric tons of carbon dioxide equivalent / NT\$ 100 billion, a decrease of 11.64% when compared to 2019 (36,959 metric tons of carbon dioxide equivalent / NT\$ 100 billion); compared with the SBT Carbon reduction base year of 2015 (59,850 metric tons of carbon dioxide equivalent / NT\$ 100 billion), 2020 can also be regarded as a decreasing trend (45.43% reduction). (Climate change) ◆ Risk management and financial performance: Please refer to 4.1.1 Risk Management and Countermeasures and 4.1.7 Financial Performance
CSR report's chapters for shareholders / investors	◆ 4. Operational Development and 6. Environmental Sustainability	



Community

Critical information	Communication instructions of stakeholders	Content
<p>Social donation contributions have reached more than NT\$ 20 million</p> <p>Volunteer service: 11,575 hours</p>	What communities mean to Inventec	◆ Community environment and source of company employees.
	Two-way communication, communication frequency and channel between Inventec and the communities	◆ The Social Responsibility Group or the responsible unit, together with Inventec Group Charity Foundation, irregularly responds to community issues through websites, visits, and telephone interviews and participates in exchange activities every year.
	Way of engagement of Inventec and the communities	◆ Consultation, negotiation, participation, and cooperation
	2 topics for discussion about which communities are concerned	<ul style="list-style-type: none"> ◆ Compliance with laws and regulations (environment) ◆ Talent acquisition
	Content of response	<ul style="list-style-type: none"> ◆ No penalties related to environmental regulations were received in 2020. (Compliance with environmental laws and regulations) ◆ As for talent acquisition, in response to the operational needs of local factories and creating job opportunities, a total of 30,350 individuals were recruited by seven factories around the world in 2020, a 16% increase when compared to 2019. (Talent acquisition) ◆ Talent acquisition: Please refer to 5.2.2 Talent Acquisition
CSR report's chapters for communities	◆ 5. LOHAS Life and 6. Environmental Sustainability	

- Community
- Media
- Research Institute

2.1 Communication Management

Communication with the 8 Major Stakeholders

- Employee
- Customer
- Government Agency
- Supplier (Including Contractor)
- Shareholder / Investor
- Community
- Media



Critical information	Communication instructions of stakeholders	Content
<p>CommonWealth Magazine 2021 top 2000 enterprises - No. 8 in manufacturing</p> <p>The EPS is NT\$ 2.10</p> <p>Set up Taiwan's first smart factory with 5G open network architecture</p>	What media mean to Inventec	<ul style="list-style-type: none"> An important channel for information communication.
	Two-way communication, communication frequency and channel between Inventec and the media	<ul style="list-style-type: none"> Collect and organize news reports and occasionally reply to questionnaires. Irregularly publish material information on the Market Observation Post System and company websites. Shareholders' meeting and investor conferences on a regular basis.
	Way of engagement of Inventec and the media	<ul style="list-style-type: none"> Negotiation and participation
	4 topics for discussion about which media are concerned	<ul style="list-style-type: none"> Risk management (COVID-19 epidemic response) Financial performance Investment strategy Climate change
	Content of response	<ul style="list-style-type: none"> Inventec established an anti-epidemic response team to formulate COVID-19 prevention plans, implement epidemic prevention measures, dispatch employees to prevent epidemics, carry out early deployment of the value chain, serve customers without interruption, and ensure continuous operation. (Risk management COVID-19 epidemic response) The consolidated after-tax earnings per share is NT\$ 2.10, an increase of 36% when compared with NT\$ 1.54 in 2019. (Financial performance) Meeting the demand for plant expansion, the sum of money invested in plant equipment was more than NTD 2.433 billion. (Investment strategy) For greenhouse gas management, in 2020, the greenhouse gases emission intensity (Scope 1 emissions and Scope 2 emissions) was 32,659 metric tons of carbon dioxide equivalent / NT\$ 100 billion, a decrease of 11.64% when compared to 2019 (36,959 metric tons of carbon dioxide equivalent / NT\$ 100 billion); compared with the SBT reduction base year of 2015 (59,850 metric tons of carbon dioxide equivalent / NT\$ 100 billion), 2020 can also be regarded as a decreasing trend (45.43% reduction). (Climate change)
	CSR report's chapters for media	<ul style="list-style-type: none"> 4. Operational Development and 6. Environmental Sustainability



Critical information	Communication instructions of stakeholders	Content
<p>The amount of money invested in research and development expenditure is NT\$ 9.72 billion</p> <p>The number of global patents certificates obtained from around the world has reached more than 16,200</p>	What research institutes mean to Inventec	<ul style="list-style-type: none"> Important communication channels for industry professional information.
	Two-way communication, communication frequency and channel between Inventec and the research institutes	<ul style="list-style-type: none"> Collect and organize reports submitted by research institutions and accept visits, telephone interviews, and questionnaire surveys as needed. Investor conference is held on a regular time schedule.
	Way of engagement of Inventec and the research institutes	<ul style="list-style-type: none"> Consultation and participation
	5 topics for discussion about which research institutes are concerned	<ul style="list-style-type: none"> Risk management (COVID-19 epidemic response) Investment strategy Financial performance Supply chain management Information security
	Content of response	<ul style="list-style-type: none"> Inventec established an anti-epidemic response team to formulate COVID-19 prevention plans, implement epidemic prevention measures, dispatch employees to prevent epidemics, carry out early deployment of the value chain, serve customers without interruption, and ensure continuous operation. (Risk management COVID-19 epidemic response) The amount of profit after tax has reached more than NT\$ 7.5 billion, an increase of 37.04% when compared with the previous year. (Financial performance) The amount of money invested in research and development is more than NT\$ 9.72 billion, with laptops accounting for 29%, servers and cloud services accounting for 52%, and smart devices accounting for 19%. (Investment strategy) In 2020, 100% of our suppliers completed the conflict minerals report. (Supply chain management) 100% of our suppliers have signed the declaration of conformity of the Responsible Business Alliance Code of Conduct. (Supply chain management) Six factories from around the world have passed ISO 27001 third-party reviews. (Information security)
	CSR report's chapters for research institutes	<ul style="list-style-type: none"> 3. Sustainable Governance and 4. Operational Development

Research Institute

2.2 Topic Management

2.2.1 Material Topic Analysis

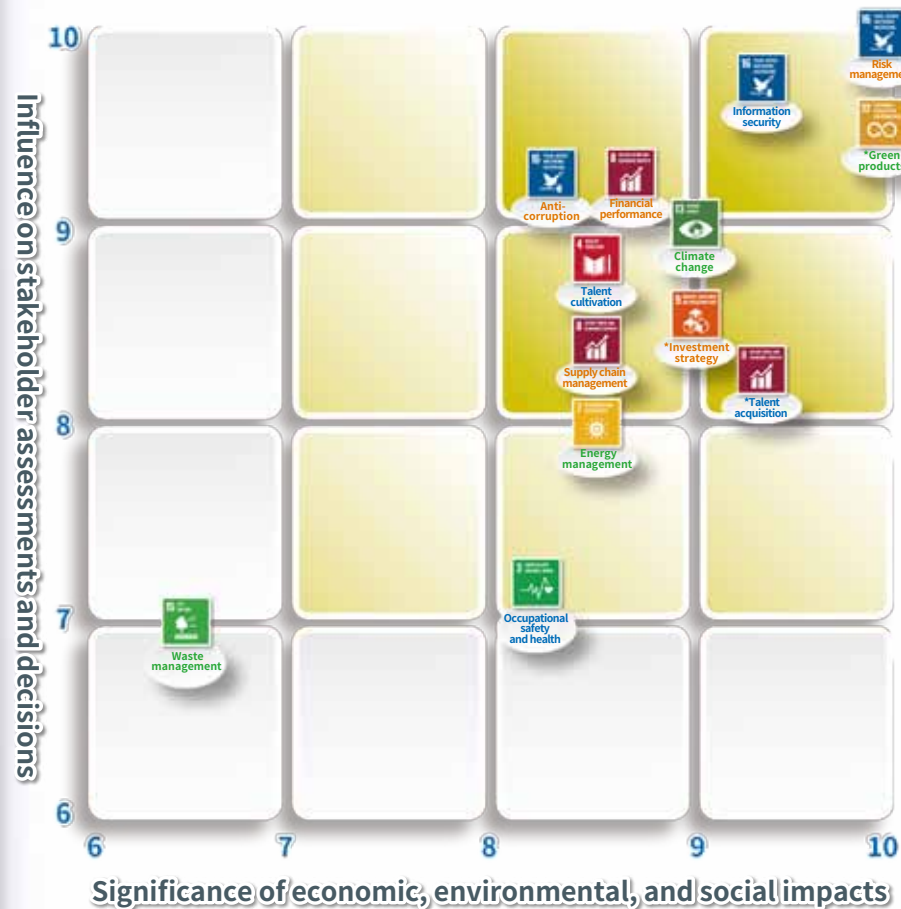
Determination Basis of Material Topics

- The material topics to which Inventec pays close attention are based on the material topics of the “2019 Inventec Corporate Social Responsibility Report,” the internal needs of the group, industry conditions, and suggestions made by stakeholders. The company thus identifies and determines the relevant issues that affect stakeholders both inside and outside of the organization and has compiled a total of 19 issues that concern the major stakeholders through the communication channels of the eight major stakeholders prior to establishing the basis for prioritizing the material topics.

ESG Ranking of Material Topics

- The preparation unit of Inventec’s corporate social responsibility report includes interviews and questionnaire surveys aimed at the company’s senior executives and internal experts and invited representatives of the relevant CSR committees of the Inventec Group to comment on 19 topics according to their degree of concern and the relevant impacts on the eight major stakeholders prior to cross-referencing the top 13 topics. Coupled with the assessment made by Inventec Group’s CSR organizer regarding (1) the topics’ influence on stakeholders and (2) the topics’ significant impact on the economy, environment, and society, the top 13 topics were then sorted. As an external expert, the BCSD then proposed making adjustments to the ranking. The figure on this page shows the final prioritizing results of Inventec’s 13 material topics.

Materiality Analysis






Economic
Environmental
Social

*New material topics in 2020

2.2 Topic Management

2.2.2 Response to Material Topic

In order to meet the needs of relevant stakeholders, the above 13 material topics are the focus of the report's response to the content of the report, as shown in the material topics table below, which correspond to Inventec's response to the daily operation system of the 13 material topics and the disclosures of management approach of the material topics.

Priority	Material topics	The importance of the topic	Corresponding information of Inventec's daily operation system			Corresponding international indicators				Association with Inventec's value chain			The chapters and pages corresponding to the material topics significance and content
			Operation system	2020 results of implementation	2021 focus of promotion and development	Topic-specific Standards of Global Reporting Initiative (GRI)	Sustainable Development Goals (SDGs)	Integrated Reporting (IR)	Sustainability Accounting Standards (SASB)	Supplier	Inventec	Customer	
1	Risk management	<ol style="list-style-type: none"> Effectively prevent and control risks and improve management performance in order to achieve the goal of sustainable operation. Recognize major risks, evaluate risk analysis, clarify response strategies, strengthen response mechanisms, effectively reduce risks, and improve competitiveness. 	<ol style="list-style-type: none"> Board of Directors operation Audit committee Prevention (risk control) internal control system Operation management of business group (BG) 	<ol style="list-style-type: none"> The risk management policy was formulated and reported to the Board of Directors in May, and the operation status of risk management is required to be reported to the Board of Directors on a regular basis every year to strengthen the implementation of risk management. 460 internal control documents. 1,054 positions have been identified among 364 units. 2,000 goals and 2,496 risk items affect the achievement of goals. 4,072 control points were drawn up at the same time to reduce the occurrence of these risks to ensure that the objectives are effectively achieved. 	<ol style="list-style-type: none"> Optimize the 7 evaluated risks and countermeasures: "Strategic risks", "operational risks", "financial risks", "product safety risks", "environmental safety risks", "information security risks", and "litigation and Intellectual property risks". A "Prevention (Risk Control) Internal Audit Report" is proposed during Inventec's Board of Directors monthly meeting, so that the directors, audit committee members and operational team can understand the company's implementation of the prevention (risk control) internal control system and the nonconformity found by the prevention (risk control) internal audit, and give due guidance and attention to this matter. Through recognition, support, attention and guidance of the Board of Directors and operational team, the prevention (risk control) internal control system is under positive circular operation. 	GRI 205-1		Financial capital	--		✓		4.1.1 Risk Management and Countermeasures P. 37-44
2	Green products	<ol style="list-style-type: none"> In order to meet international regulatory requirements, customer environmental protection, and save resources required for product production. Give serious consideration to the health of consumers and environmental protection of the place of production and consumption. 	<ol style="list-style-type: none"> Green product management system (Meet the international IECQ QC 080000 requirements) Quality management system (Comply with international ISO 9001 requirements) 	<ol style="list-style-type: none"> Worked in coordination with customers to obtain 362 environmental certifications. Number of customers served with regard to product safety regulations certification: 826. Six factories around the world have passed IECQ QC 080000 third-party reviews. 	<ol style="list-style-type: none"> Energy-saving design goal of Notebook PC: the efficiency of energy use exceeds the latest ENERGY STAR Computers Specification Version 8.0 by 25%. Energy-saving design goal of servers: apply for the new mass-produced server of ENERGY STAR Computer Servers Specification Version 3.0 standard in 2021 and continue to obtain authentication and approval. 	GRI 416-1 GRI 416-2		Manufactured capital Natural capital	--	✓	✓	✓	4.2.2 Green Research and Development P. 57-58
3	Information security	Protect the privacy and related technical information of Inventec's business customers, satisfy the needs of customers and stakeholders, and protect the cooperative relationship between both parties.	<ol style="list-style-type: none"> Information security management system (Comply with international ISO 27001 requirements) Customer privacy management program Trademark and copyright management procedures 	Six factories around the world have passed ISO 27001 third-party reviews.	Formulate information security policies and objectives, demonstrate information security management systems, and ensure the confidentiality, integrity, and availability of information assets.	GRI 418-1		Intellectual capital	--		✓	✓	4.1.8 Information Security Management System P. 51-53




2.2 Topic Management

2.2.2 Response to Material Topic

Priority	Material topics	The importance of the topic	Corresponding information of Inventec's daily operation system			Corresponding international indicators				Association with Inventec's value chain			The chapters and pages corresponding to the material topics significance and content
			Operation system	2020 results of implementation	2021 focus of promotion and development	Topic-specific Standards of Global Reporting Initiative (GRI)	Sustainable Development Goals (SDGs)	Integrated Reporting (IR)	Sustainability Accounting Standards (SASB)	Supplier	Inventec	Customer	
4	Financial performance	Ensure normal operation of Inventec and protect the rights and interests of shareholders.	<ol style="list-style-type: none"> Board of Directors operation Operation management of business group (BG) 	<ol style="list-style-type: none"> The amount of profit after tax has reached more than NT\$ 7.5 billion, an increase of 37.04% when compared with the previous year. The consolidated after-tax earnings per share is NT\$ 2.10, an increase of 36% when compared with NT\$ 1.54 in 2019. 	<ol style="list-style-type: none"> Business of laptop computer remains at the high end. Continuous development and launch of new products. Emphasize developing the medical field and autonomous machines with AI technology. Improve profit visibility of the product and refine project management. 	GRI 201-1		Financial capital	--		✓		4.1.7 Financial Performance P. 50
5	Anti-corruption	Avoid impacting company operations and earnings to maintain corporate reputation.	<ol style="list-style-type: none"> Global Employee Code of Conduct Management Measures Employee Complaints and External Reporting Management Specifications 	<ol style="list-style-type: none"> Number of training hours for integrity operation: 6,577 hours. No cases of dishonesty occurred. 	The rate of employees' continuing to sign the < Employee Code of Conduct > has reached 100%.	GRI 205-1 GRI 205-2 GRI 205-3		Financial capital Social capital	--	✓	✓	✓	3.2 Integrity Management P. 30-32
6	Climate change	To cope with global climate change issues and respond accordingly to the regulations governing carbon emissions trading stipulated by the government where the plant is located to meet the needs of stakeholders.	<ol style="list-style-type: none"> Environmental sustainability framework TCFD management structure Greenhouse gas management system (Comply with international ISO 14064-1 requirements) 	<ol style="list-style-type: none"> Seven factories around the world have passed ISO 14064-1 third-party verification. Carbon emissions have been reduced by 23.25% compared to the base year of 2015. Continue to optimize mitigation/adaptation and the four related management systems. 	Optimize the regulations governing the emergency response management of all factories to reduce the impact of climate disasters on company operations.	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5		Natural capital	--			✓	6.1 Climate Action P. 91-98
7	Investment strategy	Create a favorable business environment to meet customer needs.	<ol style="list-style-type: none"> Board of Directors operation Operation management of business group 	<ol style="list-style-type: none"> The amount of money invested in research and development exceeded NT\$ 9.72 billion, an increase of 2% when compared with the previous year. Notebook PC accounts for 29%, servers and cloud services account for 52%, and smart devices account for 19%. 	<ol style="list-style-type: none"> Continue the transformation of laptops with regard to integrating industry trends and marching toward the development of Industrial Internet of Things, smart homes, smart devices, and server domains. Focus on new business opportunities related to automotive electronics and medical care. 	GRI 201-1		Financial capital	--			✓	4.1.5 Long-term and Short-term Business Development Plans p. 48





2.2 Topic Management

2.2.2 Response to Material Topic

Priority	Material topics	The importance of the topic	Corresponding information of Inventec's daily operation system			Corresponding international indicators				Association with Inventec's value chain			The chapters and pages corresponding to the material topics significance and content
			Operation system	2020 results of implementation	2021 focus of promotion and development	Topic-specific Standards of Global Reporting Initiative (GRI)	Sustainable Development Goals (SDGs)	Integrated Reporting (IR)	Sustainability Accounting Standards (SASB)	Supplier	Inventec	Customer	
8	Talent acquisition	Gifted individuals can enhance the competitive strength of the company and move it towards sustainable business operation.	Human resource service management system	Labor demands of all units are guaranteed, and recruitment has reached 100%.	Enrich internal talent database and provide comprehensive records of outstanding talents.	GRI 401-1		Human capital	--		✓		5.2.2 Talent Acquisition P. 77-78
9	Talent cultivation	Improving the quality of talents is conducive to business operations and long-term development.	Human training management system	<ol style="list-style-type: none"> Total training hours: 747,087 hours. The cumulative numbers of employees who have passed language proficiency tests so far are: 2,802 in English and 695 in Japanese. A total of 474,516 learners were accumulated from 2015 to 2020. 	<ol style="list-style-type: none"> Cultivate the instruction and authorization ability of supervisors of the succession echelon formation, promote both basic and advanced management training to enhance management capabilities and accountability, and pursue the streamlining of the hierarchy and the optimization of management. Draw up and implement individual development plans for key talents of business units aimed at the capabilities to be strengthened. 	GRI 404-1 GRI 404-2 GRI 404-3		Human capital	--		✓		5.2.3 Talent Cultivation P. 79-83
10	Supply chain management	A stable supply chain system that reduces operational risks.	<ol style="list-style-type: none"> Management mechanism of the Responsible Business Alliance Code of Conduct Supplier Sourcing Management Information System Supplier Assessment Management Information System Management process of Supplier Social Environmental Responsibility (SER) 	<ol style="list-style-type: none"> The percentage of business deals of local (Greater China) suppliers accounts for 82% of all deals. Supplier signing rate of the declaration of conformity of the Responsible Business Alliance Code of Conduct is 100%. Having performed the Validated Audit Process (VAP) of the Responsible Business Alliance (RBA) aiming at 33% of the high-risk suppliers. 100% of our suppliers have completed the conflict minerals report. 	<ol style="list-style-type: none"> Optimize the AEO management system. Continue to perform the Validated Audit Process (VAP) of the Responsible Business Alliance (RBA) aiming at high-risk suppliers. Continue to increase the ratio of business transactions of local (Greater China) suppliers. Expand the sustainable supply chain forum . 	GRI 204-1 GRI 308-1 GRI 308-2 GRI 414-1 GRI 414-2		Financial capital Natural capital Social capital	TC-ES-320a.2 TC-ES-320a.3 TC-ES-440a.1	✓	✓	✓	4.3 Sustainable Supply Chain P. 61-64

2.2 Topic Management

2.2.2 Response to Material Topic

Priority	Material topics	The importance of the topic	Corresponding information of Inventec's daily operation system			Corresponding international indicators				Association with Inventec's value chain			The chapters and pages corresponding to the material topics significance and content	
			Operation system	2020 results of implementation	2021 focus of promotion and development	Topic-specific Standards of Global Reporting Initiative (GRI)	Sustainable Development Goals (SDGs)	Integrated Reporting (IR)	Sustainability Accounting Standards (SASB)	Supplier	Inventec	Customer		
11	Energy management	To understand the operational energy usage efficiency, control energy costs, retrench expenditures, and reduce greenhouse gas emissions.	<ol style="list-style-type: none"> Energy management system (Comply with international ISO 50001 requirements) Regulations governing energy saving and carbon reduction program Management mechanism of renewable energy 	<ol style="list-style-type: none"> Three factories around the world have passed ISO 50001 third-party reviews. 5.39 million kWh of electricity of renewable energy. Implementation of seven major energy-saving programs to save 1.06 million kWh of electricity. Regarding energy saving at headquarters (EUI), the electricity consumption per unit area has been reduced by 19.10% compared to 2014. Compared with 2019, the energy saving at the Information Technology Center facilities (PUE) has been reduced by 19.40%. Compared with 2018, the energy saving (EI) of the factory has been reduced by 14.95%. 	<ol style="list-style-type: none"> To achieve the performance of energy conservation by expanding the conversion and installation of renewable energy facilities. Dedicated to creating a low-carbon environment and an all-staff carbon reduction culture. Improve clean production and follow green factories. 	GRI 302-1 GRI 302-3 GRI 302-4	 	Natural capital	--		✓		6.1.4 Energy Management P. 97-98	
12	Occupational safety and health	Promote a safe and healthy labor force to enhance the overall competitiveness of the company.	<ol style="list-style-type: none"> Occupational Safety and Health Management System (Comply with international ISO 45001 requirements) Management mechanism of the Responsible Business Alliance Code of Conduct 	<ol style="list-style-type: none"> Seven factories around the world have passed ISO 45001 third-party reviews. Granted four major awards for a safe, hygienic, and healthy worksite. Held eight health lectures that were participated by 457 people, with a satisfaction score of 4.75 points (out of 5 points). 100% of contractors entering the factory have completed safety and health education and training. The completion rate of job education and training for special personnel has reached 100%. 	<ol style="list-style-type: none"> Optimize safety and health education and foster safety and health awareness. Continue planning and organizing health promotion activities. 	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9		Human capital	TC-ES-320a.1	✓	✓		5.1 LOHAS Workplace P. 70-75	
13	Waste management	Ensure that waste disposal and removal methods comply with regulations and customer expectations	<ol style="list-style-type: none"> Environmental management system (Comply with international ISO 14001 requirements) Management mechanism of the Responsible Business Alliance Code of Conduct 	<ol style="list-style-type: none"> Seven factories around the world have passed ISO 14001 third-party reviews. The amount of waste in 2020 was reduced by 21.29% compared with 2014. 	<ol style="list-style-type: none"> Promote industrial waste reduction and implement environmental protection on the factory floor. Minimize waste output and maximize resource recycling. Carry out waste management, classification, recycling, and reduction. Take the initiative to inspect cooperative cleaning companies and examine their plant conditions and license conformity to ensure that the methods of waste disposal and removal meet the relevant standards. 	GRI 306-1 GRI 306-2 GRI 306-3		Natural capital	TC-ES-150a.1			✓		5.1 LOHAS Workplace P. 70-75

2.3 About this Report

During the COVID-19 pandemic, it is both your and our responsibility to implement preventive measures to protect yourself and others. Thank you for reading the Inventec CSR report. Since 2008, Inventec has been issuing a corporate social responsibility report every year to share and make transparent the value and performance created by Inventec every year. In response to the needs of stakeholders, the “epidemic prevention topic” has been specially compiled this year to disclose Inventec’s epidemic prevention efforts over the past year so that the company could continue to operate, protect the rights and interests of stakeholders, and ensure sustainable competitive advantages. Furthermore, the content standard of this report is consistent with the CSR report of the previous year; it complies with the “GRI Standards” issued by the Global Sustainability Standards Board (GSSB) and the Sustainability Accounting Standards issued by the Sustainability Accounting Standards Board (SASB).

1. Compilation Basis

Inventec’s 2020 “Corporate Social Responsibility Report” reveals the basis for the main sustainability topics, management approach, related strategies, objectives, measures, and the results of various performance indicators:

- The “Core Option” of GRI Standards
- SASB Sustainability Accounting Standards 
- AA1000 
- Integrated Reporting (IR)
- Sustainable Development Goals (SDGs)

2. Category Boundary

The disclosure category of this report adopts the same boundaries as the annual report of our company, covering the operational headquarters, main production bases, and group companies. Major boundaries covered include:

- Seven factories of Inventec (IET, TAO, ITO, IPT, ICC, ICZ, and IMX)
- Three factories of Inventec Appliances (IAC, IACP, and IACJ)
- Inventec Solar Energy Corporation and AIMobile.

The financial-related information of AIMobile and Inventec Solar Energy Corporation listed in the consolidated annual report is disclosed in Inventec’s annual report.

3. Report quality

The relevant information of this report is provided by the CSR window of Inventec and the responsible units of the group companies. The content of the information has been reviewed by the chief of each unit for its correctness and completeness before “the integration team of the Corporate Social Responsibility Report” conducted data compilation and documentation. Calculations were made in the unit of New Taiwan dollar.

- The data of “Sustainable Governance” and “Operational Development” financial statements are publicly available information published after having obtained certification by KPMG.
- The calculation basis and unit of data related to “LOHAS Life” and “Environmental Sustainability” are derived from the government’s open information, which has been verified by the relevant third-party management systems.
- Data related to “Inclusive Growth” covers Inventec Group Charity Foundation.
- If other special meanings are involved in other quantitative data units, the formula definitions will be explained on the official website in the form of annotations.

4. Issuance overview

The annual corporate social responsibility reports that have been regularly issued by Inventec over the years are posted on the Inventec Corporate Social Responsibility website for all stakeholders to download.

- Version of latest release: published in June 2021
- Report period: from January 1st, 2020 to December 31st, 2020
- Version of previous release: June 2020
- Version of next release: expected to be published in June 2022

Opinion Feedback

Should you have any suggestions or comments, please contact us as follows, and we will respond as soon as possible:

Mr. Tsai of Environmental Management Center

Address: No. 66, Hou-Kang St., Shih-Lin Dist., Taipei City 11170, Taiwan

TEL: +886-2-2881-0721#27088



Website



Email



Facebook



Annual Report



Formula & Definition

2.3 About this Report

Report Management Process

The Environmental Management Center, Inventec's preparation unit, performs the related tasks for issuing the Corporate Social Responsibility Report each year in accordance with the "CSR Report Compilation Management Procedures." The management process of Inventec's publication of the corporate social responsibility report is shown in the figure on this page.

Special Topic of the Year

To handle special matters, including the outbreak of the COVID-19 pandemic in 2020, the promotion of SASB_ ICT industry standards, and water resources shortages in Taiwan in 2021, as well as let all stakeholders learn about the continuous operation measures taken by Inventec, Inventec has compiled the relevant practices from 2020 to 2021 and presented them thematically in various chapters to quickly respond to the needs of all stakeholders.

Regular Board of Directors' Report

Communication situations with stakeholders are regularly reported to the Board of Directors every year, along with the identification of the eight major stakeholders recognized, the 13 material topics, communication channels, and Inventec's response mechanism reported to the Board of Directors on May 12th, 2020 and May 11th, 2021.



The Management Process of Inventec Issuing Corporate Social Responsibility Report





Media Coverage

英業達 Inventec

認養關渡溼地 英業達投入環境教育、維護生物多樣

文一顏和正 圖一吳華瑋

CSR 心法

帶領供應鏈投入生態保育，將環境永續的理念從產品一路走入社會。

「真諦求場的會吧！」不是意欲電影 007 情報員見面，而是到台北少見的埤塘 (pond，音似「羅德」) 生態所在地——關渡自然公園——走一走，體驗都會區中難得的大自然。

這家科技大廠英業達與英系建築集團公益基金會推動的自然保育活動，自 2012 年開始透過這個國家重要溼地後，不僅英業達志工定期會到關渡溼地做保育活動，也贊助偏鄉小學學站，甚至把供應商也拉來一起投入。

令人好奇的是，為何一家科技公司要推動溼地保育？

其實一開始的計畫很簡單，總部座落於台北市士林區的英業達，與關渡溼地僅幾公里之遙。「當個好鄰居」積極成事成為他們認真維護溼地的起點。而在養了之後才發覺，關渡溼地不僅有著濃厚的生物多樣性特色，更是被稱為綠島的開名地。而英業達持續擴大參與的步伐自此展開。以溼地園區內重要的水生昆蟲教育場所——北池為例，這個重要的埤塘因為夏季時滿佈荷花，而成為熱門的觀光景點。光是 2019 年，就有超過 12 萬人次前來參觀。英業達除了平時出動志工舉辦維護溼地的場域，更主動出擊，邀請偏鄉學童來此進行生態教育。

以 2019 年為例，英業達就資助了 6 個場次的關渡溼地學校溼地環境教育課程。從宜蘭到新竹，6 個縣市的高



前往大湖英業達積極投入溼地保育，以關注公司經營的區域環境為起點。

地區國小三、四年級學生，共 134 位師生，引領他們以埤塘生態的生物為主觀察對象，透過實際採集所獲、了解水生動物適應水中生活的能力，認識埤塘生態的奧妙。讓學生利用自然環境的素材做紀念品。

身為代工廠，英業達也積極運用「獅子頭」計畫，拉攏更多人來領略關渡溼地的美好。自 2015 年起，英業達就開始每年舉辦「候鳥方舟——生態永續計畫」，邀請供應商一起加入。讓更多人能重視環境保育及生物多樣性。2019 年，英業達進一步擴大行動，舉辦 5 梯次的一日生態體驗活動，共有 29 家供應商的 108 人共襄盛舉，只見眾人捲起袖子，一同為溼地翻土、播種移植，甚至舉辦物種觀察活動等。從參與者到活動內容都持續放大與多元化。

這場由英業達帶頭員工、供應商、偏鄉小朋友跟「嚴媽」的約會，或許並不刺激，卻肯定非常永續！

小檔案

2020 年天下企業公民獎大型企業組第 15 名

董事長 卓樹雄

CSR 最高負責人 卓樹雄

在職工人數 5,967 人

2019 年營收 新台幣 5009.53 億元

工商時報 2020 世界地球日 綠色行動黨

英業達 致力環境永續共創三贏

設定綠色產品、綠色生產與綠色生活等目標，促進社會共好，屢獲各界榮譽獎項

【本報記者 吳華瑋 報導】英業達 (Inventec) 於 4 月 22 日世界地球日當天，在台北舉行「2020 世界地球日」活動，邀請各界人士共同參與。活動中，英業達展示了其在環境永續方面的努力，包括推出綠色產品、推行綠色生產以及倡導綠色生活等。此外，英業達還獲得了多項榮譽獎項，包括「2020 年天下企業公民獎大型企業組第 15 名」等。英業達表示，將繼續致力於環境永續，為社會共好做出貢獻。

向第一線防疫人員致敬

向第一線防疫人員致敬

醫 防疫

1. 出門戴口罩
2. 避免前往人多、空氣不流通的場所
3. 勤洗手，使用免洗洗手液
4. 避免與他人有身體接觸
5. 咳嗽或打噴嚏時，用紙巾或手肘遮住口鼻
6. 配合防疫人員的指揮與勸導
7. 如有發燒、咳嗽、氣喘、喉痛、流鼻涕、頭痛、肌肉酸痛、嗅覺或味覺喪失等症狀，應儘速就醫
8. 如有發燒、咳嗽、氣喘、喉痛、流鼻涕、頭痛、肌肉酸痛、嗅覺或味覺喪失等症狀，應儘速就醫

2020 年 CSR / USR 年報

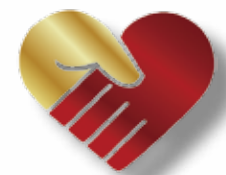
天下企業公民獎 100 種 X 天下大學生公認 25 強

ESG

地方創生 企業報到

2020 年 CSR / USR 年報

天下企業公民獎 100 種 X 天下大學生公認 25 強



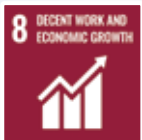
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Sustainable Governance Performance

The self-assessment results of the Board of Directors were excellent

Inventec

Rank as the top 6-20% in Corporate Governance Evaluation and pursue the top 5%

Inventec

100% of the Board of Directors meetings were held as scheduled (15 times)

Inventec

100% of the audit committee meetings were held as scheduled (4 times)

Inventec

The number of integrity management trainees increased by 3% (10,239 people)

Inventec

100% of the Board Members finished the integrity management training

Inventec

Material Topic : Anti-corruption

Key Practices : Establish management measures related to integrity management, continue to conduct training, set up "complaint mailboxes" that can be used internally and externally, and implement the operation of the Appeals Committee

Browse Suggestions : Government agencies, media, etc.

3.1 Corporate Governance

3.1.1 Board of Directors' Operation

Rules for Board of Directors' Discussion

- ◆ The director conflict of interest system is stipulated in the "Rules for Board of Directors' Discussion" of Inventec in order to ensure that relevant resolutions have no damage to company rights and interests to fulfill their supervision responsibility of the good faith operation, prevent interest conflicts, and provide the appropriate statements channel.
- ◆ The composition of members of the Board shall be diversified, and a plan for diversified members of the Board aimed at the operation, operational type, and future development trends shall be established.

- ◆ Inventec established the "the Code of Practice for Corporate Social Responsibility", as while fulfilling its corporate social responsibility, Inventec also ought to give full consideration to the interests of stakeholders and treat customers and consumers in a fair and respectful way. Furthermore, social or environmental issues can be solved through commercial methods.

3.1.2 Duties of Directors

Directors' Duties

- ◆ The structure of corporate governance is to reinforce the functions of the Board, establish a mechanism for interaction with shareholders, respect the rights of stakeholders, and promote information transparency, all of which are also disclosed on our website and Market Observation Post System.

- ◆ The Directors timely receive continuing professional education. Inventec has bought relevant liability insurance for the Directors. With respect to the major issues in 2020, please refer to the major information release record of Market Observation Post System.
- ◆ The regular shareholders' meeting in 2020 elected nine directors (including three independent directors). All independent directors serve as members of the remuneration committee and audit committee.

The Correspondence between the 2020 Information of Inventec's Board of Directors and the Company's Annual Report

Occurrence of the Board of Directors' meeting

- ◆ The Board of Directors' meetings are held every month. In 2020, Inventec's Board of Directors held 15 meetings and carried out company governance meetings every season.

Member diversification of the Board

- ◆ Men account for 100%. Age: 50 to 60 years old accounting for 11%, 60 to 70 years old accounting for 33%, and over 70 years old accounting for 56%.

Corporate governance officer

- ◆ Specify the corporate governance officer position served by CFO with more than three years of work experience in finance, stock affairs and rules of procedure.

Performance assessment for the Board of Directors

- ◆ Inventec's Board of Directors performance assessment method stipulates that the assessment must be carried out at least every three years by an external professional independent agency or external team of experts and scholars.
- ◆ In 2020, the internal self-assessment results of the Board of Directors, the functional committee, and the members of the Board of Directors were all "excellent".
- ◆ The results and recommendations of the 2020 appraisal were applied as a reference to individual directors' remuneration and nomination for renewal.

II . Corporate Governance Report
→ 2.3 Corporate Governance Practices
→ 2.3.1 Information of Board Meeting Operation



Annual report

II . Corporate Governance Report
→ 2.3 Corporate Governance Practices
→ 2.3.4 Corporate Governance Implementation Status and Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"



Rules for Board of Directors' Discussion



Corporate governance page on Inventec official website

3.1 Corporate Governance

3.1.3 Board of Directors

Name	Title	Gender	Education
Cho, Tom-Hwar	Chairman	Male	Department of Electrical Engineering, National Taiwan University
Yeh, Kuo-I	Director	Male	Shilin High School of Commerce
Wen, Shih-Chih	Director	Male	Xihu Vocational High School of Industry and Commerce
Lee, Tsu-Chin	Director	Male	Bachelor of Economics, Tunghai University
Chang, Ching-Sung	Director	Male	Master of Electric Engineering, National Taiwan University
Yeh, Li-Cheng	Director	Male	Master of Information Engineering, Pace University
Chang, Chang-Pang	Independent Director	Male	Master of Laws, National Cheng-Chi University
Chen, Ruey-Long	Independent Director	Male	Bachelor of Economics, National Chung-Hsing University
Wea, Chi-Lin	Independent Director	Male	Doctor of Economics, University of Paris

Name	Experience	Current Position
Cho, Tom-Hwar	Chairman, Inventec Solar Energy Corporation	Chairman, Inventec Corporation
Yeh, Kuo-I	Chairman, Inventec Corporation	Director, Inventec Corporation
Wen, Shih-Chih	Chairman, Shyh Shiunn Investment Corp.	Director, Inventec Corporation
Lee, Tsu-Chin	Chairman, Inventec Corporation	Chairman of Inventec Group Charity Foundation
Chang, Ching-Sung	Chairman, Inventec Appliances Corporation	Chairman, Inventec Appliances Corporation
Yeh, Li-Cheng	Chairman, Fu Tai. Investment Co. Ltd. Chairman, Kuo Hsieh Investment Co. Ltd.	Director, Inventec Corporation
Chang, Chang-Pang	Chairman, Fuhwa Financial Holding Co., Ltd. Deputy Minister, Ministry of Economic Affairs Deputy Secretary General, Executive Yuan Vice Minister, Ministry of Finance Chairman, Securities and Exchange Commission, Ministry of Finance	Chief Executive Officer, Lien Chan Foundation for Peace and Development
Chen, Ruey-Long	Chairman, Institute for Information Industry Minister, Ministry of Economic Affairs	Chairman, Sinocon Industrial Standards Foundation
Wea, Chi-Lin	Chairman, Land Bank of Taiwan. Secretary-General, Executive Yuan	Adjunct Professor, Business Administration, National Taiwan University

3.1.4 Succession Plan

- ◆ Inventec persists in the “human-based” concept, with “talent development” as its basis of sustainable operations, incorporated with strategic goals of the Company, management functions and core values, solid takeover plan.
- ◆ The Board of Directors has periodical evaluation of the management succession plan development in May every year, and implementation to ensure sustainable operation. The guidelines for diversification goals of the election of directors cover: (1) basic conditions and value: gender, age, nationality, culture, etc.; (2) professional knowledge and skills: law, accounting, industry, finance, marketing, or technology background, professional skills, and industrial experience.
- ◆ The selection of management: (1) establish a talent echelon: first evaluate the key positions and the abilities, qualifications, and conditions required by these positions and then evaluate potential talents via assessment tools before determining the talent development plan; recognize performance and future potential based on the strategic organizational plan; strategically establish the overall career development of key talents, allowing them to learn to take responsibility through a diversified development plan, such as work instructions, transfers, meeting participation, cross-unit cooperation, project implementation, and workplace training competitiveness as required by future talents. (2) Establish talent development blueprint and competence model: set corresponding management functions and training methods based on hierarchy, apply educational training, performance assessment, and incentive measures for potential successors, develop function-oriented talent resource management models, and ensure the stable development of talent resources and sustainable operation of the Company.
- ◆ Checking professional abilities every year and initiation of individual development projects: organize professional technology training systematically and hold irregular group management meetings, executive meetings, and consensus camps to conduct training programs as required by the key positions.



Annual report

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3.1 Corporate Governance

3.1.5 Audit Committee



- ◆ The audit committee consisting of 3 independent directors intends to assist the Board of Directors in overseeing the quality and integrity of the company's accounting, auditing, financial reporting processes and financial controls. A total of 4 meetings of the audit committee were held in 2020, and the average attendance rate of all members was 100%.

3.1.6 Remuneration Committee



- ◆ The remuneration committee consisting of 3 independent directors reviews performance and remuneration policies, system, standards, and structure of directors and managers and makes suggestions to the Board.
- ◆ A total of 2 meetings of the remuneration committee were held in 2020, and the average attendance rate of all members was 100%.

3.1.7 Remuneration of Employees and Directors



- ◆ According to the Articles of Incorporation of the Company, if the Company experiences overall annual profit, no less than 3% shall be allocated as employee remuneration and no more than 3% as director remuneration. However, when the Company has accumulated losses, it shall reserve the compensation amount in advance.
- ◆ Employee remuneration may be issued in cash or stock, the issuing object may include employees subordinated to the Company and conforming to certain conditions, and the conditions and methods thereof will be stipulated by the Board of Directors.
- ◆ The Board of Directors passed a resolution, determining that the remuneration of employees in 2020 is NT\$ 675,529,321, and the remuneration of directors in 2020 is NT\$ 123,673,830.

The Correspondence between the 2020 Information of Inventec's Committees and the Company's Annual Report

Employee remuneration

- ◆ Reasonable salary welfare policies and the operational performance or results will be reflected in the employee's compensation as appropriate.

II . Corporate Governance Report
 → 2.3 Corporate Governance Practices
 → 2.3.6 Corporate Social Responsibility and Deviations from
 “The Corporate Governance Best-Practice Principles for
 TWSE/TPEX Listed Companies”

Remuneration paid to
 Directors, president,
 and vice presidents

- ◆ Submit to the Board of Directors for resolutions made by the remuneration committee's recommendations.

II . Corporate Governance Report
 → 2.2 Directors, Supervisors and Managers' Information
 → 2.2.3.5



Audit Committee and Remuneration Committee Charters

3.2 Integrity Management

3.2.1 Whistleblower Protection and Open Reporting Channels



Integrity Management Commitment

- ◆ Inventec attaches importance to its reputation and takes integrity and sustainable operations as the maximum assets accumulated by Inventec operations. Among them, the "Codes of Ethical Conduct" and "Code of Integrity Operation" are the ethical standards of conduct and specifications for integrity operation philosophy for directors, managers, employees, appointees, or those with substantial control capability of Inventec in order to prevent the occurrence of conflicts of interest and acts without good faith, as well as let stakeholders of Inventec better understand the above company standards by which they must abide.



Operation Procedures for Honest Operations

- ◆ Inventec has formulated the "Code of Integrity Operations", "Codes of Ethical Conduct", "Global Employee Code of Conduct Management Measures", "Employee Complaints and External Reporting Management Specifications", and "Operation Procedures and Behavioral Guidelines for Honest Operations" to standardize the prevention of the occurrence of conflict of interest circumstances and to formulate schemes for preventing acts without good faith including operation procedures, behavioral guidelines, violation punishments, and a complaint system, and implemented them.
- ◆ Regarding major operation policies, investment cases, asset acquisition and disposal, bank financing, capital loan to other persons, endorsements, etc., they shall be evaluated and analyzed by the relevant responsible unit and proposed to the Board of Directors for resolution.
- ◆ Inventec has also formulated "New Manufacturer Assessment Management Measures" that require new manufacturers to have good business reputations and conform to the ethical requirements of Inventec. In "Purchase Contracts", it shall explicitly stipulate that the supplier shall abide by the special guarantee clause, in which the payment of commission, proportion commission, brokerage fees, tail end fees, or other beneficial behaviors are prohibited. In case of violation, Inventec is entitled to terminate the contract immediately, and the supplier shall unconditionally cooperate to ask such person that received benefits for compensation. Inventec signs the contracts with suppliers to prohibit purchases of improper interests to establish effective accounting and internal control systems, regularly executes internal auditing and self-assessment operations, and actually checks the Company's compliance in order to prevent the occurrence of acts without good faith.

Open Reporting Channels

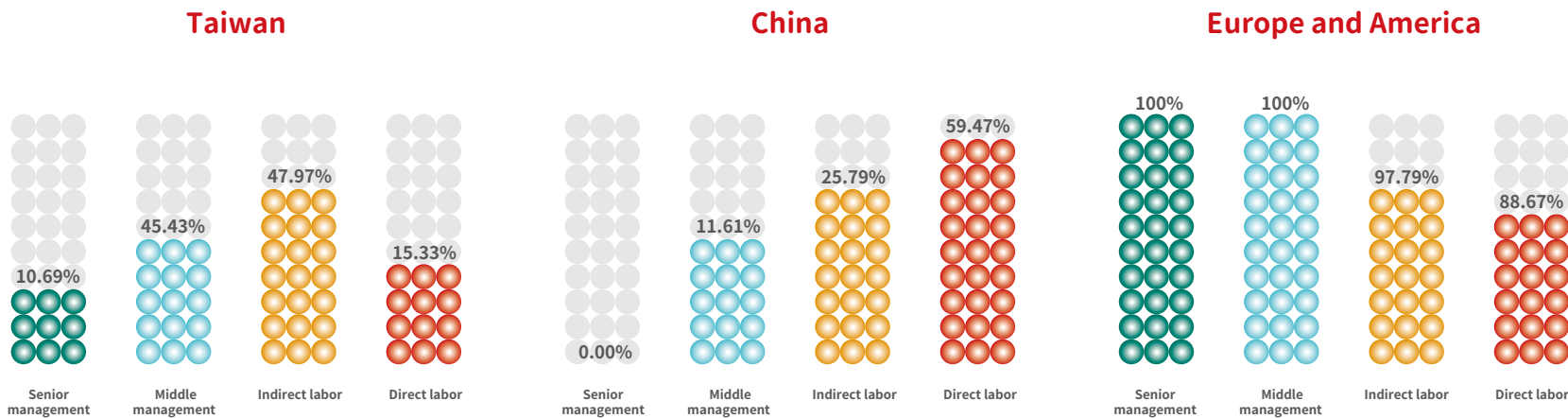


- ◆ System management and special personnel for special responsibilities: Inventec establishes the talent center which is responsible for promoting honest management in the enterprise to take charge of establishment, communication and training of good faith operation policy and dishonest behavior prevention scheme, and regularly report relevant plan and performance to the Board of Directors every year. In order to solve major violations or misconduct, etc. complained about by employees, Inventec has set up external and internal complaint management. When employees suffer from improper, illegal, or unreasonable events, they can submit a complaint according to the complaint system.
- ◆ Pursuant to the "Employee Complaints and External Reporting Management Specification", Inventec has established investigation standard operation procedures and a confidentiality mechanism to accept reporting matters and imposes punishment by referring to trial principles.
- ◆ Inventec has designated a stakeholder zone for the grievance mechanism about anti-corruption and social / human rights / environmental issues of supply chain. Complaint and reporting hotline: Tel.: 2881-0721 ext. 21999 / E-mail: 21999@inventec.com. According to the treatment principle, Inventec will protect the reporter from discriminations, threats, post transfers, and other unfavorable treatments. No appeals in 2020.

3.2 Integrity Management

3.2.2 Implementation Result

2020 Employee Integrity Management Training Completion Rates



In 2020, the completion rate of the Directors' integrity management training reached 100%.



9 Directors completed the integrity management training in 2020.



Stakeholder Zone



Annual Report

Information about Ethical Corporate Management

Management Measures for the High-Risk Units

◆ In accordance with the "Ethical Corporate Management Best Practice Principles of Inventec" and the "Operation Procedure and Behavioral Guidelines for Honest Operation", after the unit risk is assessed for the definition of improper benefits, Finance Center, Legal & Intellectual Property Center, Talent Center, Environmental Management Center, Supply Chain Business Unit, and Quality Assurance Customer Service Center are required to complete the self-assessment. The coverage includes the Inventec Group to ensure that the company implements and follows the precautions set out in the Ethical Corporate Management Best Practice Principles. The main risks of the self-assessment are unfamiliarity with the statutory and corporate requirements, and the management is enhanced through training.

Prevention and Training Measures

◆ Inventec implemented a working plan to ensure honest operations and the participation of new employees in the "Implementation of the Internal Control System" and related legal training course. In 2020, a total of 10,239 people from Taiwan, China, and Europe and America received integrity management training. The integrity management training hours were 6,577 hours. The training completion rates are shown on this page. The Directors' integrity management training rate is shown on this page.

Acceptance of Accusations and Investigation Results

◆ The personnel handling the reported case transferred all cases to the specific internal authorities. In 2020, no act without good faith was filed.

3.2 Integrity Management

3.2.2 Implementation Result



Risk Management Operation

- ◆ The Board of Directors of the Company approved the revision of the Code of Practice for Corporate Social Responsibility in March 2020, conducted a risk assessment on environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulated risk management policies. In May 2020, the risk management policy was drafted and submitted to the Board of Directors, and risk management operations shall be regularly reported to the Board of Directors every year to strengthen the implementation of the risk management system. The audit committee shall review the effectiveness of the internal control system (including control environment, risk assessment, control operations, information and communication, and supervision operations) and the audit report annually, which shall be then approved by the Board of Directors.



1. Risk Management Policy

To efficiently prevent and control risks, promote management performance, and achieve the goal of sustainable operation. Identify material risks, evaluate risks analysis, clarify corresponding strategies, strengthen response mechanisms, effectively reduce risks, enhance competitiveness and design, implement and operate via internal control procedures of all units to achieve effective risk control targets, and maintain the rights of shareholders and the Company's competitiveness.

2. Risk Management Organization

All business groups and company units are responsible for risk management based on the nature of their business. The Board and audit committee are the final decision makers of risk evaluation and control.



3. Risk Management Procedures

Each unit shall conduct a regular evaluation every year; implement various internal risk control procedures and take occurrence probabilities and risk impact as the standard to measure risk, and effectively control risk within the acceptable range. All risk management procedures shall be included in the compulsory courses for new recruits to strengthen their awareness of operational risk. Risk management operations shall be reported to the Board of Directors every year to strengthen the implementation of the risk management system.

4. The Scope of Risk Management

It includes "strategic risks", "operational risks", "financial risks", "lawsuit and intelligence property risks", "product safety risks", "information security risks", and "environmental safety risks".

3.2 Integrity Management



3.2.3 Prevention (Risk Control) Internal Control System

Top-tier management of Inventec attaches great importance to and supports corporate governance and has absolute impact on Inventec's implementation of the corporate governance, the prevention (risk control) internal control system, the prevention (risk control) internal control operation, the prevention (risk control) internal audit operation, the prevention (risk control) self-assessment operation and the performance thereof.

In order to fully capitalize upon the function of the prevention (risk control) internal control system, the internal control operation, and the self-assessment, and improve the value and contribution of the internal audit, a "Prevention (Risk Control) Internal Audit Report" is proposed during Inventec's Board of Directors monthly meeting, so that the directors, audit committee members and operational team can understand the company's implementation of the prevention (risk control) internal control system and the nonconformity found by the prevention (risk control) internal audit, and give due guidance and attention to this matter. Through recognition, support, attention and guidance of the Board of Directors and operational team, the prevention (risk control) internal control system is under positive circular operation; all employees of the company are aware of and implement the prevention (risk control) internal control system. Meanwhile, together with the efforts of the audit team, continuous and effective implementation of the prevention (risk control) internal control system, the prevention (risk control) internal control operation, and the prevention (risk control) self-assessment can be assured.

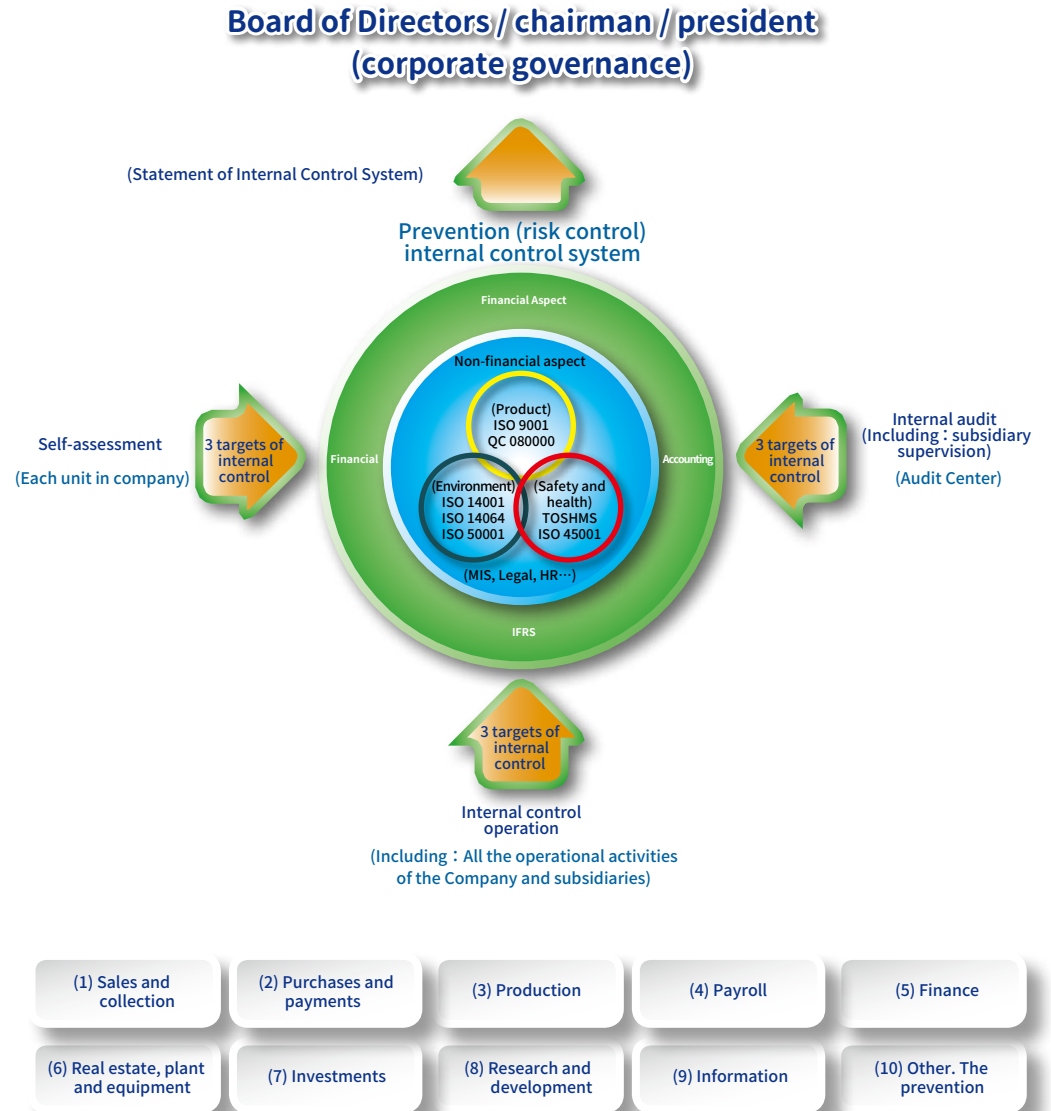
3.2.4 Integration and Establishment of an All-in-one Prevention (Risk Control) Internal Control System

Through considering Inventec's ethical value, organizational structure, authority assignment, human resources policy, performance evaluation, reward and punishment, Inventec's prevention (risk control) internal control system is integrated into ten internal control operation circulations, and a thorough and effective prevention (risk control) internal control system has been established. The ten circulations include (1) Sales and collection; (2) Purchases and payments; (3) Production; (4) Payroll; (5) Finance; (6) Real estate, plant and equipment; (7) Investments; (8) Research and development; (9) Information; and (10) Other. The prevention (risk control) internal control system includes international standard systems such as the ISO 9001 quality management system, IECQ QC 080000 hazardous substance process management system, ISO 14001 environmental management system, ISO 14064 greenhouse gas management system, ISO 45001 occupational safety and health management system, TOSHMS Taiwan occupational safety and health management system, ISO 50001 energy management system, and ISO 27001 information security management system, etc.

The details can be found on the website:



Inventec Corporate Governance and Operational Governance



3.3 Information Disclosure

3.3.1 Information Disclosure Mechanism

Information Disclosure Channels Description

Inventec has established a spokesman system, dedicated to handling relevant matters, and Inventec website has created a stakeholder zone to maintain communication channels with stakeholders at any time through information delivery by telephone, fax, e-mail, etc., for important corporate social responsibility issues that concern stakeholders and their feedback. Inventec will properly handle matters to respect and maintain their due rights and interests.

Inventec has procedures for handling stock affairs and a dedicated mailbox for accepting suggestions, doubts, disputes, and lawsuits managed by the stock affairs department and investor relation department based on procedures. Meanwhile, the stock affairs agency has been commissioned as a window for shareholder services.

Shareholder Services

Investor Relation: Ms. Chang

TEL: 886-2-2881-0721 Ext: 21656 FAX: 886-2-2882-8086

MAIL: Chang.Ada@inventec.com

Shareholder service: Ms. Chang

TEL: 886-2-2881-0721 Ext: 21875 FAX: 886-2-2882-8086

MAIL: Chang.Lily@inventec.com

Shareholder services agent: Taishin International Bank shareholder services dept.

ADD: B1F, No.96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City 10489, Taiwan TEL: 886-2-2504-8125



Information Disclosure Channels

- ◆ Spokesperson
- ◆ Investors conference
- ◆ Shareholders' meeting
- ◆ Market Observation Post System
- ◆ Company website
- ◆ Annual report
- ◆ Corporate Social Responsibility Report
- ◆ Stakeholder zone

Stakeholder



Management Procedure



Employee



Customer



Government Agency



Supplier



Shareholder / Investor



Community



Media



Research Institute

Investor Conference

Annual Reports & Shareholders' Meeting

Dividend Distribution

Consolidated Operating Revenue

Financial Reports

Material Information

Management Performance



Inventec Corporate Sustainability Website



Annual Report

4. Operational Development

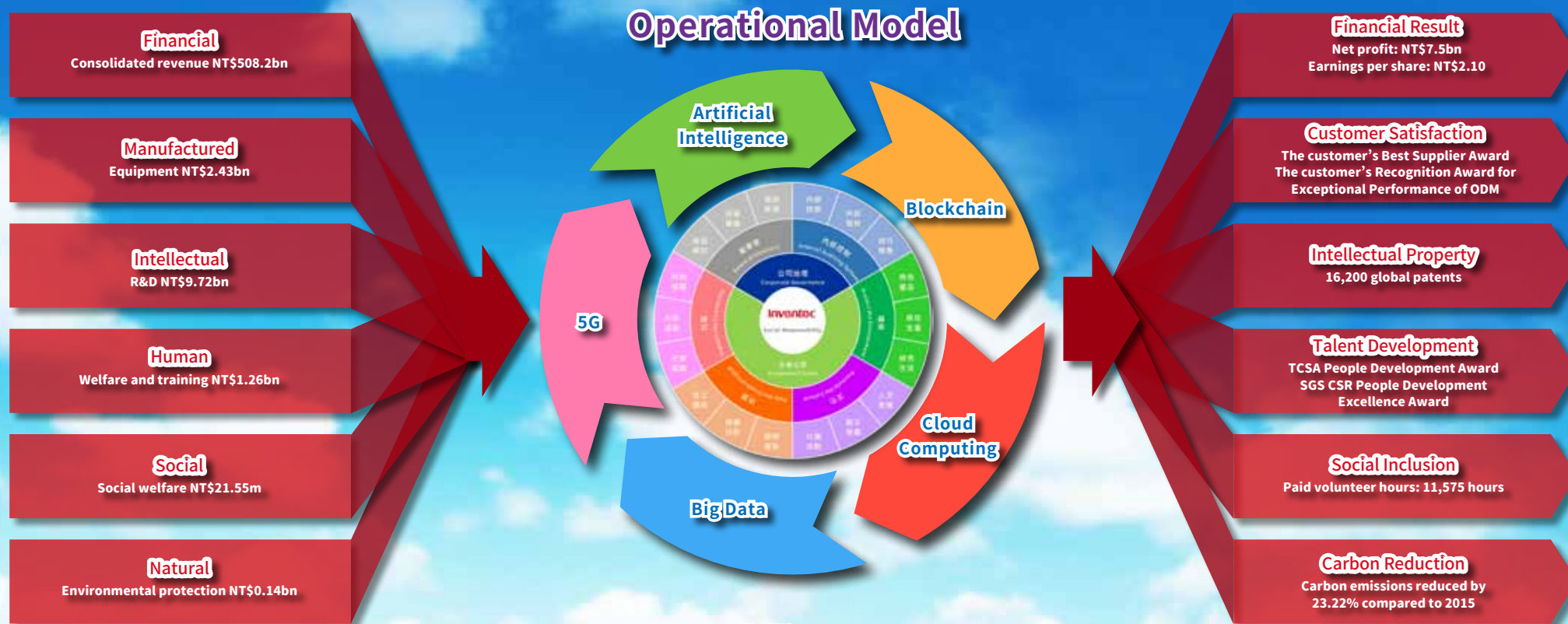
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SDGs Index



Integrated Reporting Performance



Greater Responsibility, Greater Concern

4.1 Operation Management

4.1.1 Risk Management and Countermeasures



Inventec Risk Management

Management Organization

- ◆ Governance units: The Board and audit committee are the final decision makers of risk evaluation and control.
- ◆ Management units: All business groups and company units are responsible for risk management based on the nature of their business.

Management Policy

- ◆ Purpose: To efficiently prevent and control risks, promote management performance, and achieve the goal of sustainable operation.
- ◆ Management: Identify material risks, evaluate risks analysis, clarify corresponding strategies, strengthen response mechanisms, effectively reduce risks, and enhance competitiveness.
- ◆ Approval: The Board of Directors of the Company approved the revision of the Code of Practice for Corporate Social Responsibility in March 2020, conducted a risk assessment on environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulated risk management policies. In May 2020, the risk management policy was drafted and submitted to the Board of Directors, and risk management operations shall be regularly reported to the Board of Directors every year to strengthen the implementation of the risk management system. The audit committee shall review the effectiveness of the internal control system (including control environment, risk assessment, control operations, information and communication, and supervision operations) and the audit report annually, which shall be then approved by the Board of Directors.

Management Procedure

- ◆ Implementation: Each unit shall conduct a regular evaluation every year, implement various internal risk control procedures and take occurrence probabilities and risk impact as the standard to measure risk, and effectively control risk within the acceptable range.
- ◆ Report: Risk management operations shall be reported to the Board of Directors every year to strengthen the implementation of the risk management system.
- ◆ Training: All risk management procedures shall be included in the compulsory courses for new recruits to strengthen their awareness of operational risk.

Management Scope

"Strategic risks", "operational risks", "financial risks", "product safety risks", "environmental safety risks", "information security risks", and "litigation and Intellectual property risks".

7 Evaluated Risks and Countermeasures

Strategic Risks and Countermeasures



- ◆ Innovative changes: "Innovation" is the cornerstone of differentiation, which is a main factor for breaking through in a competitive environment. Inventec will continuously adhere to its innovative business philosophy and remain committed to customers and partners with the highest "quality" improvements in the future.
- ◆ Technology and industry changes: To connect world-class management, it improved quality and optimized the process to realize intelligent production links through digital transformation blueprints. It is expected to serve as the best management tool for technological and industrial change through active and effective use of financial and IT digitization.
- ◆ Corporate culture: Inventec adheres to a consistent operation philosophy and corporate culture and actually masters the overall organizational risk.

Operational Risks and Countermeasures



- ◆ Centralized goods purchase and sales: Inventec has already adjusted its production strategy. Whether the purchase of key components or the sale of the whole machine, Inventec strives for diversification in supply and demand and effectively prevents the dilemma caused by the excessive concentration of purchases and sales.
- ◆ Expected benefits of plant expansion: In response to the changing trade environment and the increasing flexibility of orders, Inventec has expanded its production base overseas by adjusting operation planning to reduce the risk of production concentration. Inventec has carefully evaluated its plant expansion plan in accordance with the economic environment and market demand and reduced capital exposure risk through the activation of assets.

Financial Risks and Countermeasures



- ◆ Interest rate: Inventec carefully evaluates the risk of interest rate changes in operating its funds and makes the best use of its capital portfolio after considering both liquidity and security.
- ◆ Exchange rate: The main exchange rate policy is to naturally avoid risks after debt and creditors' rights are offset, as well as currency hedging.
- ◆ Inflation: Inventec effectively controls costs and operating expenses to mitigate the impact of currency inflation on operations.
- ◆ Investment and finance: Regarding lending funds to other parties, endorsements, and derivatives related transactions, such is actually handled according to the procedures. As for the demand of investment that might occur due to the growth of operations, Inventec will see that excellent financial planning put in place through financial risk management analysis, allocation of integrated financial resources, and consideration of the costs of investments.

Litigation and Intellectual Property Risk and Countermeasures



- ◆ Legal changes: Immediately grasp changes in laws, policies and litigation practices related to the Company's operations in real time; implement the U.S. Export Control Act, confidential information, and copyright compliance programs; take measures to respond to the legal risks associated with the COVID-19 outbreak; and conduct seminars on intellectual rights in legal affairs and educational training for new recruits, to facilitate risk management and intellectual property protection.
- ◆ Litigation events: Keep abreast of major litigation events and related countermeasures of the group company.
- ◆ Intellectual property rights: Attach importance to intellectual property rights and spare no effort to protect product patent rights to defend independent research and development of intellectual property.

4.1 Operation Management

4.1.1 Risk Management and Countermeasures



Product Safety Risks and Countermeasures

- ◆ Product and service policy: Inventec provides customers with a comprehensive and thorough customer relations management service mechanism, from order receiving to product delivery, we track to the customer end and actively care about all feedback from the customer. Furthermore, customer business review meetings are periodically held in response to the issues that concern customers. Inventec provide instant services and response mechanisms through a stationed service mechanism at OEM/ODM customer end. Every year, Inventec assists customers in acquiring product green mark certification in order to provide global customers more environmentally friendly products and services.
- ◆ Supplier evaluation management: With regard to the various assessments of suppliers, in addition to the quality, cost, delivery time, technical skill, and service, Inventec will also extend the assessment scope to green products and corporate social responsibility, and the assessment scope will correspond to the Inventec's requirements for supplier, including the establishment of management systems such as ISO 9001, ISO 14001, ISO 45001, RBA, etc. Through diversified assessment consideration, Inventec ensures that the cooperating supplier can specifically respond to important supply chain issues, such as product environmental protection, manufacturing process environmental protection condition operation requirements, restriction of the use of hazardous substances, prohibiting child labor, guaranteeing employee rights and interests, workplace safety, etc. Inventec ensures that the supplier does not violate the aforementioned circumstances through supplier RBA auditing. Every year, Inventec performs an on-site audit on existing suppliers with medium and high risks and ask for improvement; furthermore, contract contents explicitly stipulate a legal compliance clause, and in case of violation of relevant important laws and regulations and having an obvious impact on the environment and society, the contract can be terminated or canceled pursuant to such clause.



Environment and Safety Risks and Countermeasures

- ◆ Environmental protection expenditures: They included mainly waste disposal, pollution prevention equipment maintenance, environment detection, ecological landscaping, green management system authentication, environmental label product certification, environmental education, energy conservation and carbon reduction engineering, environmental conservation activities, occupational health, green supply chain management, carbon emissions trading, etc.
- ◆ Promote the green supply chain: Via assistances and integration with suppliers and holding Sustainable Supply Chain Forum, Inventec expects these efforts to contribute to the sustainable supply chain development.
- ◆ Dedicated unit for the safety, health and environment: The Industrial Safety and Health Office is responsible for planning all kinds of safety, health, and environment management matters and supervising relevant departments in implementing and executing all kinds of safety, health, and environment affairs. Inventec has created an Occupational Safety and Health Committee pursuant to law and formulated the "Occupational Safety and Health Policy" to focus on occupational safety and health related matters, actively carry out occupational safety and health education, prevent the occurrence of occupational disasters, promote a healthy workplace, and facilitate employee health.
- ◆ Safety, Health, and Environmental Management Certification: Inventec has obtained "TOSHMS Taiwan Occupational Safety and Health Management System" and other certifications for various safety, health, and environment management systems, and has also won various awards from the government.
- ◆ Climate change risks and opportunities: In response to the requirements of local government, customers, and international investment institutions to climate change, Inventec follows the climate change governance framework of the Task Force on Climate-related Financial Disclosure (TCFD) to conduct management and disclosure.



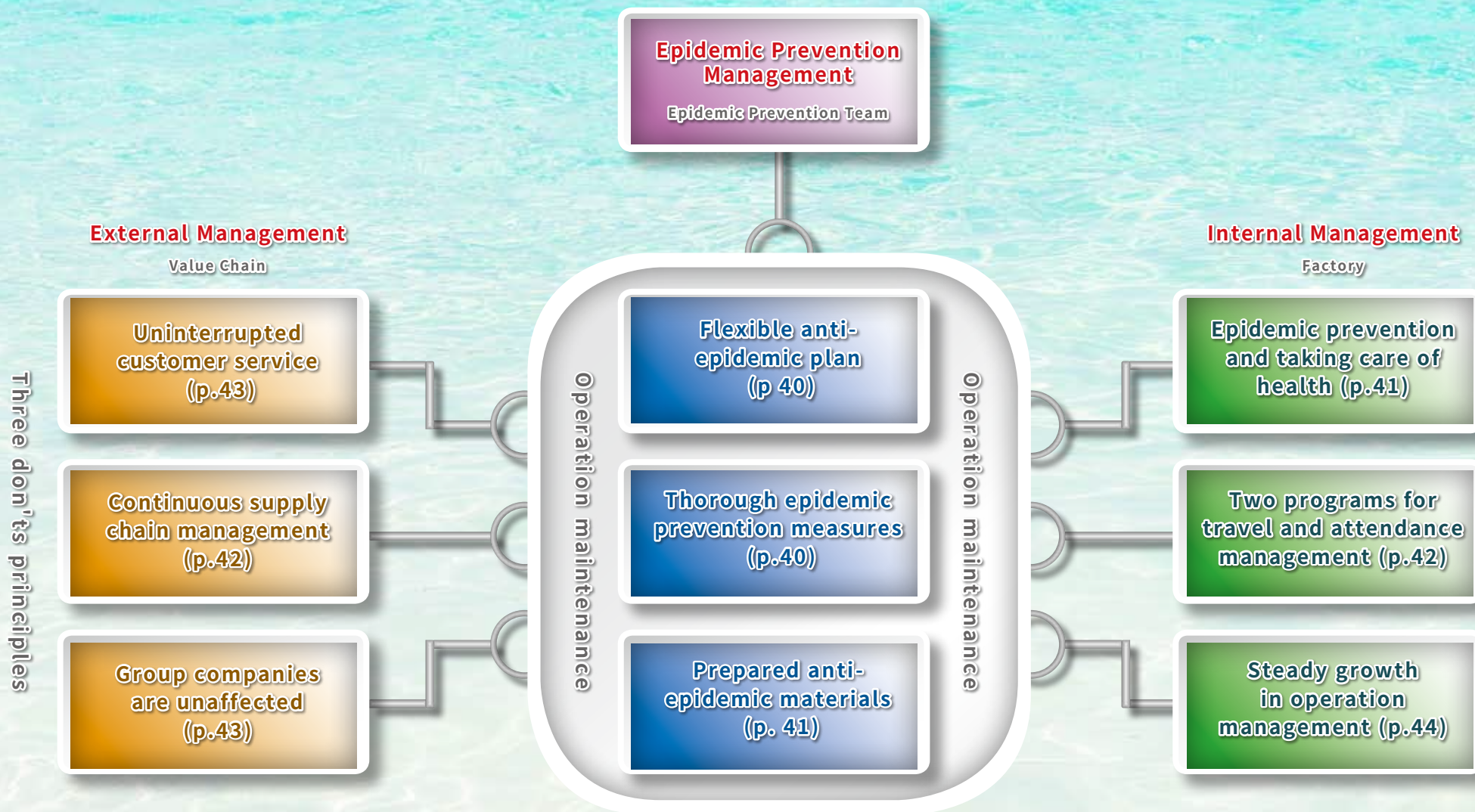
Information Security Risks and Countermeasures

- ◆ Establish information security organization: The information security response team has been established under the auspices of the president and includes the production line information security response teams of the business groups to implement and strengthen the management of information security. The Company audits Inventec's information security project, monitor the information security management system (ISMS) risk evaluation plan and implementation of the information security system, and submit the audit results to the Board of Directors.
- ◆ Implement information security management: In accordance with the "Information Security Management Regulations", Inventec carries out information security management, continues to provide information security education training for employees, and actively performs risk weakness management
- ◆ Strengthen company employees' information security awareness: The "Code of Conduct for Employees" signed by the employees every year contains information security protection matters. Information security announcements shall be issued in a timely manner to remind employees to be careful of information security risks.
- ◆ Anti-virus and hacker monitoring: To monitor the virus detection situation in every factory around the world and carry out necessary protection measures and virus detection and killing management. Every month, the president presided over the information security conference to discuss the current information safety events reported in the news and present related information safety and prevention measures.
- ◆ Weakness management and vulnerability repair: Regularly use the vulnerability scanning system to check for vulnerabilities in the external service host, strengthen system patch updates management, assess the system software update status every month and report to the president, to mitigate weakness management and take necessary vulnerability repair and protection measures.
- ◆ Information security international certification: ISO 27001 international information security certifications are obtained.
- ◆ Information security check: Every year, Inventec shall undergo the information security audit of customers by an external third party, in addition to an internal self-audit, and review information security matters according to ISO 27001 and other information security and control regulations.
- ◆ Information security protection strengthening:
 - a. Equipment replacement operations and upgrades for enhancing system availability and security.
 - b. Upgrade the next-generation firewall, establish a two-layer defense architecture, and improve the depth of security protection.
 - c. Import the bastion host or jump host, reduce the risk of infiltration, and enhance the online monitoring of the host.
 - d. Promote two-factor authentication to prevent the risk of the account and password being stolen or broken.
 - e. Strengthen APT attack protection and introduce an APT (Advanced Persistent Threat) protection scheme to prevent malware and hacker attacks and protect Inventec's information security.
 - f. Guard against hacker phishing email attacks, enable email protection mechanisms, filter malicious attachments and phishing links, and avoid social engineering attacks.

4.1 Operation Management

4.1.1 Risk Management and Countermeasures

Three Major Management Mechanisms for COVID-19 Prevention



4.1 Operation Management

4.1.1 Risk Management and Countermeasures

Flexible anti-epidemic plan

To cope with the risk of possible termination or suspension of operations on our factories caused by the COVID-19, Inventec has established the following COVID-19 prevention plan for its plants around the world to ensure business continuity;

Thorough epidemic prevention measures

To cope with the risk of infection of personnel caused by the COVID-19, Inventec has implemented the following contingency COVID-19 prevention measures inside the plant to ensure the health and safety of factory personnel;

Epidemic prevention manuals of the factories in Taiwan



IET

Epidemic prevention plans of the factories in China



ICC

桃科廠新型冠狀病毒肺炎疫情防範措施
防疫階段性實施計劃

2020.3.6



TAO

新型冠狀病毒 應變手冊



IPT

Restaurant control with partitions



Have meals in batches, keep distance when line up, and have meals between partitions



Disinfection spray on the personnel entering the factory area



Avoid personal contact and set up the automatic temperature measurement facilities



- ◆ Avoid meetings and switch to telephone or video conferencing. If there is an important meeting to hold, the number of people in the meeting room must be controlled and the masks must be worn during the whole process to ensure the health and safety of employees.
- ◆ Cooperate with the instructions of the governmental competent authority, adjust the epidemic prevention policies on a rolling basis, carry out in-plant announcement, track, and investigate.
- ◆ Departmental networking, club activities, and course lectures are suspended. If it is unavoidable, the epidemic prevention regulations are strictly followed. The seats are separated to keep distance and the masks are worn throughout the process.
- ◆ In response to the development of the epidemic, decentralized workplaces were arranged to maintain the health of employees and ensure the smooth operation of the company.

4.1 Operation Management

4.1.1 Risk Management and Countermeasures

Prepared anti-epidemic materials

To cope with the risk of low COVID-19 prevention supplies that may be caused by the Covid-19, Inventec has implemented the following contingency measures to ensure sufficient COVID-19 prevention resources:

Epidemic prevention and taking care of health

To cope with the probable environmental infection risk of the factory caused by the COVID-19, Inventec has implemented the following daily COVID-19 prevention contingency measures to ensure a safe and healthy environment:

Alcohol spraying machine is installed in the entrance and exit area



Distribute alcohol spraying bottles and masks to employees



Automatic hand sterilizer



Protective material warehouse



Express parcel disinfection



Inspection of frozen food disinfection



Automatic spraying hand sanitizer



Forehead thermometer and ear thermometer



Disinfection machine



Protective clothing and protective mask



Regular disinfection of public areas daily



Daily disinfection of vehicles



Disinfection control of catering facilities



4.1 Operation Management

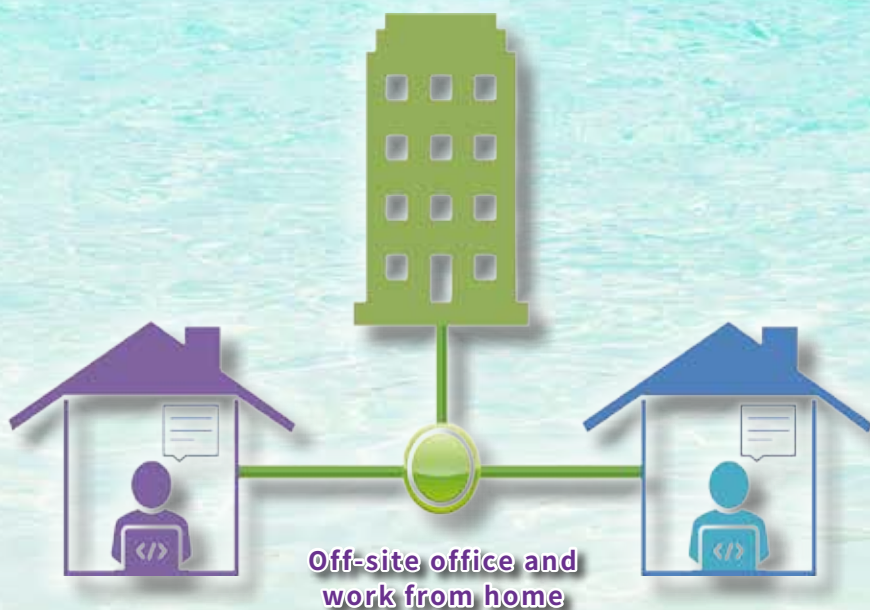
4.1.1 Risk Management and Countermeasures

Two programs for travel and attendance management

To cope with the risk of operational impact caused by the COVID-19, Inventec has implemented the following contingency measures in regard to attendance management to ensure business continuity:

Continuous supply chain management

To cope with the regional impact of COVID-19 and the risk of supply chain disruption, Inventec has implemented the following contingency measures to ensure continuous supply chains and supplier management:



Taiwan factory: set up outdoor visitor reception area



China factory: sterilization of incoming materials



Reduce the population density within the factory area

1. Off-site office: to respond accordingly to the Covid-19 pandemic, the plant is divided into a first office area and a second office area so work is conducted in different locations to safeguard the health of employees and ensure normal business operations.
2. Work from home: to respond accordingly to the Covid-19 pandemic and ensure normal business operations, a work-from-home work shift and management mechanism have been established in accordance with the nature of work of relevant employees and project progress to maintain normal business operations and protect the health of employees.

1. Confirming the detailed material status of raw materials through the Inventec e-Supply Chain information system
2. When the epidemic situation is critical, the purchasing staff cooperate with the Company HR's work-from-home plan to maintain operations.
3. In line with customer value chain requirements, increase raw material inventory management to ensure the fulfilment of customer demand.

4.1 Operation Management

4.1.1 Risk Management and Countermeasures

Group companies are unaffected

To cope with the possible impact of border control caused by COVID-19, Inventec has implemented the following contingency measures to ensure normal operations of the group companies and reduce impact:



Trial assembly of video system architecture

Uninterrupted customer service

To cope with the impact of COVID-19 on global logistics that may cause value chain disruption, Inventec has implemented the following customer operation contingency measures to ensure uninterrupted service for our customers:

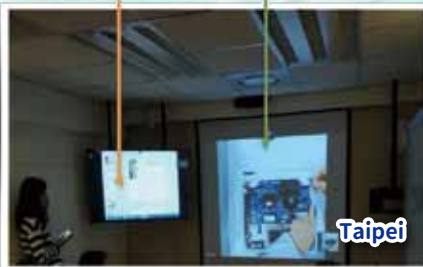


Assembly SOP

Live assembly



Chongqing



Taipei

Remote conference system

Purchase of video and hardware equipment and connecting with each factory team to achieve project tasks.



AR augmented real-time communication and intuitive remote guidance to improve the efficiency of remote communication.



Customers' training materials



Inventec's Epidemic Prevention Plan

1. Provide Inventec's Epidemic Prevention Plan in accordance with the customer supply chain BCP plan.
2. Participating in the training of COVID-19 prevention measures held by customers and cooperating with customers in epidemic prevention and response.
3. According to the requirements of the customer value chain, adjust the production of products in off-site factories to ensure fulfilment of local customer demands.

4.1 Operation Management

4.1.1 Risk Management and Countermeasures

Steady growth in operation management

To cope with operations management risks arising from COVID-19, Inventec has implemented the following contingency measures to ensure the stable growth of our business:

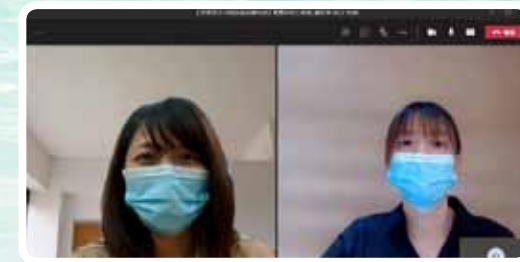
1. Ensure the health and safety of expatriates and encourage expatriates to work diligently:
 - ◆ In response to the government's call for COVID-19 prevention, all employees are urged "not to return to their hometown unless necessary and to practice better COVID-19 prevention measures at all times". Meanwhile, a special Spring Festival incentive policy was implemented to encourage employees to stay in the local area for the holidays.
 - ◆ According to the principle of voluntary vaccinations, "crucial population" are reported to COVID-19 vaccination in batches.
2. Industrial upgrading: combining smart factory to create the world's first open-architecture 5G independent enterprise private network and increase the product First Pass Yield from 75% to 85%.



Care for the expatriates and send 15 boxes of necessities to the quarantined employees

To cope with the impact of COVID-19, Inventec has implemented the following contingency measures for recruitment to reduce the infection risk of personnel:

1. Comprehensive digital transformation
 - ◆ English, professional and personality traits tests are all adjusted to online mode .
 - ◆ All interviews are conducted via Teams remote interviews to avoid contact.
2. Employees who report for work must confirm their physical health and undergo investigation into personnel contact trajectories according to the epidemic announcements by the competent authority.



Online interview

To cope with the impact of the COVID-19 and cooperate with the company's policy to suspend gatherings, courses, clubs, and other group activities, the learning in the company did not stop and continued to enhance its competitiveness during COVID-19 period. The contingency measures implemented by Inventec for talent development and training are as follows:

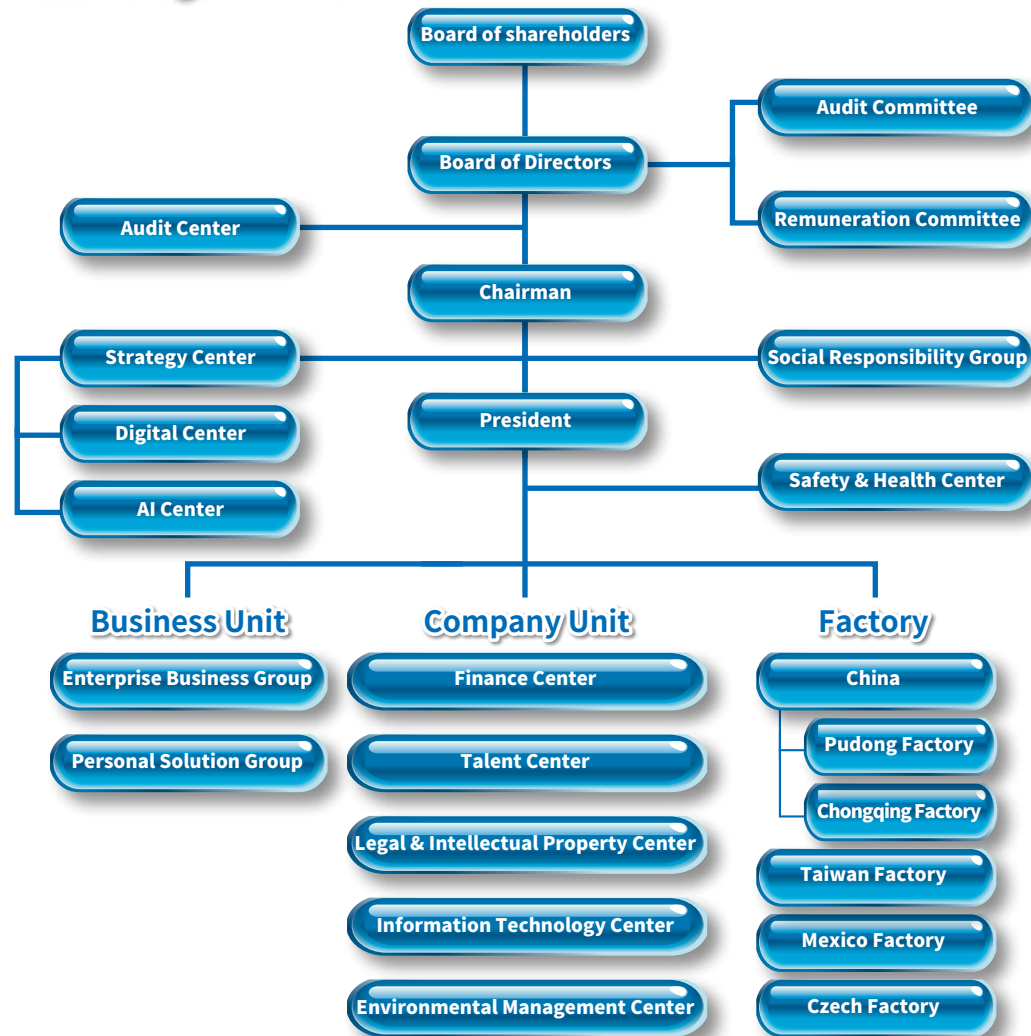
1. Optimize our E-Learning Platform and make the interface more user-friendly.
2. Trend, management, and tool skills and competencies courses that realize multi-learning.
3. Digitized offline courses so learning is not restricted by location.
4. Leadership newsletter, providing management tips and new trends.



Digital learning

4.1 Operation Management

4.1.2 Management Team



Inventec's management team

◆ To strengthen the operation structure, advance working teams, improve organizational efficiency, and develop its market portfolio, Inventec has schemed out three organizational structures composed of business units, company units, and factory to enhance enterprise competitiveness and address new challenges in the industry.

Inventec

The Major Functions of Inventec Operation Team

Unit Names	Major Functions
Audit Center	Overall planning businesses such as internal control system, internal audits, self-assessment, etc. of the Company.
Social Responsibility Group	Plan and execute corporate social responsibility related matters.
Strategy Center	Overall planning the strategic planning and project implementation of the Company.
Digital Center	Overall planning the digital transformation business of the Company.
AI Center	Research and development of artificial intelligence (AI) and IoTs, as well as the application of industry 4.0, are introduced.
Enterprise Business Group	Planning and management of enterprise business computer design, development, manufacturing, production, marketing, after-sales service, etc.
Personal Solution Group	Planning and management of portable computer design, development, manufacturing, production, marketing, after-sales service, etc.
Finance Center	Overall planning of the financial, accounting, investment, and stock affairs business of the Company.
Talent Center	Overall planning of the Company's human resources related business.
Legal and Intellectual Property Center	Overall planning of legal affairs, intellectual property rights, and other relevant matters.
Information Technology Center	Overall planning of the establishment and operation of a network system structure, product life cycle management system, enterprise resource planning system, manufacturing execution system, quality inspection management system, supply chain management system, form management system, etc. of the Company. Development and sales of enterprise solutions, enterprise system integration and consulting services, office system import and process automation services, and development and sales of green energy solutions.
Environmental Management Center	Overall planning of the Company's related management business and the integrated planning and supervision of environment and quality.
Pudong Factory	Responsible for design and development, manufacturing, after-sales services, etc. of portable computers, wireless communication products, and corporate computers.
Chongqing Factory	Responsible for design and development, manufacturing, after-sales services, etc. of portable computers, wireless communication products, and corporate computers.
Taiwan Factory	Responsible for design and development, manufacturing, after-sales services, etc. of portable computers, wireless communication products, corporate computers, corporate servers and storage systems.
Mexico Factory	Responsible for production, testing, troubleshooting, after-sales services, etc. of corporate servers and storage systems.
Czech Factory	Responsible for production, testing, troubleshooting, after-sales services, etc. of corporate servers and storage systems.

4.1 Operation Management

4.1.3 Global Scale

Headquarters



Taiwan

Production Site

Taiwan
Czech Brno
Mexico Juarez

Shanghai
Chongqing
Nanjing
Nanchang

Regional Office

Silicon Valley
Austin
Houston
Tokyo
Penang

Beijing
Tianjin
Xian

Inventec



Taiwan



Shanghai



Nanjing



Chongqing



Czech



Mexico

4.1 Operation Management

4.1.4 Product Development

Notebook PC



Enterprise-Class



Laptop Computer



Gaming Laptop

Desktop /AIO



Entertainment AIO



Retail AIO

Thin Client



Small-Form-Factor (SFF) Business Desktop



Thin Client Cloud Computer

5G/Edge

- MEC Edge Server
- OpenRAN Network Infrastructure
- 5G+AI+AOI E2E Enterprise Network Solution



Server

- Intel/AMD/ARM platforms
- ODM/OTS models
- Rackmount /Blade /Pedestal



Storage

- Hot/Cold /Warm Storage
- RAID card



Switch

- Programmable
- Open Source/ Whitebox
- 1G/10G/25G/ 100G/400G



AI Solution

- Nvidia/AMD GPU
- FPGA



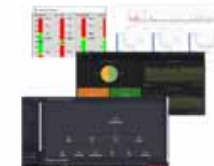
Rack Solutions

- Open specs
- RSD Infrastructure



Network Solution

- CORD
- SDN/NFV
- 5G
- SONIC
- Telemetry
- Orchestration



4.1 Operation Management

4.1.5 Long-term and Short-term Business Development Plans

Inventec

Short-Term Business Development Plans

- ◆ Research and develop demand-oriented products and expand the depth and width of product research and development level.
- ◆ Starting with "innovation", "quality", "open mind" and "execution" management ideas, the Company's operation technology and management tools are integrated to improve business performance.
- ◆ Adheres to industry regulations, strives for innovation and improvement, and meets customer and market needs in the quickest and most direct way.
- ◆ Actively carry out global arrangement, properly utilize each local resource advantage, and construct an optimized global supply chain and operation network.

Four Major Development Fields

Establish Technology Development Centers

Industry 4.0 software design center **Tiangin**

5G communication technology center **Shanghai**

AI center **Shilin Headquarter**

Long-term Business Development Plans

- ◆ Establish three technology development centers to deploy AI, Industry 4.0 and 5G.
- ◆ Combine industry trends, continue the transformation of laptops, and continue to develop four major areas (servers, industrial Internet of Things, smart devices, and smart homes).
- ◆ Focus on new business opportunities for long-term development; automotive electronics and medical care.
- ◆ Under omni-directional thinking, carry out enterprise innovation and strategic layout to achieve the goal of sustainable growth, protect employees' rights and interests, and implement corporate social responsibility.



The Future Development Goals Of Inventec



New Business Opportunities

4.1 Operation Management

4.1.6 Customer Satisfaction

Inventec Quality Policy



ISO 9001 Certificate



ISO 13485 Certificate



IATF 16949 Certificate



PBR Ranked #1 supplier 6 cycles in a row

Inventec



ODM Recognition Award

Quality Management

- ◆ Quality is an essential part of Inventec's culture. Inventec believes that the integration of standard operations with a quality management system throughout R&D and design, materials management, the production process, and personal professionalism, character and values, including environmental management, is what makes quality products.
- ◆ All Inventec's factories around the world have obtained an ISO 9001 Quality Management System certificate issued by the International Organization for Standardization. To ensure that product quality meets applicable regulations and customer requirements, some of our factories have introduced the ISO 13485 Medical Devices - Quality Management Systems and the IATF 16949:2016 Automotive Quality Management System.

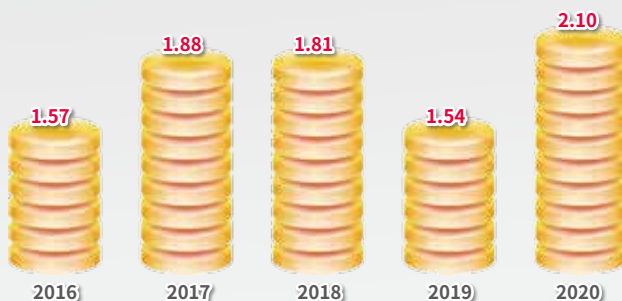
Customer Awards

- ◆ In 2020, Inventec achieved customer goals in terms of overall rating and satisfaction, and was awarded for its achievements as follows:
 - PBR Ranked #1 supplier 6 cycles in a row
 - ODM Recognition Award

4.1 Operation Management

4.1.7 Financial Performance

Earnings per Share over the Years



- ◆ TWSE RAFI® Taiwan High Compensation 100 Index
- ◆ TWSE Corporate Governance 100 Index
- ◆ TWSE RA Taiwan Employment Creation 99 Index
- ◆ FTSE4Good TIP Taiwan ESG Index
- ◆ MSCI Taiwan Corporate ESG Rating - Level A

Honor and Affirmation



Commonwealth Magazine
2021 Top 200
Enterprises - No. 8 in
Manufacturing

Financial Performance

- ◆ Inventec's financial performance is detailed in the company's annual report information issued by Inventec in 2021, and the financial performance information corresponds to the annual report sections.
- ◆ With more people working from home and adapting to distance learning, the sales revenue of notebook computers was about NT\$275.8 billion. This is an increase of 11.78% as compared with the previous year.
- ◆ The sales revenue from server products which equates to approximately NT\$191.3 billion, increased by 14.65% as compared with the previous year. This attributed to a greater demand for data centers by cloud service providers.
- ◆ Although smart device products face readjustment due to customer product strategies, this sales revenue still contributed NT\$39.9 billion.
- ◆ The group's solar energy company faced the unbalanced issue of market supply and demand, striving for modification of active operational strategy. The solar-related sales revenue was NT\$1.1 billion.

Inventec Receives Government Subsidies

Inventec received a major government financial subsidy of NT\$ 312,498,076 in 2020.
Taiwan: NT\$ 0
China: NT\$ 312,498,076

Correspondence Between 2020 Financial Performance Information and Company Annual Report

Financial Performance (NT\$)		Annual Report Issued by Inventec in 2021
Consolidated revenue	The consolidated revenue reached more than NT\$ 508.2 billion, slightly higher than in 2019 by 1.47% (consolidated revenue of NT\$ 500.9 billion).	5. Financial Information → 5.1 Five-Year Financial Summary → 5.1.2 Five-Year Financial Summary – Consolidated Statement of Comprehensive Income
After-tax net profit	The consolidated pre-tax operating profit was NT\$ 10.3 billion, which was an increase of 58.94% as compared with 2019. The after-tax net profit attributable to the parent company's shareholders was more than NT\$ 7.5 billion, which was an increase of 37.04% when compared with the previous year.	
Earnings per share	The consolidated after-tax earnings were NT\$ 2.10 per share, which increased more than 36% as compared with the EPS of 1.54 in 2019.	
Employee benefits and training expenses	Employee benefits expenses (including salary, labor and health insurance, pension, and others) were about NT\$ 1.2 billion.	5. Financial Information → 5.4 Individual Financial Statements → Inventec Corporation Notes to the Parent Company Only Financial Statements → (12) Other
	Employee training expense was about NT\$ 11 million.	4. Operational Highlights → 4.5 Labor Relations
R&D cost	The amount of research and development invested in 2020 was about NT\$ 9.72 billion, and it is estimated to invest about NT\$ 10.2 billion in 2021.	4. Operational Highlights → 4.1 Business Activities → 4.1.3 Overview of Technology and Research and Development

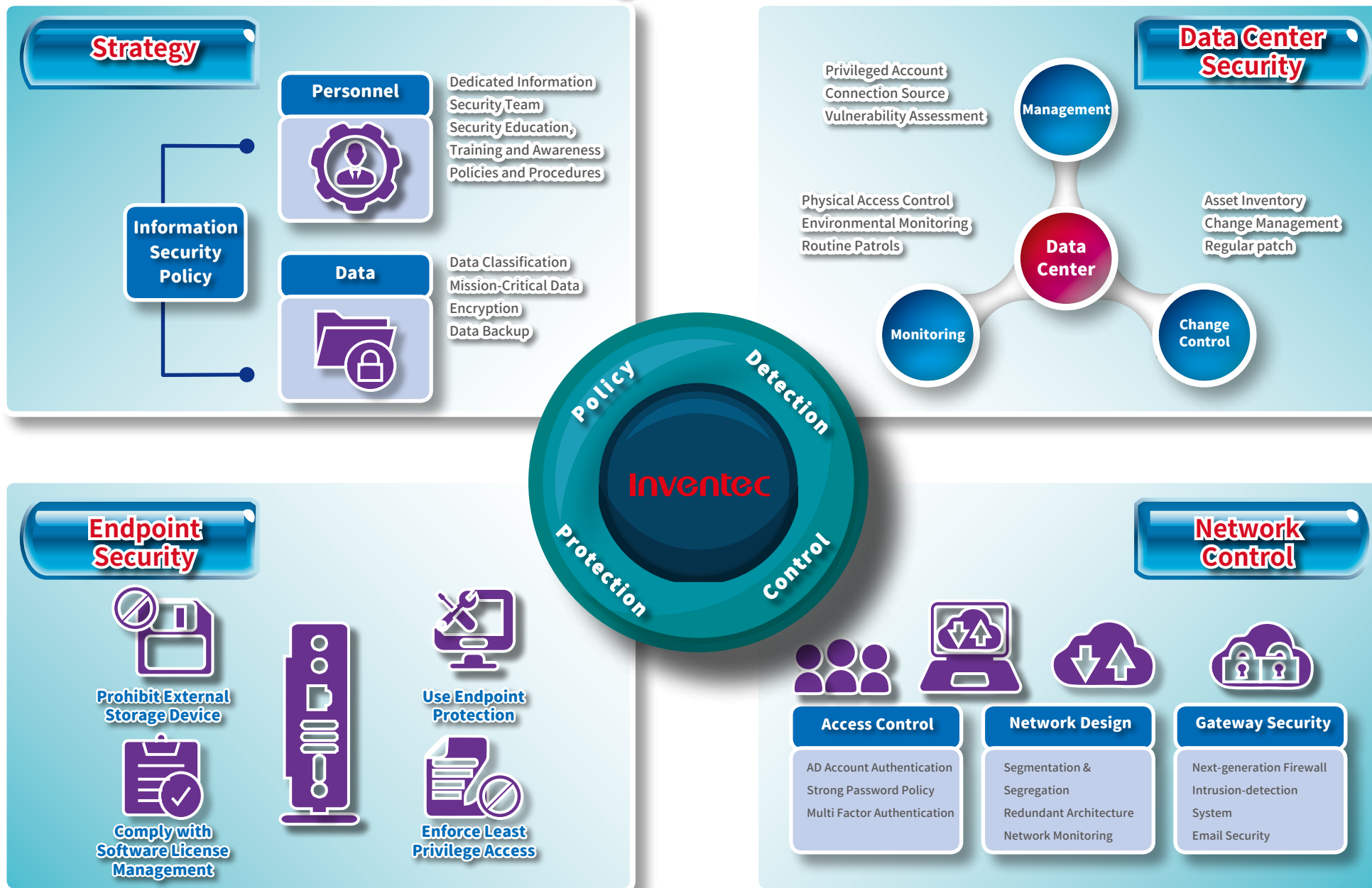
Note:

1. The exchange rate of RMB against New Taiwan Dollar used in this report is NT\$4.442 for the closing price of Bank of Taiwan on 2020/12/31.
2. In terms of Inventec Group's 2020 income tax, please refer to 2020 Inventec Corporation and Subsidiaries Consolidated Statements of Comprehensive Income.

4.1 Operation Management

4.1.8 Information Security Management System

Inventec Information Security Management Structure



4.1 Operation Management

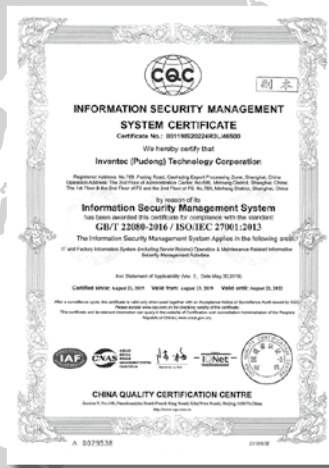
4.1.8 Information Security Management System



ICZ



ICC



IPT



IET



TAO

Establish Information Security Organization

The information security response team has been established under the auspices of the president and includes the production line information security response teams of the business groups to implement and strengthen the management of information security. The Company audits Inventec's information security project and submit the audit results to the Board of Directors.

Implement Information Security Management

Inventec prevents illegal use, continues to provide information security education training for employees, actively performs risk weakness management, and ensures the security of the physical environment, computer host, network use, system access, development and maintenance security, and mobile devices.

Information Security Check

Every year, Inventec shall undergo the information security audits and review information security matters according to ISO 27001 and other information security and control regulations, including security policies, information security organization, human resources safety, assets management, access control, cryptography, physical and environmental safety, operations safety, communication safety, information system development and maintenance, supplier relations, information event management, continuous operation management, and compliance checks.

4.1 Operation Management

4.1.8 Information Security Management System

Strengthen Company Employees' Information Security Awareness

The "Code of Conduct for Employees" signed by the employees every year contains information security protection matters. Information security announcements shall be issued in a timely manner. Inventec regularly organizes information security education and training courses for new employees and provides the employees with the latest information security cases and trending security information to improve their information security attainment.

Information Security Protection Strengthening

- ◆ Equipment replacement operations and upgrades.
- ◆ Upgrade the next-generation firewall.
- ◆ Import the bastion host or jump host.
- ◆ Promote two-factor authentication.
- ◆ Introduce an APT (Advanced Persistent Threat) protection scheme.
- ◆ Guard against hacker phishing email attacks.

Weakness Management and Vulnerability Repair

Regularly use the vulnerability scanning system to check for vulnerabilities in the external service host, strengthen system patch updates management, assess the system software update status every month and report to the president, to mitigate weakness management and take necessary vulnerability repair and protection measures.

Anti-virus and Hacker Monitoring

To monitor the virus detection situation in every factory around the world and carry out necessary protection measures and virus detection and killing management, track the cause for computer viruses of the factories, and confirm that any virus has been eradicated. Every month, the president presided over the information safety conference to discuss the current information security events reported in the news and present related information security measures.

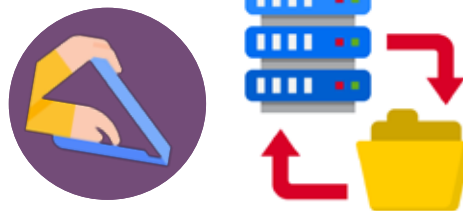
Information Security Announcement



Don't open the phishing emails
Don't download the unknown software



Password meets the requirement
about complexity
Regular replacement and no repetition



Keep the habit of shutting down
after getting off work
Regular backup for the sake of ensuring



Don't panic if the computer gets the virus
Report and disconnect the
network to prevent spread

Performance about Innovative Research and Development

362
environmental
certifications for
green products

Introduce
90% recycled
magnesium
in 2022

The number
of global
patents
certificates
obtained from
around the
world has
reached more
than 16,200

826 safety
certifications for
green products

210 energy
efficiency label
certifications

Produce the
world's first
laptop computer
made of ocean
bound plastic

6 factories
around the world
obtained IECQ
QC 080000 HSPM
certificate

Inventec

4.2 Innovative Research and Development

4.2.1 Innovation and Patent Portfolio

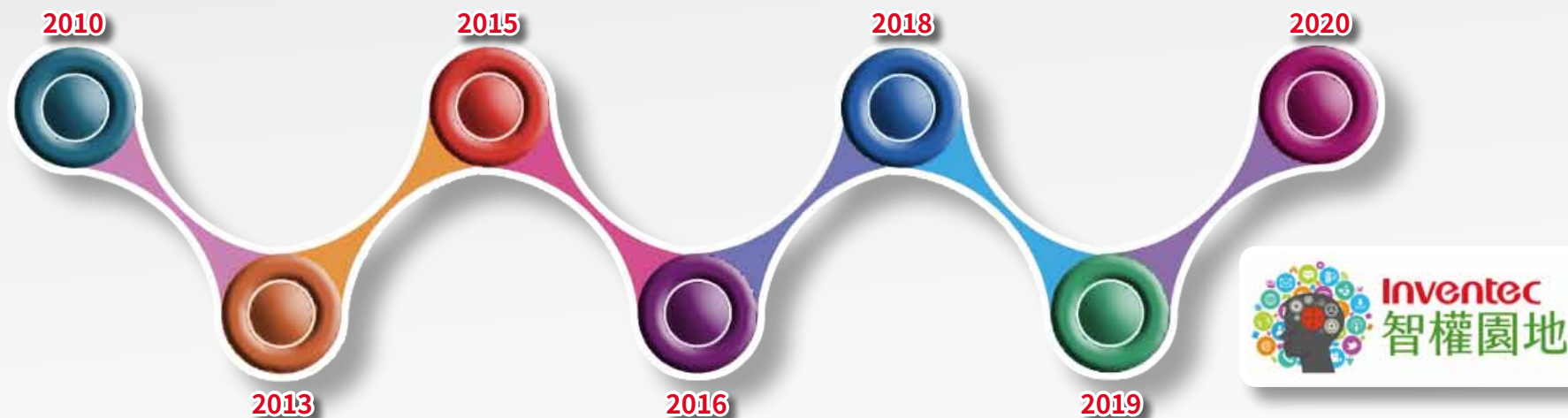
- "2010 National Invention and Creation Award"

- 2018 Top 1,000 US Patent Proprietor

- Top 10 IP Monetization Corporation in China in 2015

- Top 500 in PwC 2018 Global Innovation Study

- Top 100 Internet of Vehicle - V2R Invention Patent owner , IPR Daily Global Ranking(2015-2020)



- "2013 Industrial Innovation Achievement Award"

- TOP100 organizations in World IP Indicators 2016 published by World Intellectual Property Organization(WIPO)

- Top 1,000 US Patent Proprietors

- The 7th Shanghai Invention and Creation Patent Award

- Shanghai Patent Affairs Pilot/Demonstration

- China Intellectual Property Advantageous Enterprise (2019-2022)

Innovation and Intellectual Property Management

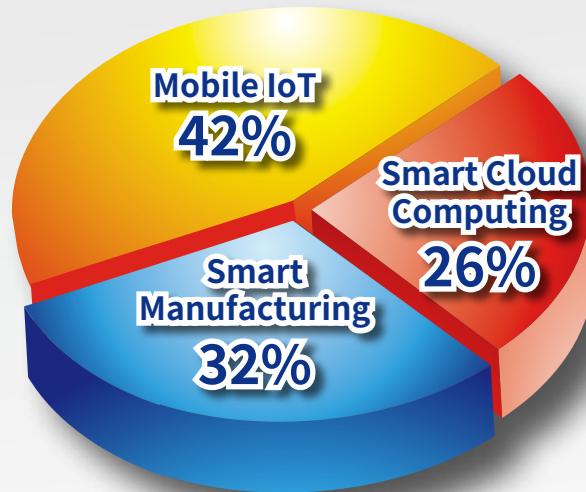
◆ Intellectual property strategy : "Innovation, Quality, Open mind, and Execution" is the company's corporate philosophy set up from the first day of the founding of Inventec. Among them, "Innovation" and "Quality" are the basis for the company's sustainable operation requiring employees with innovative mindset and innovative spirit. Inventec Group has established legal and intellectual property (IP) teams for risk control and intellectual property protection for various types of intellectual assets produced by R&D and manufacturing sites, such as Taipei, Taoyuan, Shanghai, and Chongqing.

◆ Intellectual property management system : In order to actively create an environment of innovation, to be dedicated to establishing and cultivating diverse creative thoughts and innovative talent through internal intellectual property management, including promotion mechanisms, training, examinations, internal control and reward schemes, Inventec has successfully motivated employees to continuously develop diverse products according to the company portfolio, propose innovative ideas related to processes, and conduct innovative research and development. There are 31 training activities held in 2020 which are composed of 5 annual legal compliance courses, 17 courses about contemporary legal and IP issues and 9 new employee orientation.

◆ Assess the risk of intellectual property management and take corresponding measures : Timely grasp the changes in laws, policies, and litigation practices, deeply analyze the issues related to leakage and infringement of intellectual property rights, and continue to implement promotion and training, adjust operating methods and processes, and strengthen various laws documents and contracts protecting the company's rights and interests, implement risk control, and protect intellectual property.

4.2 Innovative Research and Development

4.2.1 Innovation and Patent Portfolio



Global Patent Advantage

- ◆ As of December 2020, Inventec Group has obtained more than 16,200 patents worldwide, leading Taiwan's PC, smart mobile device and server ODM peers, and has more than 1,000 patent applications pending.
- ◆ Inventec was rated as one of the top ten Invention Patent Applicants in Taiwan and continues to rank among the top 1,000 U.S. patent grant companies in the world, and also one of China's Intellectual Property Advantage Enterprises in Chongqing and nationwide. In particular, Inventec has developed numerous Invention patents in Internet of Vehicle -V2R, which ranked Top 100 worldwide (2015-2020) according to IPR Daily Global Ranking.
- ◆ Previously, Inventec was awarded with the Industrial Innovation Achievement Award, National Invention Contribution Award, Top 100 Patent Applicants in World IP Indicators, WIPO (World Intellectual Property Organization) and PwC Top 500 Global innovation companies. In addition to affirming the innovation energy and industry contribution of Inventec Group, the long-term accumulated patent resources have become an important intellectual asset for the sustainable operation of Inventec Group.

- ◆ Intellectual Property Achievements:
 - ✓ Top 10 Taiwan Invention Patent Applicants for over 20 consecutive years
 - ✓ Top 3 Patent proprietors among Taiwan ODM companies in China for over 14 consecutive years
 - ✓ China Intellectual Property Advantageous Enterprise (2019-2022)
 - ✓ Chongqing Intellectual Property Advantage Enterprise (ICC/Inventec) (2020)
 - ✓ Top 100 Internet of Vehicle -V2R Invention Patent owner , IPR Daily Global Ranking (2015-2020)
 - ✓ Top 1000 US Patent Proprietors (2020)

4.2 Innovative Research and Development

4.2.2 Green Research and Development

Inventec's Global Factories Obtained IECQ QC 080000 Certificate



Product Energy Saving Design Target

Notebook PC energy saving design target: the energy use efficiency shall be 25% higher than the latest ENERGY STAR Computers Specification Version 8.0.

Server energy saving design target: the energy use efficiency meets ENERGY STAR Computer Servers Specification Version 3.0.



Green Products Management

- ◆ With respect to green products produced and manufactured by Inventec, all Inventec factories around the world have established an IECQ QC 080000 Hazardous Substance Process Management System (HSPM), passed the accreditation process conducted by a third-party, and were awarded with a certificate for meeting customer requirements for environmental protection and hazardous substance requirements of sales territories.
- ◆ Research and development:
 - The specially assigned unit responsible for green products collects and organizes environmental laws and regulations of green products and customers' standard requirements for green products on an ad-hoc basis, carries out impact assessment and appropriately revises Inventec Hazardous Substance Free (HSF) Management Standard to provide a basis and reference materials for R&D units.
 - Inventec continues to set up and optimize its supplier management platform (iSupplier), has established a green BOM by connecting the internal Product Data Management System (PDM), and has identified the HSF property of materials to facilitate the materials review and recognition process carried out by the responsible unit to ensure materials meet the design requirements of HSF property.
- ◆ Production and manufacturing:
 - The materials of green products manufactured and produced by Inventec are inspected by the incoming inspection unit via sample inspections. If any abnormalities are discovered, the sample is sent to the chemical laboratory of the plant or a third-party laboratory for review to ensure that incoming materials meet the requirements of Inventec Hazardous Substance Free (HSF) Management Standard.
- ◆ In 2020, no fines were imposed on the provision or use of Inventec's products due to a violation of any laws and regulations.

Full Material Disclosure (FMD)

Based on international standard IPC-1752A, Inventec Enterprise Business Group has already developed data collection and report output capabilities for full material disclosure (FMD) of products and is able to provide green compliance data corresponding to the product according to customer requirements.

Green Design Strategy



- ◆ Spare no effort to seek approaches to reduce environmental impact.
- ◆ Lessen the total energy consumption in the product life cycle.
- ◆ Mitigate the burden on the land.
- ◆ Design for clean production and use.
- ◆ Design for durability.
- ◆ Design for best function.
- ◆ Design for reuse, recovery, and recycling.
- ◆ Avoid using raw materials with toxic substances in the product.

4.2 Innovative Research and Development

4.2.2 Green Research and Development

Link Circular Economy and Produce Notebook PC with Ocean Bound Plastic



Linking the Value Chain of the “Circular Economy”

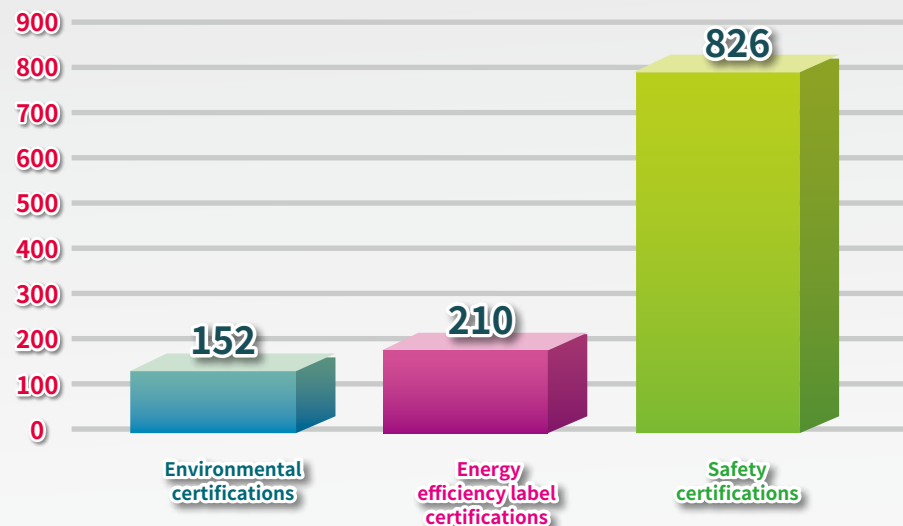
Making Notebook PC with Ocean Bound Plastic

- Inventec has long dedicated itself to environmental sustainability and actively promotes green energy and environmental protection strategies that link to the "circular economy". To work in coordination with value chains, Inventec chooses 50% of recycled aluminum and uses ocean bound plastic (OBP) to assist customers in producing the world's first laptop computer made of ocean bound plastic with the aim of reducing the volume of ocean bound plastic.

Using High Recovery Rate Materials for Product R&D.

- To practice diligent green energy environmental protection and develop low-carbon products, Inventec uses high recovery rate materials for product R&D, and works in coordination with customer demands for the value chain. The company plans to introduce 90% recycled magnesium, 55% stamping recycled aluminum, 90% CNC recycled aluminum and 30% recycled LDPE (Low Density Polyethylene) plastic packaging bag in 2022 in hopes of reducing the impact on the environment, while enabling Inventec to create a win-win situation with customers and suppliers.

Inventec’s Customer Service Product Certifications in 2020



Customer Service Product Certification

- ◆ To assist customers in providing environmentally friendly, energy saving, safe products, the administrative operation of product certification in Inventec is put into practice by the product certification authority in compliance with designated procedures and documents.
- ◆ Inventec's 2020 product certification totally includes the following 1,188 items:
 - ✓ Environmental certifications (152 items): Include TGM, SEPA, EPEAT, TCO, etc.
 - ✓ Energy efficiency label certifications (210 items): Include Energy Star, EU Energy Efficiency, MEPS, CECP, CEL, Taiwan Energy Label, etc.
 - ✓ Safety certifications (826 items): Include UL, TUV, CE(CB), CCC, CSA, BSMI, etc.

4.2 Innovative Research and Development

4.2.3 Trend Analysis and Strategy

Favorable Factors

Smart production becomes a trend

With the advent of the 5G era, 5G smart manufacturing is expected to provide faster and more flexible production capacity for the production line, which is a key business opportunity for the manufacturing industry to actively deploy. The Group continued to expand its resources, actively develop 5G private network system integration and architecture capabilities, and successfully transformed its manufacturing factory into a 5G smart factory. By combining Industry 4.0 and 5G applications, we will move towards building a global smart manufacturing factory.

Cloud computing is the mainstream in future development

The cloud computing industry and big data are both growing rapidly. In the future, the cloud application business opportunities are infinite. The Group has been the industry leader in the aspect of server OEM; through existing hardware technology and application software development, we can take our place in the cloud computing industry.

Construct an all-around system product line

Based on the good foundation of an existing all-around product line, in addition to continuing to consolidate the notebook computer and server product fields, the Group is also gradually expanding to relevant fields such as peripheral software products, electronic information products, etc. with higher added value.

Establishment of a global logistics supply chain system

In addition to strengthening the status of global manufacturing, research and develop, and the logistics center, the Group is also actively utilizing production advantages and research and development factors in the Greater China economic circle in order to construct a real time co-working platform with high efficiency and a market feedback mechanism, and together with the setup of a research and development innovation center, we will enhance technology and product design innovation capability.

Unfavorable Factors

Industrial technology is rapidly changing and constantly updating the environment of shortening product life cycle

Solution: The Group will formulate a relevant operation risk management mechanism to consider various operation strategies as relevant solutions; in addition to coordinating with customers for the research and development of relevant demanded commodities, we are also dedicated to patent and intellectual property innovation in order to strengthen Group resource integration and expand emerging business investments and arrangements to respond to changes in the market.

The rapid expansion of low-cost computers has squeezed downstream manufacturer profits

Solution: In addition to being dedicated to the development of high added value products and all-around products, we also actively improve operation efficiency in such aspects as production, marketing, logistics, etc. to reduce operation costs and improve overall operation efficiency through constructing Enterprise Resource Planning (ERP), Supply Chain Management (SCM), and six sigma improvement strategy.

Controlling both material sources and prices of the important key components is not easy

Solution: Inventec has long-term cooperative and strategic ally relationships with major suppliers and has established multiple supply sources for important components to ensure sufficient component supply. We also seek all kinds of approaches to integrate the supply chain and reduce the impact.

Profit affected by the global operation and the exchange rate change

Solution: Most of the important components of Inventec are purchased and imported overseas and priced with foreign currency, and the sales are mostly priced with foreign currency, which can naturally offset the impact of change of exchange rate on revenue and cost. Furthermore, taking currency hedging measures can help us reasonably avoid exchange rate risk.

4.2 Innovative Research and Development

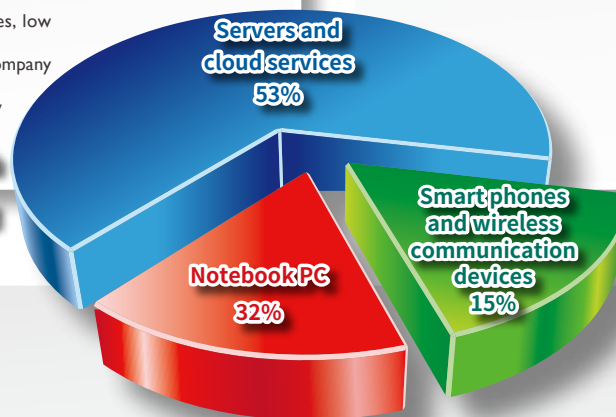
4.2.4 Research and Development Program



Servers and Cloud Services

◆ With the rise of artificial intelligence and changes to industrial modes, major data centers have expanded their cloud demand and invested in related development fields. The so-called mastery of the cloud can connect the world. The Company has strong hardware, software, and research and development capabilities and will continue to expand its alliance with strategic partners, in addition to the customized complete solutions to increase the added value of products, in order to pursue growth. Furthermore, 147 with the cooperation of industry 4.0, the smart factory combined with 5G application will be established and be able to provide customers with high quality, short delivery times, low cost and excellent service products. In 2021, the server and cloud business of the Company is expected to grow in accordingly with the launch of the server CPU of Intel's new generation Whitley Ice lake platform.

Proportional Research and Development Expenditure Expected to be Invested



Research and Development Expenditure Expected to be Invested

◆ At the rapid outbreak time of information communication, the future development plan of Inventec will continue to move by mastering market fluctuation and understanding customer demands. In response to new market environments, manufacturing process improvement, and technology development, the Group is expected to input more than NT\$ 10.2 billion in research and development this year.



Notebook PC

◆ Inventec has been focusing on research and development of notebook computers for a long time. Due to the residential economy effect derived from the epidemic in 2020, overall shipments still grew under the support of remote business opportunities. In response to the new models of medium- and high-level hybrid business laptops launched by brand manufacturers, it will introduce mobile CPU equipped with Intel's new generation Tiger Lake platform in addition to strengthening the application fields of sound effect technology, AI and video in 2021 to offer even more outstanding innovative and high-quality products.



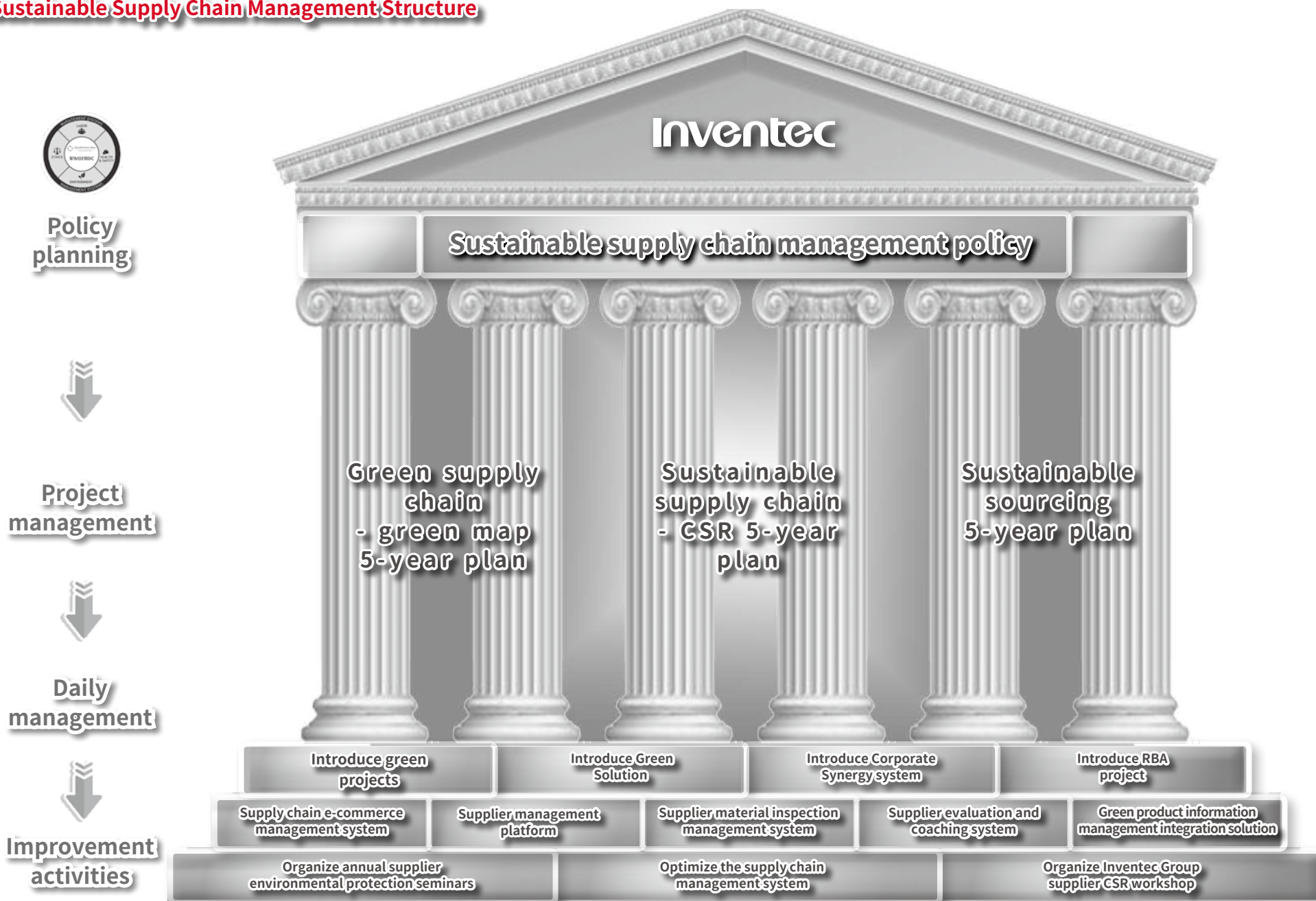
Smart Devices

◆ The future holds an era with the digital economy at the core. |The development of 5G, AI and Internet of Things will connect everything intelligently and accelerate the digital transformation of the industry. In a smart device, the Company enters from intelligent wear, intelligent speaker, intelligent household, and medical treatment, combined with the AI and 5G module.; In addition to the storage, memory, communication, multimedia application, and additional values, based on the accumulated intelligent terminal, broadband, and acoustic field, more diversified development is expected in the future. With the introduction of relevant cloud technology, it is expected to become the benchmark of the global wireless communication industry.

4.3 Sustainable Supply Chain

4.3.1 Sustainable Supply Chain Management Structure

The House of Quality



4.3 Sustainable Supply Chain

4.3.2 Sustainable Supply Chain Management Policy



Adhere to the environmental protection regulations.
 Comply with the Responsible Business Alliance Code of Conduct.
 Pursue sustainable development.
 Promote the value of integrity and governance in supply chain.

President

Maurice Wu



Management Practices

- ◆ Inventec has established supplier risk identification procedure based on the characteristics of industry, procurement models, and regional factors. In addition to ranking the level of risks aimed at cooperative suppliers, Inventec also takes the Responsible Business Alliance (RBA) codes as the basis of its supply chain management, and puts emphasis on creating a win-win situation for suppliers through mutual understanding and cooperation.
- ◆ Through the RBA specification, suppliers are required to sign an Inventec Environment Protection Declaration (99% of the 835 suppliers signed in 2020), and the declaration of conformity of Responsible Business Alliance Code of Conduct (835 suppliers in 2020, reaching 100%), with an agreement on suppliers' willingness to cooperate with Inventec to continuously improve, develop and provide the latest process management system for products, technology and perfection, while fulfilling environmental protection and corporate social responsibility goals at the same time. Through the RBA Environmental Survey of the RBA-Online Supply Chain & CSR Management Platform, Inventec is able to follow the management objectives and progress of greenhouse gas, energy, water, and waste management of suppliers at all times.
- ◆ The facet of supplier diversified assessment counseling implemented by Inventec not only covers quality, cost, delivery, technical capabilities and services, but the scope of multi-faceted evaluation considerations has also been expanded. If a supplier is identified as high risk, the business managing unit of the supplier will coordinate with second-party and third-party audit and make continuous improvements with tracking to reduce relevant risks.



inventec

Inventec Group Sustainable Supply Chain Management Policy

"Adhere to the environmental protection regulations, comply with the Responsible Business Alliance Code of Conduct, pursue sustainable development, promote the value of integrity and governance in supply chain."

In response to the Inventec Board of Directors' adoption of "Inventec Corporation Corporate Social Responsibility Best Practice Principles", Inventec Group's Sustainable Supply Chain Management Policy was formulated to enhance the green compliance of the Group's supply chain and the supplier's responsibility risk management capabilities, achieve the Group's business value chain's goal of "green products, green production and green lifestyle", and be the foundation for sustainable management. Inventec Group requires the collaborative suppliers to sign the "purchase agreement" stipulating the compliance with the special security terms and specifically require the supplier to sign the "Commitment to Integrity" and the "Commitment to Responsible Business Alliance Code of Conduct" to comply with the regulations in each nation.

Inventec Group's supply chain risk management mechanism in accordance with the international norm, "Business Continuity Plan", develops a global manufacturing site supplier management and (SQE) evaluation management system to reduce the supply chain risk. While developing the industrial economy, the suppliers are expected to take into account the integrity of operation, labor human rights, healthy workplaces, climate change, conflict minerals, information disclosure and moving towards the objectives of sustainable supply chain management.

Inventec Group offers the grievance mechanism for the anti-corruption / social / human rights / environmental problems of the supply chain through Business Supplier Helpline (Supplier) system which provides a communication channel for external reporting. The reporting and appeal phone line: Tel: +886-2-2884-8723 ext. 23398, E-mail: +12388@inventec.com.

Inventec Personal Solution Group
Supply Chain Business Unit

inventec

Inventec Group Sustainable Supply Chain Management Policy

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Inventec Enterprise Business Group
Supply Chain Center

Personal Solution Group

Enterprise Business Group

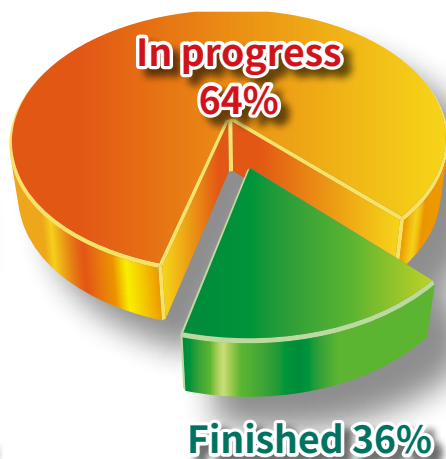
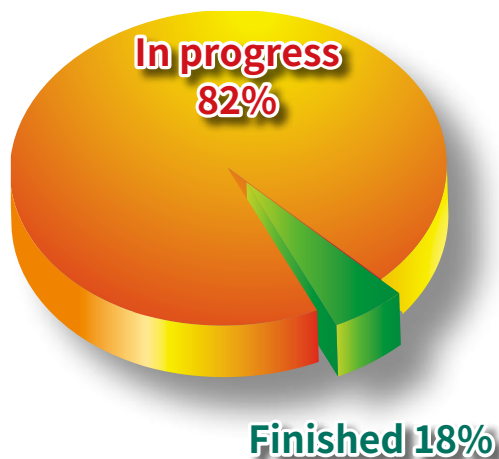
4.3 Sustainable Supply Chain

4.3.3 Sustainable Supply Chain Operation

The progress of the corrective action plans after VAP audits for 46 supplier factories in 2020

11 priority non-conformances

225 other non-conformances



Third-party Assessment for High-risk Suppliers (RBA VAP)

- ◆ In respect of Inventec's sustainable supply chain assessment, supplier auditors of the factory floor conduct vendor on-site audits following the latest version of supplier audit criteria (covers labor, health & safety, environmental, ethics and management system, etc.) to meet the supply chain management requirements of RBA.
- ◆ In 2020, 4% of Inventec's suppliers underwent VAP audits, and 33% of the high-risk suppliers' factories completed VAP audits. The analysis of the items found in the supplier VAP audit and the finish rate of improvement are shown in the figure on this page. Inventec will continue to track improvements made to reduce relevant risks and continue conducting supplier VAP assessments to fulfill its responsibility for a sustainable supply chain.

The Result of Innovative Technologies and New Products Dialogue

From 2009 to 2020, Inventec has held the innovative technologies / new products dialogue forum.

272 sessions have been held.

An accumulative total of 207 suppliers participated in the forum.



Exchange of Advanced Technology and New Products

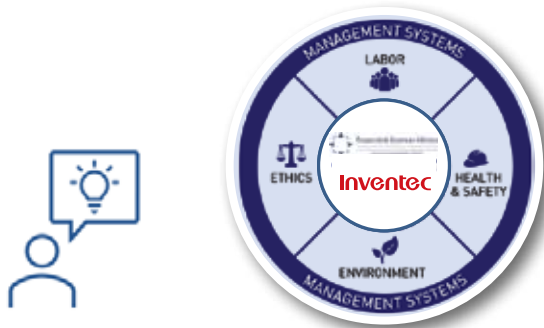
- ◆ To encourage suppliers to keep track of developments of advanced technologies and new products alongside Inventec and create industrial opportunities and supply chain synergies, Inventec has been inviting its fellow suppliers to hold innovative technologies / new products dialogue forum since 2009. According to the statistics, up until the end of 2020, 272 sessions have been held with an accumulative total of 207 suppliers participating in the forum. In 2021, we will continue to team up with our suppliers to organize technology dialogue forums so we can progress together.

Hold the Sustainable Supply Chain Summit

- ◆ To encourage our supply chain partners to support and cooperate with Inventec in promoting quality, cost, delivery, technical ability and service, and RBA-related work, Inventec Group has been regularly inviting senior executives of strategic suppliers to partake in a sustainable supply chain exchange meeting every year. In addition to exchanging industry information, Inventec also grants honorary awards such as the Strategic Partner Award, Best Supplier Award, and Supplier of the Year to our fellow suppliers, and continues to build good cooperative relationships with them. Due to the COVID-19, the summit was postponed but will be held again in the future. We expect suppliers and Inventec to work together to sustainable development.

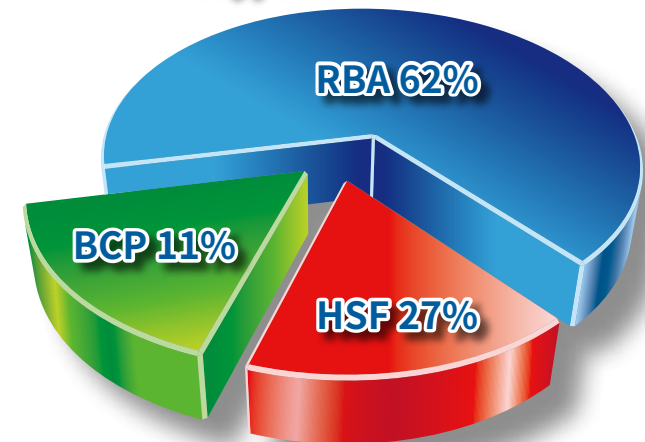
4.3 Sustainable Supply Chain

4.3.3 Sustainable Supply Chain Operation



Audits of medium and high risk suppliers
Achievement rate: 97%
Closure rate: 100%
69 suppliers

The audit findings of existing suppliers in 2020



Existing Supplier Appraisal Management

- ◆ With regard to Inventec's decision on suppliers for annual audits, the list of suppliers for annual audits is screened mainly based on the comprehensive assessment of supplier management and material risks before supplier audits are implemented in accordance with the procedures and documents of each plant. Guidance is provided to suppliers according to the follow-up results for improvements or disqualifications.
- ◆ Inventec had planned to complete appraisals aimed at 71 suppliers in 2020; the actual achievement rate was 97% (69 suppliers). A total of 237 items were found during the supplier audits, and the distribution of aspects from the Responsible Business Alliance (RBA), Hazardous Substance Free (HSF) and Business Continuity Planning (BCP), etc. is shown in the figure. As for all audit findings, improvements are tracked and completed by the suppliers, and Sustainable Supply Chain Forum were organized by the Group to promote sustainability.

New Supplier Counseling Management

- ◆ Formed by Inventec's RD, Sourcer, CE, Supplier Management Unit, the Sustainable Supply Chain Counseling Group is in charge of carrying out new supplier assessment and counseling.
- ◆ In regard to new supplier assessment, the principal items are as follows:
 - Technology Development Ability Assessment
 - Vendor Supply Ability Audit Form
 - Procurement System Audit Form
 - HSF Survey Sheet: suppliers must sign the Inventec Environment Protection Declaration.
 - Supplier SER Survey Checking List: suppliers must sign the declaration of Responsible Business Alliance Code of Conduct.
- ◆ The total number of new suppliers in 2020 was 67.

Supplier Transaction Ratio

- ◆ Inventec had 1,232 suppliers performing transactions in 2020, with local (Greater China) suppliers accounting for the highest proportion of transaction value (82%).

Responsible Minerals

- ◆ Inventec has been making efforts in cooperating with the supply chain to reasonably ensure reliable procurement of raw materials that meet the standard of Responsible Minerals Initiative.
- ◆ In 2020, 100% of suppliers completed the conflict minerals investigation report and will continue to carry out the conflict mineral and cobalt mineral investigation project in 2021 to ensure that all our own suppliers submit 100% Conflict Minerals Reporting Template .



Inventec's Statement of Responsible Sourcing of Minerals

5. LOHAS Life

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SDGs Index



LOHAS Life Performance

The people recruited increased by 16% to create job opportunities

Employee benefits and training investment amounted to NT\$ 1.264 billion

8 health lectures attended by 457 people were held, and the satisfaction rate was 4.75/5

The clubs increased by 18%, 38 clubs in total

Staff bonus due to English and Japanese proficiency increased by 12%, 3,497 people in total

2 awards for people development from TCSA and SGS

4 awards for safety, hygiene, and healthy workplace

Material topics : Talent acquisition, talent cultivation, and occupational safety and health

Key practices : Formulate talent management policies, optimize human resources service management systems, promote employee relations, conduct satisfaction surveys, promote welfare measures such as diversified club activities, family days and sports events, and manage employee benefits through the Employee Welfare Committee. The ISO 45001 Occupational Health and Safety Management System is established in Inventec's 7 global plants and is certified by an external third party

Browse suggestions : Government agencies, employees, customers, suppliers, etc.



SASB index : Labor practices TC-ES-310a.1 and labor conditions TC-ES-320a.1

5.1 LOHAS Workplace

5.1.1 Employees Welfares



The employees physically and mentally relax through the club activities.

Club Activities

To encourage employees with common hobbies and their family members to carry out communications and exchanges with one another, our company continues to organize various club activities of different natures, hold club competitions, and provide bonuses for employees to participate in club activities so that they can become acquainted with like-minded friends from other departments outside of work to relieve stress and enrich their lives through subsidies from the company and its Employee Welfare Committee. Types of clubs include sports, music, art and culture, and pro-intellect plays. The number of clubs in 2020 reached 38, an increase of about 18% when compared to 2019.



Introduction of Comprehensive Benefits

- ◆ Inventec offers comprehensive benefits to all our employees. All factory floors of Inventec have established and maintained hardware facilities related to dining, lodging, transportation, fitness, entertainment, gymnasiums, display of artistic works, etc., according to their own features and characteristics. Examples of recreation and leisure include club activity subsidies, appointed stores that offer special discounts, departmental dinner parties, festive decorations and fun games, visually impaired massages, film appreciation, art performances, soft lectures, etc. Mental and physical counseling services are also available with professional psychologists residing in the factory to give advice and consultation to employees regarding stress and emotional management-related issues, as well as assist them in taking care of their physical and mental health. Plans for creating a smoke-free workplace and breastfeeding rooms have also been implemented, and systems that provide cash gifts for weddings, maternity allowance, paternity leave, maternity leave, parental leave, family care leave, and female menstrual leave have all been established.



Lucky draw event of welcoming prosperity in the year of the ox

Employee Activities during the Spring Festival

From “pulling together and joining hands for creating a smart future” in 2020 to “welcoming prosperity in the year of the ox” in 2021, though the year-end celebration was cancelled due to the COVID-19 pandemic, departmental gatherings with lucky draw events will still be provided to thank the employees for their contributions and dedication over the past year.



Practical lecture content attracted the participation of many employees.

Soft Forums and Lecture Courses

In order to create the concept of work-life balance, the company offers soft lectures that cover practical knowledge about health, healthy lifestyles and sustainability, stress relief, parent-child relationships, cuisine, tourism, financial management, etc. A total of 12 intellectual soft lectures were held throughout 2020.



Diligently create the friendly environment of breastfeeding room.

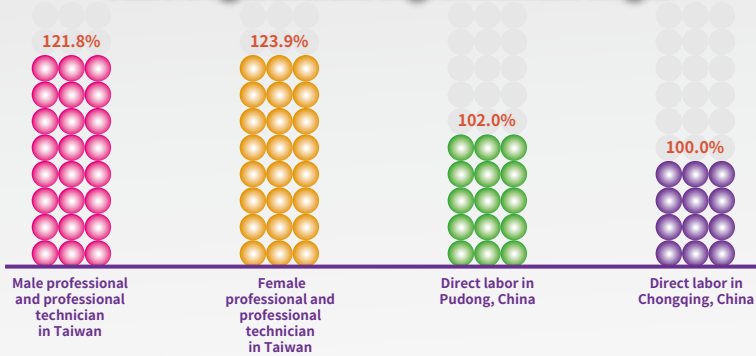
Breastfeeding Room

To create a friendly working environment, aside from improving and enhancing the facilities in breastfeeding rooms, relevant consultation services are also provided for nursing women.

5.1 LOHAS Workplace

5.1.1 Employees Welfares

Comparative Proportions between Employees' Basic Wages and the Legal Minimum Wages



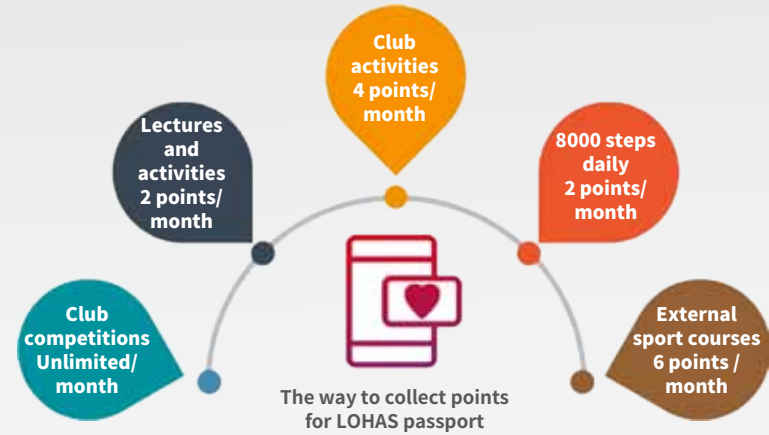
Pay and Remuneration

- ◆ Inventec is a component stock of TWSE RAFI® Taiwan High Compensation 100 Index . The number of full-time employees not serving in a supervisory post in Taiwan in 2020 was 5,323, and the average compensation of such full-time employees was NTD 996,000, with a median of NTD 809 thousand. In 2019, the company had a total of 4,315 people, with an average of NTD 1.09 million and a median of NTD 920 thousand. The analysis of variance: In 2020, the number of employees increased by 1,008, while the average employee compensation decreased by NTD 94 thousand, and the median decreased by NTD 111 thousand.
- ◆ The compensation paid to the employees at the seven factories around the world does not take gender or ethnic group into account, which is 100% greater than or equal to the laws and regulations. The comparisons between the base pay in Taiwan and China and the minimum wage of the local area are shown in the figure on this page.
- ◆ The factory floors in Taiwan give mid-year and year-end bonuses to employees according to operational performance every year, and the plants in China offer its employees bonuses based on performance, as well as holiday bonuses, every year.

Flexitime



- ◆ Inventec Taiwan offers a flexible working hours that allows all employees to adjust their commuting time according to their personal conditions. Furthermore, employees are required to spend only 4 hours a day in the factory before they leave the factory early without requesting leave of absence after reporting to their supervisors. Furthermore, the three make-up workdays according to the calendar announced by the Directorate-General of Personnel Administration in 2020 were all adjusted to holidays by Inventec so that nobody has to work a makeup day, which was a great benefit for our employees.



Sport Incentive Rewards and LOHAS Passport



Staff exclusive sports center

In 2020, a total of **141** employees redeemed the sport incentive rewards.

From 2018 to 2020, the employees participating at the annual

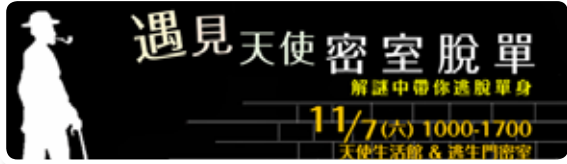
healthy weight loss competition lost **538.9** kg in total.

Sports Incentive Programs and LOHAS Passport

This initiative encourage employees to develop an attitude towards healthy living, accumulate jogging and power walking mileage/number of times through external exercise programs, and participate in LOHAS-related activities to redeem rewards, thus creating a sports culture in the workplace so that our employees can build good physical and mental health, together with the company's having better driving forces of advancement.

5.1 LOHAS Workplace

5.1.1 Employees Welfares



Lively and diverse event themes

Organize Employee Dependent Activities

Inventec arranges various kinds of soft activities based on the results of interest questionnaires, including the “Meeting the Angels in the Secret room and Get Out of Singles” meetup, “Poly’s Peace of Mind Holidays” parent-child activity, etc.



High-quality stage play for family

Create the unforgettable summer for family

Make Theater Block Bookings

Parent-child Summer Camp

Both employees and their family members are invited to watch performances given by children’s parent-child theater troupe together, allowing all employees to relax and enjoy a wonderful family time with their children during off-work hours.

The parent-child summer camp has been consistently overwhelmed with enthusiastic responses over the years. In 2020, the parent-child summer camp was expanded at the request of our employees.



Invite Employees’ Family Members to Get to Know Inventec

- ◆ Inventec believes that only when our employees understand the core values of the company from their hearts can they truly stay with the company forever. For this purpose, Inventec promotes all kinds of soft activities and spares no effort in making employees feel that they are deeply valued by the company. All such related activities are also extended to employees’ family members so that they can better understand about the policies and directions of sustainable operation of Inventec.



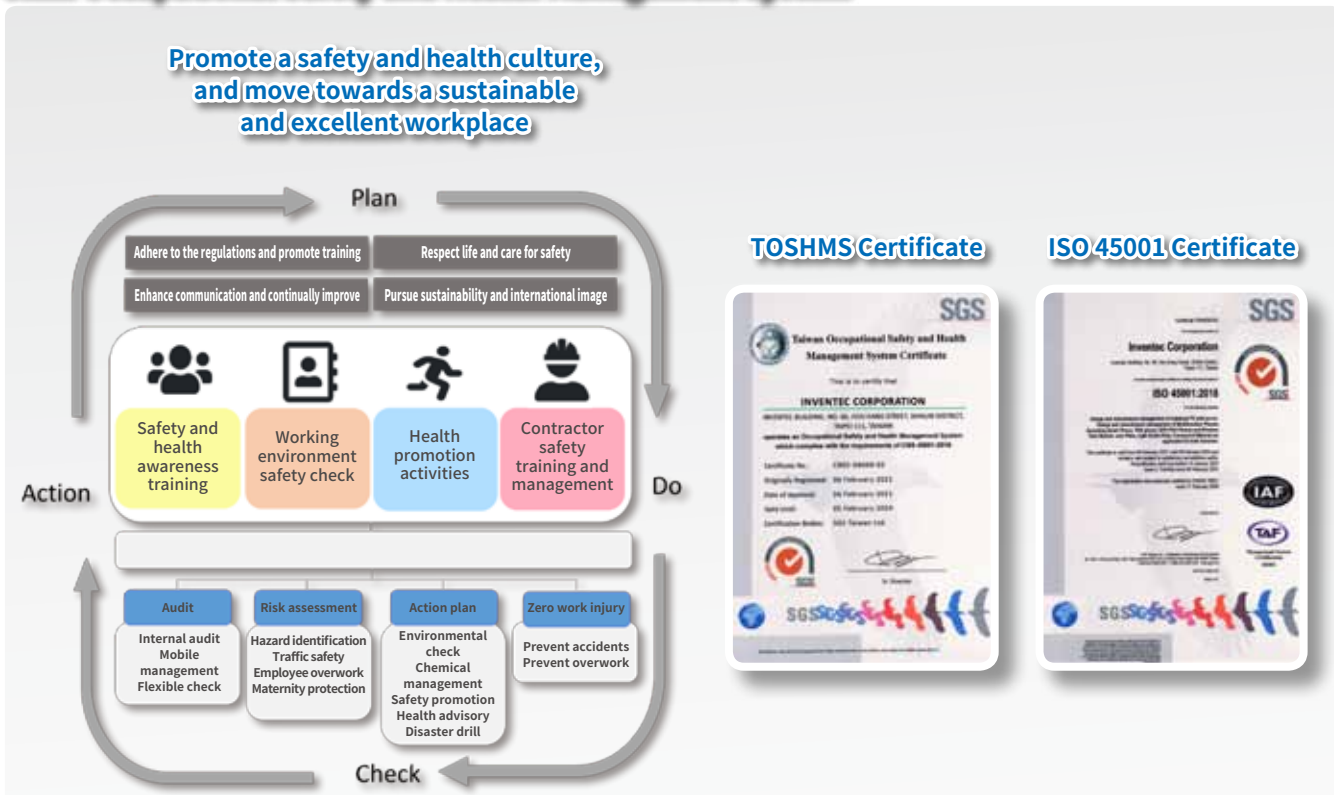
Make employees worry-free.

Group Insurance

In terms of safety, health, and job security, each employee can enjoy the complete benefits of group insurance.

5.1 LOHAS Workplace

5.1.2 Occupational Safety and Health Management System



TOSHMS Certificate



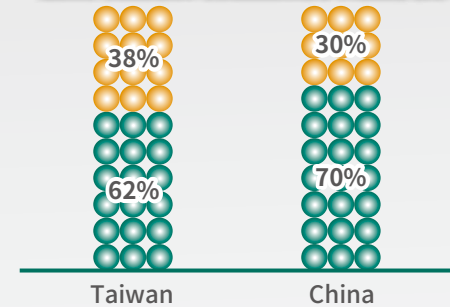
ISO 45001 Certificate



Management System

- ◆ To achieve the goals of sustainable operation, the first and foremost task of the company is to implement safety and health management. The seven factories of Inventec around the world have all passed the certification of ISO 45001 Occupational Health and Safety Management Systems, and the headquarters of Inventec has even passed the validation of the Taiwan Occupational Safety and Health Management System (TOSHMS). In order to effectively implement its safety and health management system, Inventec aims to prevent the occurrence of occupational disasters and diseases by pushing forward the four steps of the PDCA (Plan, Do, Check, Action) cycle and providing employees or non-employees whose work and/or workplaces are controlled by Inventec with a stable, safe, and healthy working environment.

Proportions of Safety, Health, and Environment Committee Members



- The other committee members
- Labor representative

Responsibility and Authority of the Safety, Health, and Environment Committee

- ✓ Safety, health, and environment -related regulations
- ✓ Educational implementation plan
- ✓ Prevent mechanical, equipment, and raw materials hazards
- ✓ Investigate and plan countermeasures aimed at the monitoring results of the operating environment
- ✓ Health management
- ✓ Regularly review the execution performance of safety, health, and environment affairs

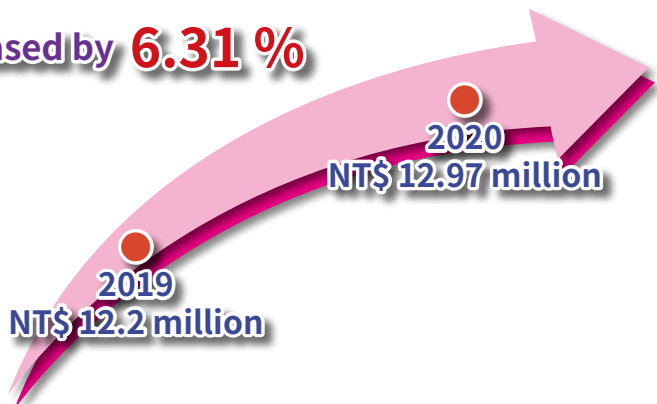
Safety, Health, and Environment Committee and Communication

- ◆ Through the open selection system, the safety, health, and environment committee was set up and requested to convene safety, health, and environment meetings at least once every quarter. The statistics of the members of the safety, health, and environment committee in Taiwan and China are shown in the figure on this page. Its responsibility and authority include discussing the company's various safety, health, and environment strategies and proposals; issues related to safety, health, and environment near-misses of employees and contractors, abnormal accidents, occupational injuries and accidents, and abnormal energy consumption are also reviewed, with the probable cause of the occurrence and countermeasures and improvements to prevent recurrence analyzed and proposed during safety, health, and environment meetings. In 2020, Taiwan and China only had a few cases of cuts and falls without any severe work-related injuries requiring rest for more than 6 months, nor deaths or work-related ill health that took place due to work-related injuries. Through the company's internal website, staff suggestion boxes, etc., Inventec is able to convey the latest safety, health, and environment regulations and the relevant information to employees in a timely manner, as well as collect various feedback from our employees on SHE issues at the same time.

5.1 LOHAS Workplace

5.1.2 Occupational Safety and Health Management System

Increased by **6.31 %**



The management expenditure of occupational safety and health of IET



Safety and Health Management Funds and Proposal Improvement

- ◆ Inventec has been gradually increasing its investment in occupational safety and health management. In addition to increasing manpower, it has also raised the budget for automatic inspection of machinery and equipment to prevent disasters from happening. In order to purchase anti-epidemic materials, the management expenditure of occupational safety and health of IET in 2020 increased by 6.31% when compared with 2019. Please refer to the figure on this page.
- ◆ SHE proposals are discussed at the SHE committee meetings held quarterly by the SHE seeded personnel of each unit after collecting all the information of their department. The IET had 39 proposals in 2020, which is a slight decrease of 7% when compared to the 42 proposals in 2019, and the improvement rate for both years was 98.5%.



Safety, Health, and Environment Inspection and Safety Change Management System

- ◆ SHE and the relevant units form a joint supervision team to regularly execute various safety, health, and environment documents and operational control items, supervise the results of measurement, and conduct risk assessment and contractor inspections through a complete safety, health, and environment audit program; in the case of high-risk operations (overhead, pipeline disassembly, hot work, hanging and hoisting, confined space), project inspections are conducted on an irregular basis to actively discover potential hazards and monitor and control all kinds of energy-consuming facilities. When changes in plant facilities, process equipment, work procedures, or chemicals used need to take place, the safety change management system must be followed, and all relevant units should conduct joint assessment and review to ensure safety before implementation.



The on-site sampling of operational environment monitoring

Operational Environment Monitoring



- ◆ According to the diverse characteristics and features of each plant, a third-party is entrusted to carry out the measurement of the operational environment to monitor and determine the concentration of hazardous substance through the use of instruments on a regular basis. By regularly monitoring the hazardous substances in the operational environment, simultaneously conducting risk control, and timely making engineering improvements or carrying out operational control, the occurrence of occupational disaster can be reduced and workplace health and safety improved.



Safety, Health, and Environment Risk Assessment and Identification

- ◆ In order to control the potential factors of high risks and high hazards on all factory floors, the seeded members of safety, health, and environment of all units are regularly convened every year to carry out risk assessment to identify significant environmental aspects aimed at all factories. The factors of each plant area are ranked according to the level of hazard risk. The intolerable risks identified in factories in Taiwan or China in 2020 were related to the use of chemicals, electrical maintenance and repair, and sudden infectious diseases. The improvement targets of these items are all prioritized in accordance with procedures and regulations, and risk control is implemented through project management and engineering improvement methods.

5.1 LOHAS Workplace

5.1.3 Workplace Safety & Health



Safety and health training for supervisors



Operational in-service training for special personnel



Training three minutes before work



The forklift operator's risk awareness training three minutes before work



Promotion Mechanism of Safety and Health

- ◆ The vocational training of safety and health for Inventec's employees includes general on-the-job personnel training, fire management personnel training, CPR first-aid training, safety & health center training, and in-service training of all kinds. Regarding projects of operational in-service training for special personnel, including forklift, organic solvents, radiation safety and protection, pressure vessels, boilers, etc., the completion rate of training reached 100% in 2020.

Disaster Prevention and Emergency Response



- ◆ Inventec holds in-plant fire drills every year on a regular basis and formulates contingency measures and post-disaster recovery plans so that all employees can learn about all sorts of information related to fire control, including the use of fire-fighting equipment, evacuation routes, and relevant contingency measures. An emergency response team has also been formed to timely pass on and control any information related to emergency response.
- ◆ In 2020, all factories in Taiwan held two emergency response and disaster prevention safety exercises, one of which was a firefighting equipment drill and program instruction (first-aid training such as Cardiopulmonary Resuscitation), and the other one was a plant-wide evacuation drill and AED first-aid training course. Fire drills and evacuation drills for plants in China were carried out during both the day shifts and the night shifts.
- ◆ Inventec has formulated regulations governing chemical safety and conducts risk assessment at the time of chemical purchase. According to the condition of health hazards, distribution status, amount of usage, etc., the risk level is evaluated, chemical control banding is adopted. A temporary storage area for hazardous chemicals that is monitored 24 hours a day has been set up in the factory. Furthermore, the Globally Harmonized System (GHS) and the management of related hazardous substances are promoted through in-service training and online promotional materials.

5.1 LOHAS Workplace

5.1.3 Workplace Safety & Health

Medical Consulting Service



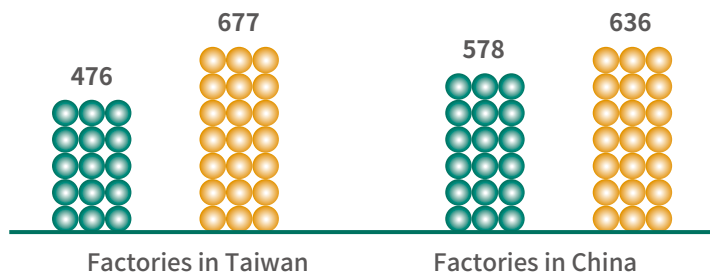
- Medical treatment, medication, and health consultation
- Health check/report consultation
- Disease prevention
- Health lecture

One-on-one Professional Psychological Counseling Service

Employee physical and mental health assistance service



Statistical Analysis of Employee Health Services



● Health consultations ● Emergency medical treatments

Special Health Check Arranged for the Special Operations



Health Management



- ◆ Inventec attaches great importance to the health of all of its employees. The factory floors in Taiwan perform employee health examinations every year on a regular basis and provides physician consultations and emergency medical treatment services. If abnormalities are found according to the check-ups, special service physicians will be invited to the factory to conduct assessments and give advice to the employees. Based on the results of the physical examination, measures related to health management and vaccinations will be carried out or given. In addition to providing health check-ups for employees outside the factory, the company also assists the family members of the employees in arranging physical examinations to ensure their own health condition. New employees at plants in China can receive physical examinations as well. In addition to routine checkups, Inventec also conducts special health examinations for workers involved in special operations in accordance with local regulations on a regular basis. The content of special operations of arrangements for special checkups are shown in the figure on this page. The statistical analyses of employee health services of factories in Taiwan and China are also shown in the figure on this page. Inventec's workplace Maternal Health Protection Program, Ergonomics Hazard Prevention Program, and abnormal workload-induced disease prevention plan have all been formulated, and regular assessment, follow-up, and management are performed according to the program content.
- ◆ Through constantly coordination with medical and health institutions, Inventec organizes various health seminars and consultations and cooperates with company clubs to jointly hold various kinds of health promotion activities. A total of eight health talks were held in 2020, with a total of 457 participants, and the average satisfaction degree of participants was 4.75 points (out of 5).

5.1 LOHAS Workplace

5.1.3 Workplace Safety & Health



Zero-disaster safety and health training

Zero Occupational Disasters

- ◆ With the goal of zero occupational disasters, Inventec regularly conducts various safety and health inspections, such as fire-fighting equipment inspection and maintenance, machine room inspection tours, control of special operating areas, qualification review of specified operation personnel, smoking area control, building security inspections, etc. Furthermore, Inventec has established an incentive program to encourage employees to take initiative in making proposals for improving the workplace.



Safety training three minutes before work



Risk awareness training three minutes before work

Safety and Health Management of Stationed Agents

Agency employee

- ◆ Regarding the Agency employee whose workplaces were controlled by Inventec in 2020, each factory has set up a work-related injury notification mechanism. The index of occupational injury statistics includes occupational accidents, accidents that take place while commuting to and from work, and near-misses. Work-related injuries are followed and investigated depending on whether the agency employee has used the services provided by the dispensary in the plant. In 2020, except for occupational injuries and contusions of agency employee in Europe and America, Inventec did not learn of any work-related accidents or absenteeism due to the loss of labor, and no serious work-related injuries requiring a rest of more than 6 months occurred.

Contractor

- ◆ Inventec has formulated the "Measures for the Management of Contractors' Safe Operations," and contractor safety and health management meetings are convened by the relevant units. For contractors whose work or workplace is controlled by Inventec, it is required that they sign the letter of commitment of contractors' safety and health management according to applicable laws and regulations, make notification regarding engineering hazards, and call consultative organization meetings before the project is executed. All manufacturers must also complete the contractor's safety and health education and training before any kind of work activities can be performed. The contractor's work-related injury notification mechanism has been established. During the execution of various operations in the factory, the contractor can use the related services provided by Inventec's dispensary and nursing room like all other employees of Inventec as needed. In 2020, except for the work-related injury such as contractors' case of cuts in Europe and America, Inventec was not notified of any work-related injury accidents or absenteeism due to the loss of labor, and no serious work-related injuries requiring more than 6 months of rest took place.

5.1 LOHAS Workplace

5.1.3 Workplace Safety & Health

Honor and Affirmation about Safety and Health



National Occupational Safety and Health Excellent Unit Award



No Accident Labor-Hour Record Award of the Ministry of Labor



Labor Safety Excellent Unit Award of Taipei

Honor and Affirmation about Healthy Workplace



“Healthy Workplace Certification-Health Promotion Mark” by National Health Administration



Excellent Healthy Workplace Award of Taipei



Excellent Breastfeeding Room Certification of Taipei City



AED Location Certification

5.2 Talent Development

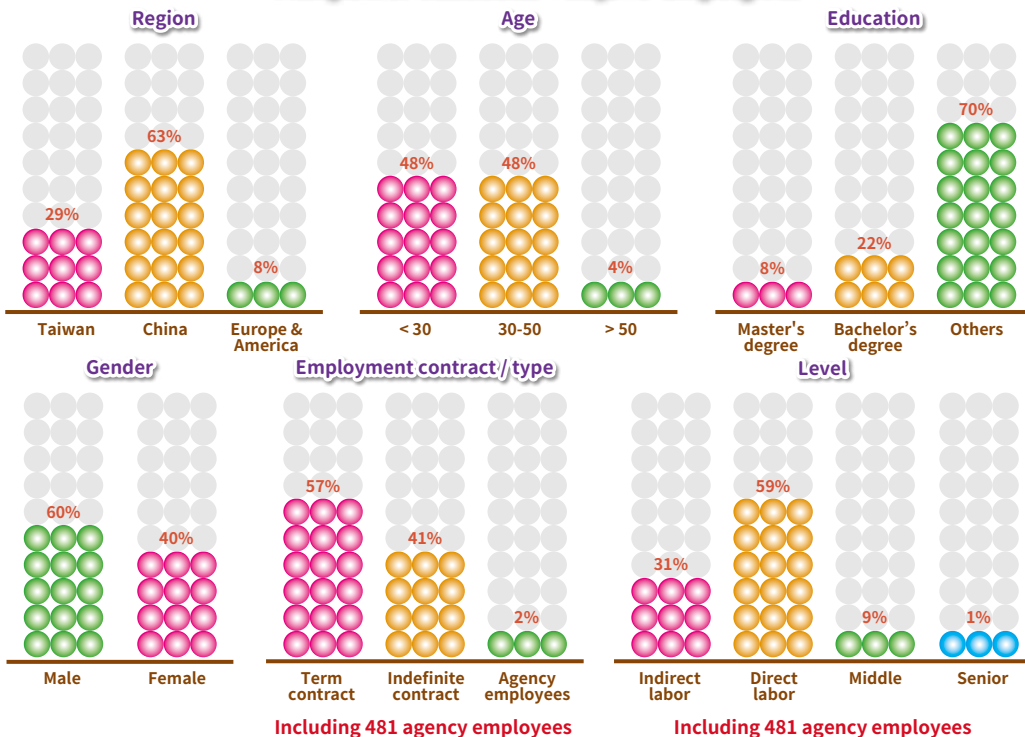
5.2.1 Talent Policy

Inventec Talent Management Policy

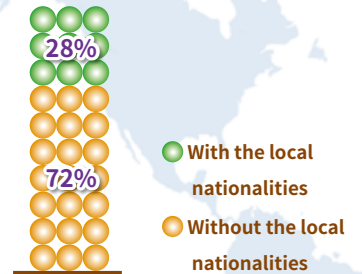
“Implement ethical corporate management; value human resources; execute talent-oriented employment without discrimination; have right person in the right place; shape an environment for the employees’ sustainable development and contribution made with their excellence!”



Manpower statistics : 20,079 employees



SA8000 Social Accountability System Certificate



The Nationalities of Senior Executives (181 people)

Talent-oriented

- ◆ Inventec provides various basic labor conditions, including the working hours mechanism and an ideal leave system, together with such basic benefits as labor insurance, health insurance, and funding of labor pension in accordance with local government decrees and the company's Personnel Management Measures. Employees can also enjoy benefits like regular health examinations, group insurance, and a complete employee retirement system.
- ◆ The analysis of Inventec's manpower by region, age, gender, educational background, labor contract and type, and job grade as of December 31st, 2020, is shown in the figure on this page.
- ◆ The analysis of the nationality of directors above the department level in 2020 is shown in the figure on this page.

5.2 Talent Development

5.2.2 Talent Acquisition

Corporate Image and Community Management



- Manage LinkedIn and directly contact the professionals
- Line@ two-way communication
- Promotional video series of Wonderful Inventec
- Recruitment environment optimization and strengthening of the software and hardware for promotion



Expand Recruitment Channel

- Expand recruitment through job banks
- Encourage the employees to recommend talented people
- Introduce the overseas professionals (LIFT / CTCI Foundation)
- Employment service agency and jobs expo
- The talented people about AI and digital transformation



Digital Transformation



- Comprehensive online test
- Remote online interview and recruitment of overseas talented people
- Inventec talent recruitment pool for reserving the talented people



Campus Cultivation

- Internships and industry-school training projects to train the students in advance
- Campus recruitment fair for the face-to-face contact with students
- Professional exchanges, corporate visits, and competitions
- Industry master class for cultivating the technical professionals
- R&D cooperation plan for the integration of industry and academia
- The RAISE project for recruiting the talented PhD
- Gloria Global Research & Industry Alliance



Talent Selection

- ◆ The human resources unit of Inventec is a specialized unit for talent acquisition. Inventec sets annual labor targets and tries to recruit talents from all over the world by cooperating with the company's operating strategies in accordance with laws and regulations. Competitive salaries and benefits are offered to attract talents to join Inventec.
- ◆ Adhering to a "talent-oriented" belief, Inventec explicitly stipulates that the talent acquisition units in all factories around the world should treat employees of different races, classes, languages, ideologies, religions, parties, genders, marital statuses, physical and mental disabilities, etc. fairly and has set up a diversified talent acquisition system, including campus recruitment, R&D alternative military service, employee introduction, self-developed talent pool, job bank, etc., to meet the human development needs of the company.
- ◆ Inventec's recruitment and appointment process strictly prohibits the above-mentioned matters as interview evaluation criteria and prohibits the employment of child labor, forced labor, and other violations of human rights in order to comply with local government laws and regulations.



Talent search system



AI comparison system

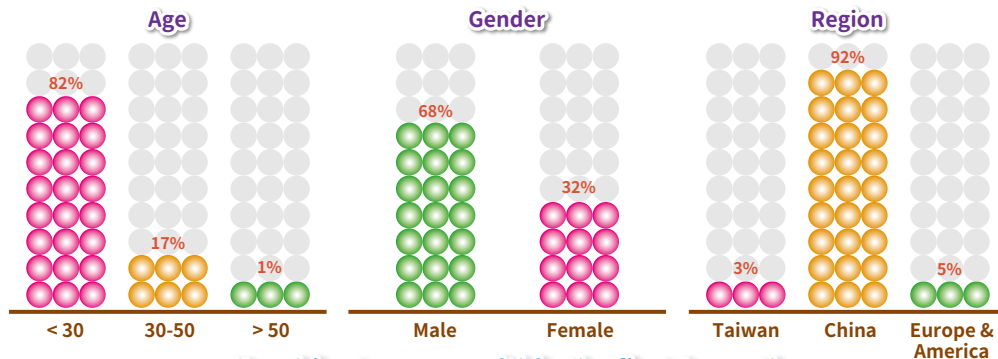


Mobile phone interview

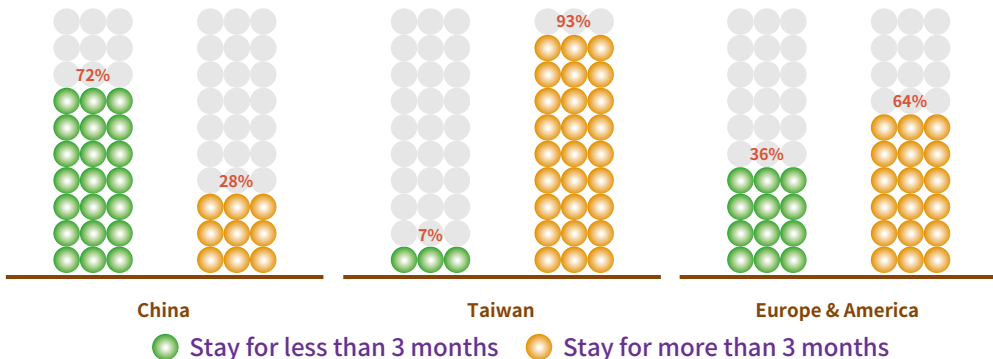
5.2 Talent Development

5.2.2 Talent Acquisition

Employee turnover: 29,534 people

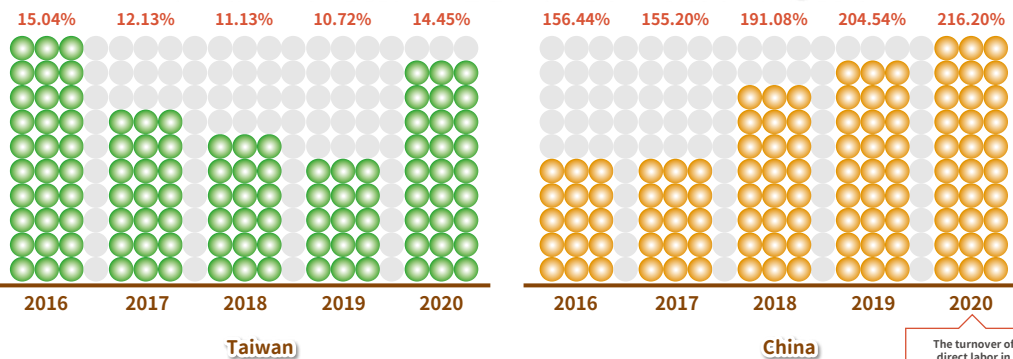


New hire turnover within the first 3 months



● Stay for less than 3 months ● Stay for more than 3 months

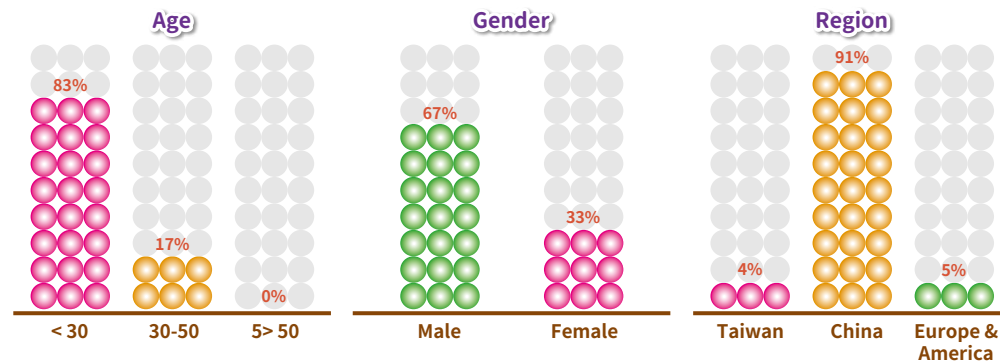
The turnover rates of Taiwan and China over the years



The turnover of direct labor in manufacturing units is relatively common.



New employees: 30,350 people



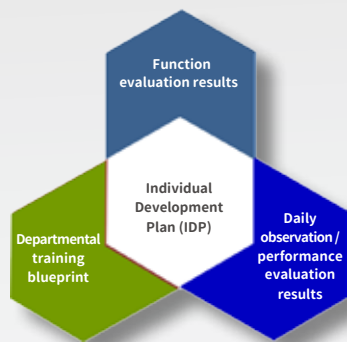
◆ To respond accordingly to the operational needs of local factories and create job opportunities, the seven factories around the world recruited 30,350 people in 2020, an increase of 16% when compared to 2019. New hires and staff turnover in 2020 were analyzed according to region, gender, and age, and new hires and staff turnover within 3 months in 2020 were analyzed according to region alone. The turnover rates of Taiwan and China over the years are shown in the figure on this page.

5.2 Talent Development

5.2.3 Talent Cultivation



The OKR (Objectives and Key Results) management system drives talents to fulfill themselves.

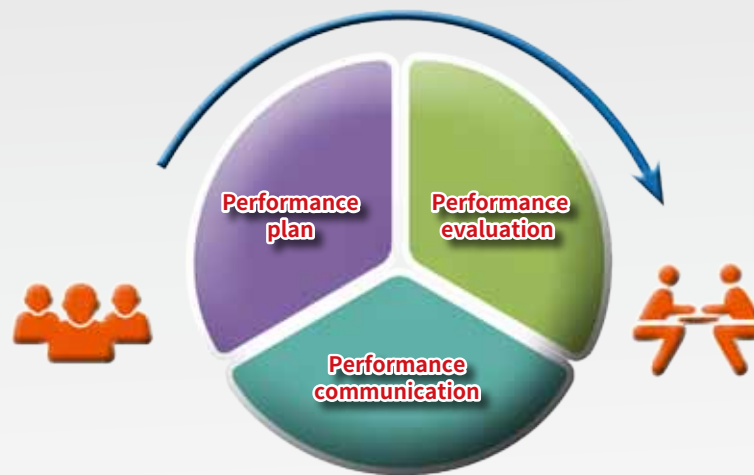


Promote IDP (Individual Development Plan) to develop career paths for employees.



Talent Retention

- ◆ Inventec aims to attract and retain outstanding talents through compensation and benefits, bonuses for retaining talents, friendly environment, humanized management, smooth internal rotation, training and development, etc.
- ◆ It promotes IDP, which is short for "Individual Development Plan," to develop career road maps for employees.
- ◆ The company also emphasizes the OKR (Objectives and Key Results) management system to drive talents to fulfill themselves.



100% of Inventec employees accept performance evaluation

Inventec Performance Management System

- ◆ The human resources unit of Inventec provides professional guidance and consultation to managers and supervisors of various management levels through performance management in-service training and introduces correct performance management methods to achieve organizational goals. Through the performance management cycle shown in the figure on this page, both supervisors and employees are required to continuously carry out communications and improve work performance in order to reach identical expectation values and thus fully utilize the benefits of performance management.
- ◆ Management performance appraisal is regularly conducted at the end of each year to authentically determine the results of employees' work performance and then staff promotion, year-end bonus, training, and development. The purpose of performance appraisal is to review and improve the past objectives and performance and the development of future objectives and achievement of performance. Those with poor performance will try to make improvements, work together, and give encouragement to enhance the work efficiency of employees, thus enhancing the overall productivity and competitiveness of the company through guidance and communication. In 2020, 100% of employees on the permanent payroll from Inventec's seven factories around the world had received performance appraisals.

5.2 Talent Development

5.2.3 Talent Cultivation

Training and Development System to Enhance Core Competence

NO.1 Balanced training and development

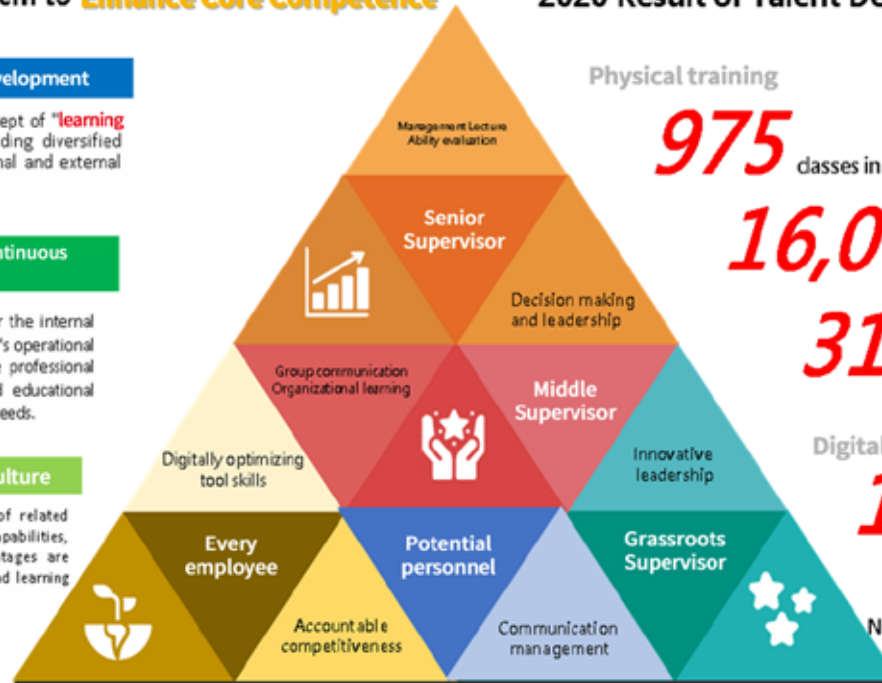
Inventec adheres to the cultivation concept of "learning together and growing together", providing diversified cultivation channels and excellent internal and external teachers for employees to choose.

NO.2 The learning organization of continuous innovation and improvement

Provide a good cultivation environment for the internal employees in accordance with the company's operational goals and development strategies. Provide professional services such as talent development and educational consulting guided by the employees' actual needs.

NO.3 Talent-oriented corporate culture

In addition to the planned enhancement of related management functions and professional capabilities, Inventec's international competitive advantages are strengthened, and innovation, improvement, and learning exchanges are constantly being made.



2020 Result of Talent Development

Physical training

975 classes in 2020

16,000+ attendees

31,000 learning hours

Digital learning

12,000 learning hours in group

Number of digital learners grows 158%

Honor about People Development



2019 National Talent Development Award

2016 & 2019 TTQS Silver Award



2020 TCSA People Development Award



2020 SGS CSR People Development Excellence Award

Principles of Talent Development Management

- ◆ Balanced on-the-job training and development provides diversified cultivation channels and excellent internal and external instructors/tutors from which employees can choose.
- ◆ Creating a learning-type organization that is constantly making innovations and improvements prevents on-the-job training from becoming a mere formality or out of line with corporate goals and offers professional services, such as talent development and education consulting, based on employees' actual needs.
- ◆ With our "Talent-Oriented" corporate culture, aside from the planned improvement of related management functions and professional competencies, we focus on improving language skills and strengthening the tracking and feedback of results to enhance our competitive advantages on the world stage.

Training System and Structure

- ◆ Link management strategies with training programs: The company cultivates supervisors' teaching and authorization ability of succession echelon, promotes basic and advanced management training to improve managerial capabilities and accountability, and pursues streamlining hierarchy and management optimization.
- ◆ Closely combined with business units: The company marks out and implements individual development plans aimed at the ability to strengthen key talents in business units.

5.2 Talent Development

5.2.3 Talent Cultivation

China Learning & Development Value Awards



Valued Case Award



Best Practice Award

Training Expenditures (New Taiwan Dollar)



In-service Training Aimed at Specific Topics

- ◆ In addition to investing a large amount of money and time in vocational training for employees from factories all over the world, each new employee also receives orientation and training programs related to human rights and anti-corruption. Furthermore, the security personnel of Inventec in Taiwan and China also receive human rights-related courses and training, and all security personnel (including outsourced security) of the company receive 100% human rights education and training.
- ◆ The training expenditures in Taiwan and China in 2020 are shown in the figure on this page.

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課程類別	點數
ABCDS & 數位轉型訓練	1-4點
核心能力訓練	1-4點
新進人員訓練	2點
其他訓練活動 依人才中心之課程公告推行	

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課程	累積點數
AI技術之發展與應用：從AI的基礎性到創新	1點
工業4.0的挑戰與機遇：從製造到服務	1點
5G世代下智慧製造應用發展趨勢	1點
從AI開發到商業應用轉型的挑戰	1點
數位轉型新視野	1點
遠端數位轉型	1點
雲端安全與數據保護對企業的影響	1點

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Learning Passport

- ◆ Based on the company's long-term strategic development and core competency requirements, we encourage employees to learn, continue to absorb new knowledge, and improve work ability and efficiency with the "learning passport" as motivation. Those who partake in training courses can accumulate learning points and use the iService self-service inquiry system to keep track of their own learning process! We encourage employees to continue to learn and develop themselves!

Foreign Language Learning and Proficiency Testing

- ◆ In line with international standards, the company has mapped out spaces that serve as language learning areas for employees to advance their foreign language skills. Furthermore, with the incorporation of industrial trends and company transformation demands, Inventec has launched English and Japanese proficiency tests. Employees who pass the test can obtain additional pay: an additional pay of NT\$ 2,500 will be given per month for those who pass English or Japanese level A, and an additional pay of NT\$ 1,500 will be given per month for those who pass English or Japanese level B. As of 2020, the cumulative numbers of employees who have taken language proficiency tests are 2,802 for English and 695 for Japanese.

5.2 Talent Development

5.2.3 Talent Cultivation

Resource sharing

Promote monthly thematic courses, share group resources, and practice cross-plat learning.

Corporate culture: OKR and accountability



Tool skills: presentation skill and communication skill
Digital empowerment: ABCD5 and digital transformation


Digitization

Record physical courses, digitize basic courses, expand learning effectiveness.



2019 v.s. 2020

Increased effectiveness of digital learning Visits



Period	Visits
2018/11/1-2019/10/31	89,684
2019/11/1-2020/10/13	132,391

Grow 148%

System optimization

Upgrade E-Learning digital platform and introduce APP.



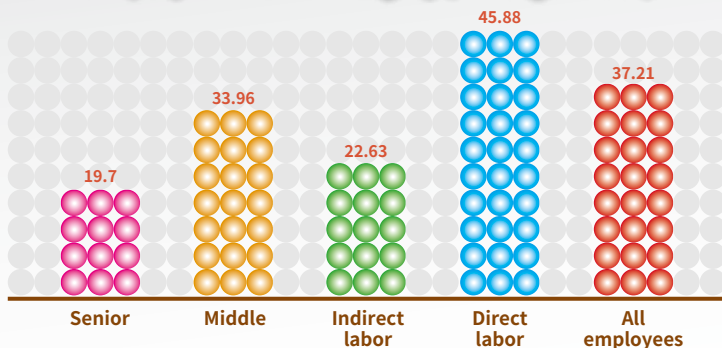

E-learning

- ◆ Inventec encourages employees to make flexible use of its e-Learning platform to learn about dynamic industry trends and new technology knowledge for the purpose of promoting continuous innovation and development. In order to continue to push for an organizational learning climate and group resource sharing, the e-Learning platform system and curriculum diversification optimization project was planned in Q4 of 2019 and implemented in 2020. Comprehensive updates on the e-Learning platform and e-Learning APP functions were added to provide a channel for training and learning during the epidemic period in IET and Taoyuan, Shanghai, Chongqing, and Tianjin.
- ◆ After the optimization and upgrade of the e-Learning platform and APP, the number of annual visits reached 130 thousand, an increase of 148% when compared to 2019. In the future, we will continue to provide more types of courses, including language learning, digital trends, tool skills, etc., according to employees' needs in order to cultivate employees' interest and joy in learning and create a better learning experience. Regarding digital learning outcomes from 2015 to 2020, the cumulative number of learners was 474,516.

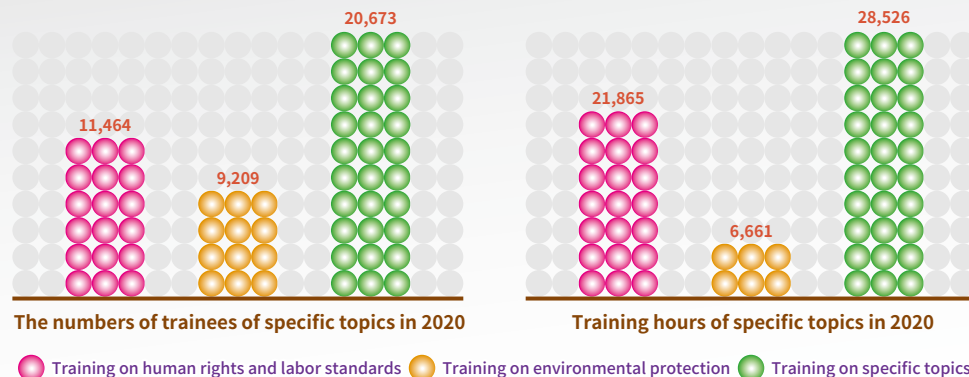
5.2 Talent Development

5.2.3 Talent Cultivation

The average number of training hours per employee in each category (average hours)



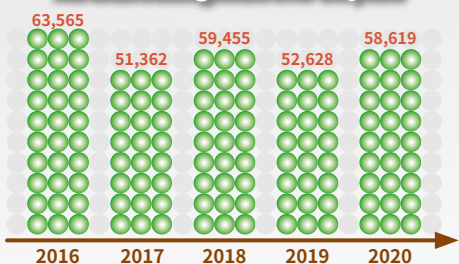
The results of training on specific topics



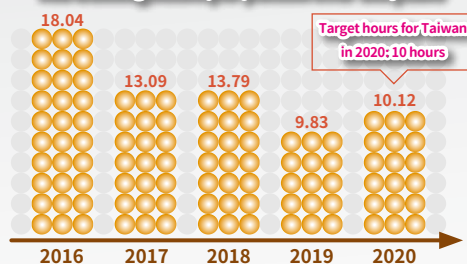
The average number of training hours per employee in each category and the results of training on specific topics are shown in the figures above. The total number of training hours and the number of training hours per person in Taiwan and China over the years are shown in the figures below.

Taiwan

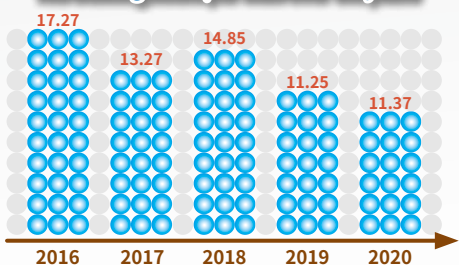
The total training hours over the years



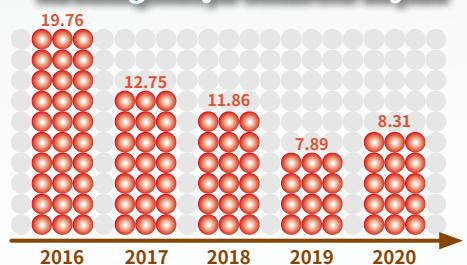
The training hours per person over the years



The training hours per man over the years

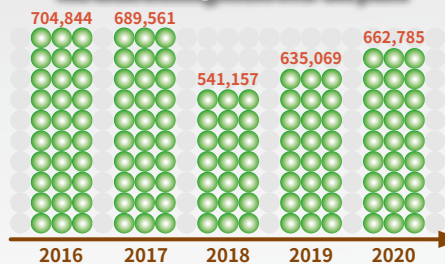


The training hours per woman over the years

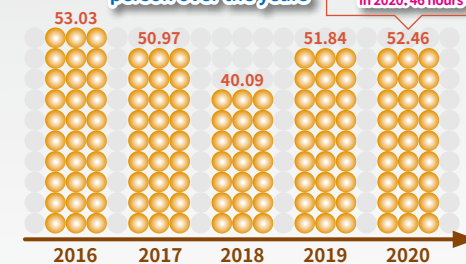


China

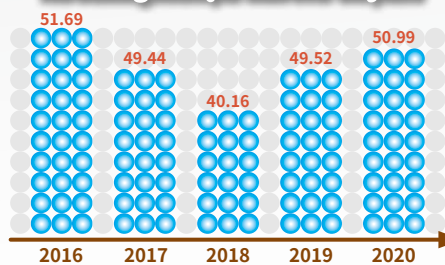
The total training hours over the years



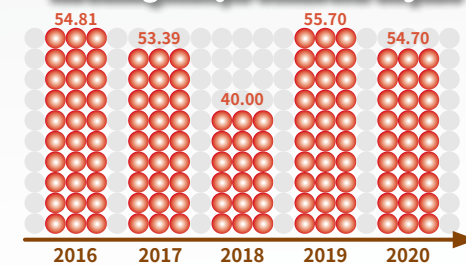
The training hours per person over the years



The training hours per man over the years



The training hours per woman over the years



5.3 Substantial Relationship

5.3.1 Communication Mechanism

The six communication mechanisms of Inventec

Mechanism	Mode
Two-way talks between entry-level employees and executives	<ul style="list-style-type: none"> Team leader and workers' representation forum
Discussions on business strategy and operational development	<ul style="list-style-type: none"> Associate level meeting Monthly meeting
Cross-functional communication	<ul style="list-style-type: none"> Technical committee meeting, project meeting, teams' meeting
Labor-management communication, welfare policy and promotion	<ul style="list-style-type: none"> Management and labor council Welfare committee meeting
Problem response and information advisory	<ul style="list-style-type: none"> iService, LINE, WeChat, Facebook HR, factory communication website 24-hour care hotline One-stop service contact Suggestions
Entry-level employee care group	<ul style="list-style-type: none"> Employee care committee meeting (forum)

Communication Channels

- ◆ Through its six communication mechanisms, Inventec provides employees with channels for making immediate responses and carrying out communication on a regular basis. We take the initiative to listen to the voices of our employees, promote a harmonious working atmosphere, and create a win-win situation for both labor and management.
- ◆ Inventec respects the rights of employees and allows them to freely form associations, organize unions, and join trade unions in accordance with the law. A trade union organization has been set up in China (Pudong) plant. Since Taiwan has no trade union, communication is conducted through quarterly management and labor council meetings.



The mobile phone interface of iService digital mobile integrated service



iService Digital Mobile Integrated Service

- ◆ IET has developed the Inventec mobile integrated iService App for employees to download and use. In 2020, a new generation of the online version was adopted for simpler, more intuitive use. The "meeting room reservation" function was added in combination with the "LOHAS Passport" and "Learning Passport" activities, via which reward points can be checked and redeemed online in order to facilitate the work of our employees and provide them with a happier life.

5.3 Substantial Relationship

5.3.1 Communication Mechanism

Inventec Internal and External Grievance Process



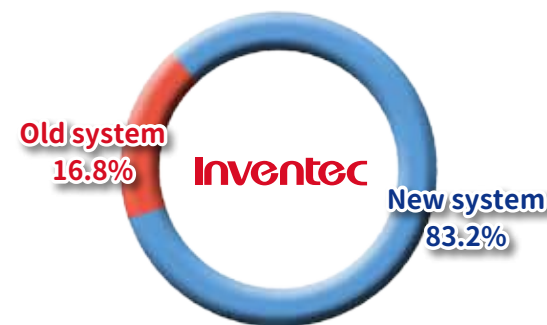
Inventec

<p>SERVICE</p> <p>各單位服務窗口 即時, 直接, 快速</p>	<p>謝謝你, 幫幫我</p>	<p>我有話想說</p>	<p>E-mail to: 21999@inventec.com</p> <p>或專線 21999</p> <p>員工申訴/檢舉管道</p>
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Internal and External Grievance Mechanisms

- ◆ All Inventec factories have established an “Employee Complaint System” to ensure a fair arbitration mechanism when employees suffer human rights violations. Inventec’s “Global Employee Code of Conduct Management Measures” and “Employee Complaints and External Reporting Management Specifications” clearly stipulate that employees are encouraged to report illegal or unethical activities, together with disciplinary measures. The “Global Employee Code of Conduct Management Measures” also provided an audit mechanism, and those who violate the relevant regulations shall be dealt with in accordance with the relevant rewards and punishments stated in the “Global Employee Code of Conduct Management Measures” and “Personnel Management Measures.” Inventec will protect whistleblowers from discrimination, coercion, post transfer, or other unfavorable treatment.
- ◆ In 2020, the company has two labor complaint cases in Europe and America and two cases in China. Most of these cases were the result of poor communications, and the improvement measures were to strengthen the communication training of grass-root supervisors. No complaints in relation to environmental damages, violations of human rights, use of child labor, discrimination disputes, corruption and bribery were received in any of the factories around the world, and no formal employee complaints were filed in Taiwan in 2020. No labor disputes caused work suspension in 2020.

The proportion of Taiwanese employees participating in the new and old retirement systems



Labor Law Compliance

- ◆ The employees of Inventec in Taiwan are entitled to the protection of the “Labor Standards Act” and the “Labor Retirement Funds for Labor Pension” in accordance with the law. The ratio of employees participating in the new and old systems of retirement funds in Taiwan is shown in the figure on this page.
- ◆ In order to meet the requirements of local government regulations and make up for the full payment of the old pension for the coming year, Inventec allocates a full pension to the specified account within the legal period every year.
- ◆ The “Employee Welfare Committee” in Taiwan has made provisions for employees’ welfare funds in accordance with the law, and its uses include New Year and holiday gifts, employee emergency aid, insurance benefits (such as medical insurance, work-related injury insurance, accidental injury insurance), etc.
- ◆ According to the provisions of the “Labor Contract Law” and “Social Insurance Law” in China, employees are entitled to social insurance in accordance with the law.
- ◆ Inventec has established the “Global Employee Code of Conduct Management Measures,” and each employee is obligated to sign and comply with the “Employee Code of Conduct” and then post it on the web portal when they arrive at their post. All employees can browse it at any time and sign and publicize on a regular basis.
- ◆ The company had no labor inspection violations in Taiwan in 2020, and two violations of Labor Standards Act were found according to the results of the labor inspection in 2021, with a fine of NT\$ 200 thousand adjudicated. Advocacy has been strengthened and the employees have been asked to pay attention to their own overtime pay applications. Supervisors are also required to ensure proper work arrangements.

5.3 Substantial Relationship

5.3.1 Communication Mechanism

Inventec sustainable supply chain: SDGs exchange activities of sustainable corporates



① Optimize Inventec sustainable sourcing structure

② Inventec's promotion from the inside out

③ Promote the SDGs with the supply chain partners



Results of 2020 Inventec Group Sustainable Supply Chain Forum

Dates	ocation	Participating Suppliers	Main Agenda
12/11	Taipei	120 people	<ul style="list-style-type: none"> ◆ Inventec CSR requirements description ◆ Introduction of RBA Code of Conduct 7.0 ◆ Explanation of integrity management regulations ◆ Supply chain security (AEO) requirements ◆ Introduction to supplier component management and evaluation ◆ Product liability of Inventec's sustainable supply chain: laws and regulations, responsible minerals, and hazardous substance free

RBA : Responsible Business Alliance



Collaborate with Cooperative Partners to Drive Sustainable Development

- ◆ To fulfill corporate citizenship responsibilities and respond accordingly to customers' demand for supply chain corporate social responsibility and environmental protection, Inventec Group continues holding Supplier workshop. By convening a sustainable supply chain forum , we hope that our fellow suppliers also drive sustainable supply chain management policies as in Inventec Group and set goals and strive to fulfill the Group's requirements.
- ◆ The 2020 Inventec Group Sustainable Supply Chain Forum held in Taipei in conjunction with Inventec Sustainable Supply Chain Partner Day were attended by 120 suppliers. Inventec Group expects to cooperate with its fellow suppliers to advance the development of the "Green Supply Chain" to the "Sustainable Supply Chain" by holding such events. 75% of the participating suppliers cooperated to convey the RBA specifications to their upstream manufacturers.



Inventec



6. Environmental Sustainability

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SDGs Index



Environmental Sustainability Performance

Environmental protection expenditure
NT\$ 0.14 bn.

Green electricity
5.39m kWh
Taiwan ◊ China

Electricity saving
1.06m kWh
Taiwan ◊ China

Carbon emissions decreased by 23.25% since 2015

Wastes decreased by 21.29% since 2014

Water consumption per person decreased by 7.56% since 2012

**Recycled water increased by 365%
14,272 metric tons**

Energy saving of Taiwan HQ (EUI)
19.10%
since 2014

Energy saving of TAO sever room (PUE)
19.40%
since 2019

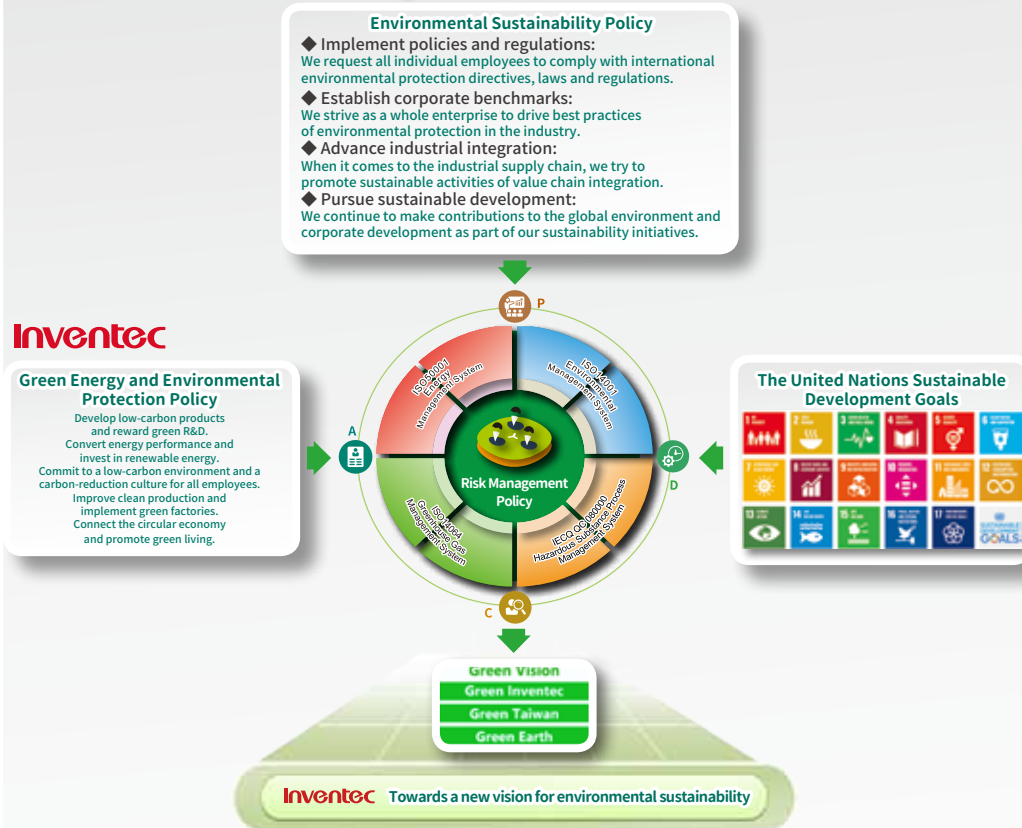
Energy saving of plants in China (EI)
14.95%
since 2018



SASB Index: Water management TC-ES-140a.1 and waste management TC-ES-150a.1

New Vision for Environmental Sustainability

Environmental Sustainability Structure



Green Sustainability Management System



Environmental Sustainability Policy

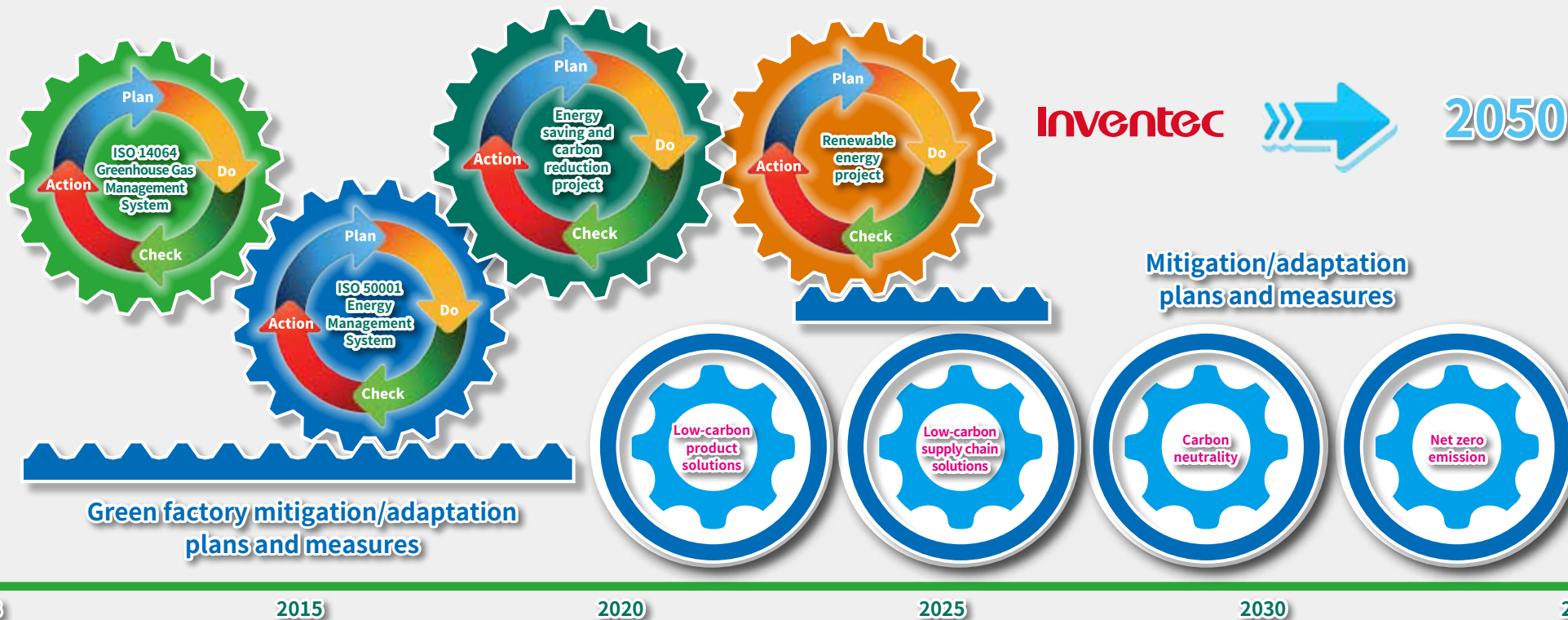
- ◆ In response to global low-carbon environment trends and customer requirements, in pursuit of the sustainable development of our company, Inventec has implemented environmental sustainability policies which take into consideration the facet of individual employees, the enterprise as a whole, the industrial supply chain, and overall environmental conservation.

Environmental Sustainability Approach

- ◆ To respond accordingly to global environmental sustainability issues, Inventec has not only implemented environmental sustainability policies that serve as the foundation for promotion, but has also set Inventec's exclusive goal of "green energy environmental protection" and integrated the related management mechanism and report operations of the company by following the Recommendations of the Task Force on Climate related Financial Disclosures.

- ◆ In response to the requirements of local government, customers, and international investment institutions to climate change, the calculation tool (SBT Tool v1.2.1) of Science Based Target (SBT) is adopted to calculate the greenhouse gas reduction target. Assist all factory floors in carrying out green research and development, implementing green plants, driving energy saving and water conservation methods, and reducing production energy consumption to continue pursuing a reduced impact of products on the environment so we can make contributions to the green economy and mitigate the risk of climate change.

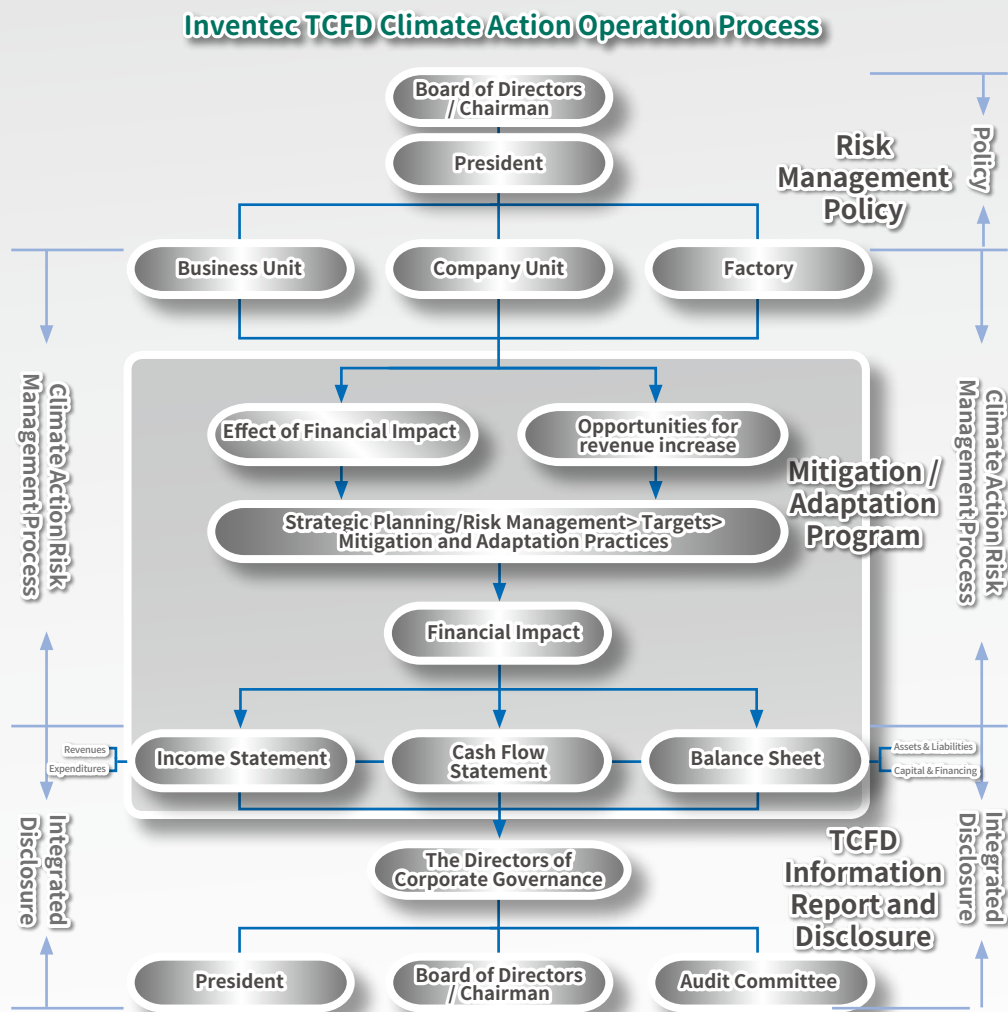
New Vision for Environmental Sustainability



Green Factory Mitigation/ Adaptation Plans and Measures	Taiwan		China	
	IET	TAO	IPT and IACJ	ICC
ISO14064 Greenhouse Gas Management System	With the third-party certification	With the third-party certification	With the third-party certification	With the third-party certification
ISO 50001 Energy Management System	With the third-party certification	With the third-party certification	With the third-party certification	Expect to be certified by the third party in 2022
Energy saving and carbon reduction projects	Air conditioning, lighting improvement, and projects	Air compressor, air conditioning, lighting, processing, and projects	Air compressor, air conditioning, lighting, processing, and projects	Air compressor, air conditioning, lighting, processing, and projects
Renewable energy projects	Planning	Solar power device	Solar power device	Planning

6.1 Climate Action

6.1.1 Climate Change Governance Structure



Indicator and Target

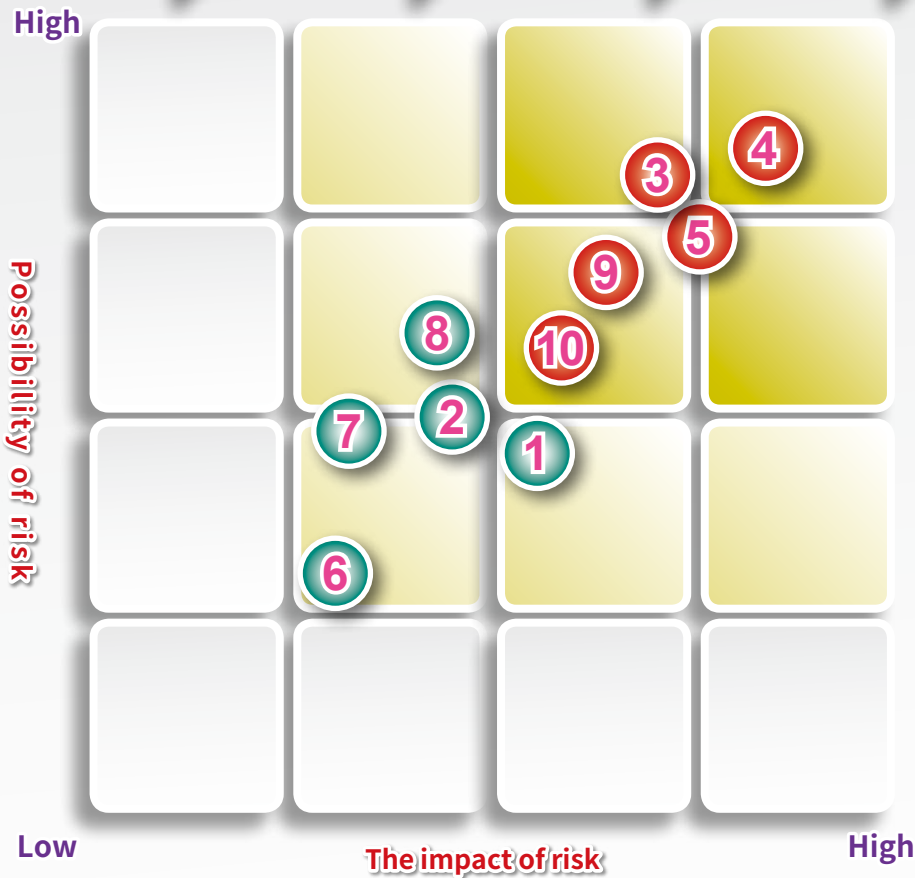
- ◆ **Greenhouse gas inventory indicator**
Disclose greenhouse gas emissions (scope 1, 2, and 3).
- ◆ **Science-based reduction target :**
 - With the base year 2015, the target is to reduce 37.5% of greenhouse gas emissions in scope 1 and 2 by 2030.
 - With the base year 2020, the target is to reduce 37.5% of greenhouse gas emissions in scope 3 by 2035.
- ◆ **Renewable energy target :**
Expand renewable energy conversion facilities to continuously increase renewable energy by 5% and achieve carbon neutrality by 2035.
- ◆ **Energy saving target :**
 - HQ energy saving (EUI)
With the base year 2014, the unit area electric consumption will be reduced by 10% by 2024.
 - Energy saving for the server room of information center (PUE)
With the base year 2019, the target is to reduce 11% by 2025.
 - Plant energy saving (EI)
With the base year 2018, the target is to reduce 5% by 2025.
- ◆ **Water resources management target :**
Taking 2012 as the base year, the water consumption intensity will be reduced by 24% by 2024.
- ◆ **Waste management target :**
Taking 2014 as the base year, waste will be reduced by 25% by 2025.
- ◆ **Product energy saving design target :**
 - The energy saving design target for notebook PC: the energy use efficiency shall be 25% higher than the latest ENERGY STAR Computers Specification Version 8.0.
 - Server energy saving design target: the energy use efficiency meets ENERGY STAR Computer Servers Specification Version 3.0.

Inventec TCFD Operation Structure

The Company mainly refers to the “climate-related financial disclosures” report published by the Task Force on Climate-related Financial Disclosure (TCFD) for corresponding actions related to the impact of climate change. Said disclosure is made from the perspectives of governance, strategy, risk management, and indicator and target. Highlighted requirements are shown in the “Inventec TCFD management structure” and “indicator and target”.

6.1 Climate Action

6.1.2 Climate Action Approach



Climate-Related Risks Issues

1. Increased obligations to report carbon emissions, power saving rates, etc.
2. Increased uncertainty of international emissions trading, carbon taxes, and new regulations.
3. Increased carbon pricing and cost of emissions trading.
4. Increased worldwide demand for renewable energy.
5. Information communication products replaced by advanced low-carbon technologies.
6. Increased green consumption awareness.
7. Increased cost of green procurement.
8. Increased concern at stakeholder level.
9. Drastic changes in rainfall pattern and climate types.
10. Increased average temperature (water shortages, increased electricity consumption) and rising sea level (floods).

The TCFD risk management approach identification has been adopted by Inventec so climate action is fulfilled mainly through the following four steps to investigate and plan future mitigation and adaption practices.

By referring to the CSR reports issued by the same trade and other related information provided by the TCFD, Inventec has identified 10 climate-related risks issues (shown in the figure); among them, 5 major risk issues (in red) were identified based on the probability of occurrence and assessment of the impact level of the risk.

6.1 Climate Action

6.1.2 Climate Action Approach

Description of the evaluated financial impact of five major risk issues

Major risk issues identified by Inventec			Impact and influence on future finances
Transition risk	Policy and Legal Risks	1. Increased carbon pricing and costs of carbon trading.	<ul style="list-style-type: none"> ● Increased operating costs. ● Increased liability for insurance claims caused by climate-related impact.
	Technology risk	2. Information communication products replaced by low-carbon innovative technologies.	<ul style="list-style-type: none"> ● Increased R&D expenditure.
	Market risk	3. Increased global demand for renewable energy.	<ul style="list-style-type: none"> ● Increased operating costs.
Physical risks	Chronic Risk	4. Drastic changes in rainfall pattern and climate types. 5. Increased average temperature (water shortages, increased electricity consumption) and rising sea level (floods).	<ul style="list-style-type: none"> ● Increased liability for insurance claims caused by climate-related impact. ● Reduced revenue due to decreased productivity (such as supply chain disruption).

Projects that may generate opportunities

Items of opportunities that can be generated by Inventec		Increase opportunities for future financial revenue
Energy Source	<ul style="list-style-type: none"> ● Take part in renewable energy and carbon trading markets. 	<ul style="list-style-type: none"> ● Reduce operating costs to facilitate business diversification.
Resource Efficiency	<ul style="list-style-type: none"> ● Promote energy-saving measures to improve the efficiency of energy use. ● Implement resource recovery/reuse. 	<ul style="list-style-type: none"> ● Reduce operating costs and increase customer procurement ratios.
Products and Services	<ul style="list-style-type: none"> ● Develop low-carbon products/services. 	<ul style="list-style-type: none"> ● Improve performance to increase revenue and operating profit margin.
Market	<ul style="list-style-type: none"> ● Participate in incentive measures and programs launched by government agencies. 	<ul style="list-style-type: none"> ● Obtain incentives and subsidies to increase the chance of entry.

6.1 Climate Action

6.1.2 Climate Action Approach

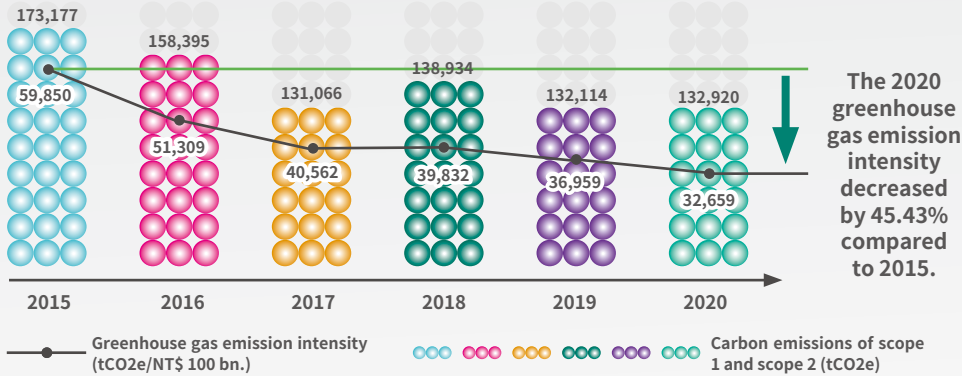
Target/Indicator	2020 Implementation Status
Greenhouse Gas Inventory Indicator	Calculated 2020 greenhouse gas emissions (scope 1, 2, and 3) and be certificated by third-party in April, 2021. Inventec will disclose after receiving the third-party assurance statement.
Science Based Target, SBT	Compared to SBT base year 2015 (173,177.133 metric tons of carbon dioxide equivalent), Inventec's carbon emissions in 2020 decreased by 40,256.6865 metric tons of carbon dioxide equivalent (decreased by 23.25%).
Renewable Energy Target	Electricity generated from solar power in 2020 was 5,392,294.8 kWh (19,412,261.28 megajoules). The scope includes IPT, IACP, IACJ, and ISEC
Energy Saving Target	Energy Saving in HQ (EUI) The electricity consumption per unit area in 2020 decreased by 19.1% compared to the base year 2014 Energy Saving in Server Room Located in IT Center (PUE) IET : PUE in 2020 decreased by 3.67% compared to the base year 2019 TAO : PUE in 2020 decreased by 19.40% compared to the base year 2019 IPT : Due to the stable operation in Jan. 2021, PUE 1.47 is based on the calculation in Jan.2021 ICC : PUE in 2020 was the same as the base year 2019 Energy Saving in Factories (EI): 2020 EI in China sites decreased by 14.95% compared to the base year 2018 (0.468 kWh/ NT\$ thousands revenue)
Water Resources Management Target	Water consumption per person in 2020 decreased by 7.56% compared to the base year 2012.
Waste Management Target	Waste in 2020 decreased by 21.29% compared to the base year 2014.
Product Energy Saving Design Target	Notebook PC: The energy use efficiency shall be 25% higher than the latest ENERGY STAR Computers Specification Version 8.0. Received 199 product energy efficiency certifications in 2020 Server: The energy use efficiency meets ENERGY STAR Computer Servers Specification Version 3.0. Received 11 product energy efficiency certifications in 2020



6.1 Climate Action

6.1.3 Greenhouse Gas Emission Management

Inventec's Greenhouse Gas Emission Intensity Over the Years

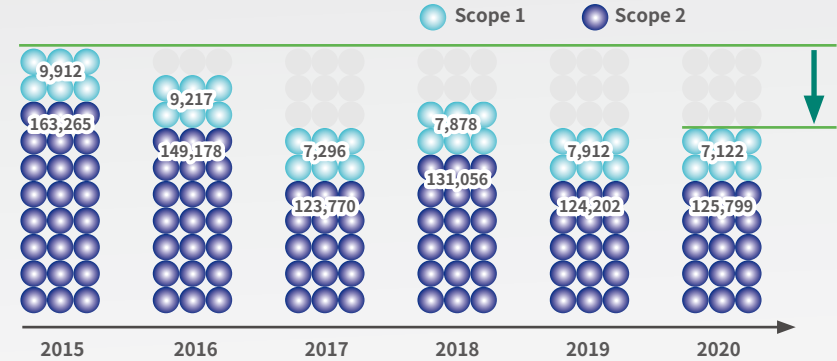


Greenhouse Gas Emission Intensity

- ◆ Greenhouse gas emissions intensity (Scope 1 emissions and Scope 2 emissions) of Inventec in 2020 was 32,659 metric tons of carbon dioxide equivalent / NT\$ 100 billion, which is 11.64% less than in 2019 (36,959 metric tons of carbon dioxide equivalent / NT\$100 billion). Compared with the SBT Carbon reduction base year of 2015 (59,850 metric tons of carbon dioxide equivalent / NT\$ 100 billion), 2020 saw a decrease (45.43% reduction).
- ◆ According to the analysis, Inventec's greenhouse gas emission intensity from 2015 to 2020 shows a downward trend, and greenhouse gas emissions also decreased, whereas revenue over the years has shown an upward trend. Based on these data changes, while Inventec is pursuing revenue growth, the company is also investing its efforts in using renewable energy (such as outsourcing of solar power for plants in China), reducing the use of outsourcing supply mains, and promoting energy saving and carbon reduction programs to reduce greenhouse gas emissions.

Inventec's Greenhouse Gas Emissions of Scope 1 and Scope 2 over the Years (Unit: tCO2e)

Compared to 2015, Inventec reduced its metric tons of carbon dioxide equivalent by 40,256.6865 (a reduction of 23.25%) in 2020.



Greenhouse gas emissions of Scope 1 and Scope 2 include Taiwan factories (IET, TAO, and ITO), China factories (ICC and IPT), and overseas factories (ICZ and IMX).

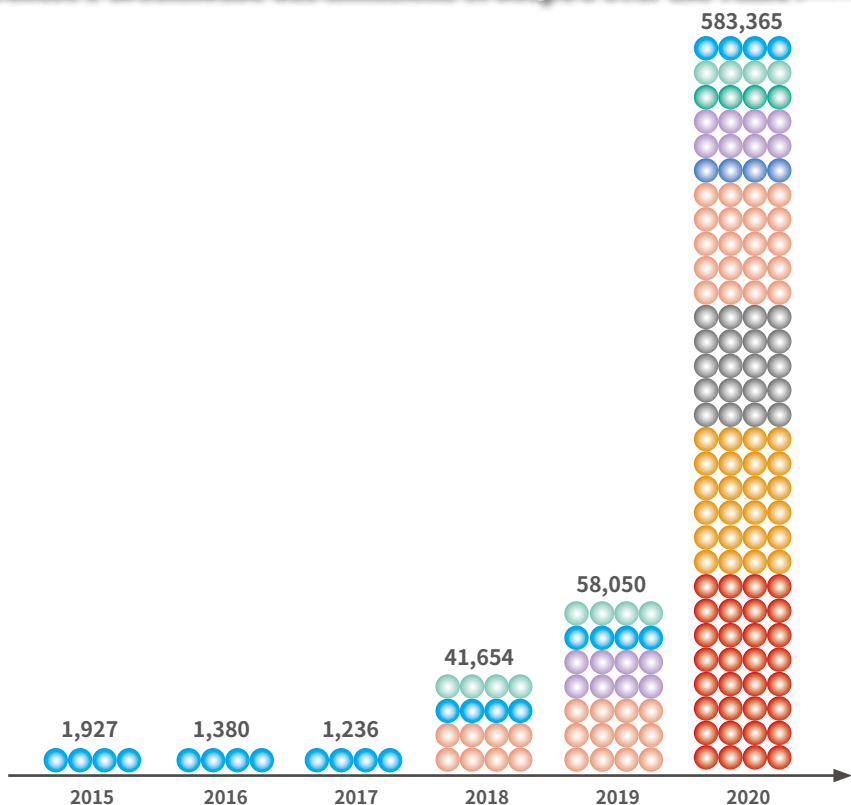
Greenhouse Gas Emissions of Scope 1 Emissions and Scope 2 Emissions

- ◆ Inventec's total greenhouse gas carbon emissions in 2020 was 132,920.4465 metric tons of carbon dioxide equivalent, among which the carbon emissions of Inventec's plants in China were 102,373.2724 metric tons of carbon dioxide equivalent (77.02% of total emissions), which is the primary source of contribution.
- ◆ Inventec's direct GHG emissions (Scope 1 emissions) in 2020 was 7,121.8524 metric tons of carbon dioxide equivalent (accounting for 5.36% of total emissions), and Indirect GHG emissions from imported energy (Scope 2 emissions) was 125,798.5941 metric tons of carbon dioxide equivalent (accounting for 94.64% of total emissions).
- ◆ Compared to 2019 (carbon emissions of 132,114.225 metric tons of carbon dioxide equivalent), Inventec has a slight increase of 806.2215 metric tons of carbon dioxide equivalent in 2020 (an increase of 0.61%). This is mainly due to the increase in the production capacity of the plants in China and the expansion of factory floors in Taiwan.
- ◆ Compared to the SBT carbon reduction base year of 2015 (carbon emissions of 173,177.133 metric tons of carbon dioxide equivalent), Inventec reduced its metric tons of carbon dioxide equivalent by 40,256.6865 (a reduction of 23.25%) in 2020.

6.1 Climate Action

6.1.3 Greenhouse Gas Emission Management

Inventec's Greenhouse Gas Emissions of Scope 3 over the Years (Unit: tCO2e)



Greenhouse Gas Emissions of Scope 3 Emissions

- ◆ Scope 3 emissions greenhouse gas emissions of Inventec in 2020 was 583,365 metric tons of carbon dioxide equivalent (refer to the table for detailed information). The inventory calculation items of Scope 3 emissions in 2020 cover (1) business travel, (2) employee commuting, (3) the disposal of solid and liquid waste (sorting, transportation, and disposal), (4) upstream transportation and distribution, (5) downstream transportation and distribution, (6) purchased goods and services, (7) use of sold products, and (8) investments.
- ◆ Compared to 2019 (58,050 metric tons of carbon dioxide equivalent), greenhouse gas emissions of scope 3 increased in 2020. The reason for the increase is mainly related to the newly added inventory calculation items. There are five new items in total: (1) staff commuting, (2) waste treatment, (3) product use stage, (4) purchasing goods and services, and (5) investment. Please refer to the chart on this page for the carbon emissions of each category.

Inventec's Greenhouse Gas Emissions of Scope 3 Emissions over the Years (unit: metric tons of carbon dioxide equivalent, tCO2e)

Scope 3 emission items of Indirect GHG emissions	2015	2016	2017	2018	2019	2020	Inventory and calculation of indirect emission projects in the year of 2020	
(Category 3) Indirect GHG emissions from transportation	Upstream transportation and distribution	---	---	---	2,035	3,364	<ul style="list-style-type: none"> The indirect GHG emissions of raw materials provided by 20 suppliers for NB products: 1,928 tCO2e. The indirect GHG emissions of raw materials provided by nine suppliers for server products: 1,435 tCO2e (self-declared). 	
	Downstream transportation and distribution	---	---	---	40,275	54,358	<ul style="list-style-type: none"> Indirect GHG emissions of shipments and transportation of NB products: 64,430 tCO2e. Indirect GHG emissions of shipments and transportation of server products: 95 tCO2e (self-declared). 	
	Business travel	1,927	1,380	1,236	1,301	1,491	179	Indirect GHG emissions of employee business travel and aviation. Range: factory floors in Taiwan (IET, TAO, ITO) and China (ICC, IPT).
	Employee commuting	---	---	---	---	---	2,305	Indirect GHG emissions of employee commuting (automobile, scooter) range: IET, TAO, ICC, IPT
	the disposal of solid and liquid waste transportation	---	---	---	78	165	201	Consignment of waste removal and disposal (transportation) range: IET, TAO, ITO, ICC, IPT, ICZ, IMX
(Category 4) Indirect GHG emissions of company's Using the products	Purchase of goods and services	---	---	---	---	137,658	<ul style="list-style-type: none"> The indirect GHG emissions of raw materials provided by 20 suppliers for NB products: 117,402 tCO2e. The indirect GHG emissions of raw materials provided by nine suppliers for server products: 20,256 tCO2e (self-declared). 	
	The disposal of solid and liquid waste	---	---	---	---	1,880	Waste consignment processing Range: IET, TAO, ITO, ICC, IPT, ICZ, IMX	
Category 5) Indirect GHG emissions associated with the use of products from Inventec	Use of sold products	---	---	---	---	293,723	<ul style="list-style-type: none"> Indirect GHG emissions from electricity use (energy consumption) after NB products are sold: 91,789 tCO2e. Indirect GHG emissions from electricity use (energy consumption) after server products are sold: 201,933 tCO2e (self-declared). 	
	Investments	---	---	---	---	79,530	Indirect GHG emissions of companies of the group purchased electricity. Range: Inventec, AIMobile, Inventec BESTA	
(Category 6) Indirect emissions of other sources	---	---	---	---	---	0	No Indirect GHG emissions from other sources.	
Total	1,927	1,380	1,236	41,654	58,050	583,365		

Note: NB: Notebook PC

6.1 Climate Action

6.1.4 Energy Management

Performance of Inventec's Energy-saving and Carbon-reduction Projects over the Years

The category of energy saving project	2018			2019			2020		
	Numbers of projects	Energy saved (kWh)	Carbon reduced (tCO2e)	Numbers of projects	Energy saved (kWh)	Carbon reduced (tCO2e)	Numbers of projects	Energy saved (kWh)	Carbon reduced (tCO2e)
Air compressor system	0	0	0	1	589,332	464	1	221,280	160
Air conditioning exhaust system	3	376,235	221	4	190,520	102	4	748,702	511
Lighting system	4	396,827	285	8	305,496	237	1	10,736	5
Process improvement	1	231,814	168	1	251,208	182	1	83,736	61
Project (including management)	1	116,760	85	3	315,467	184	0	0	0
Total	9	1,121,636	759	17	1,652,023	1,169	7	1,064,454	737



Energy Saving and Carbon Reduction

- ◆ To alleviate the environmental impact caused by greenhouse gases emitted by company operations, all factory floors continue to promote energy-saving and carbon-reduction programs in addition to introducing the ISO 50001 Energy Management System step-by-step to effectively reduce greenhouse gas emissions. Inventec cooperates with the carbon management of local governments by purchasing carbon rights via carbon trading at an exchange center as stipulated for implementing carbon neutrality.
- ◆ Seven major energy saving projects were promoted in 2020, and 1,064,454 kWh (3,832,033 megajoule) were saved, which is equal to the carbon emissions reduced by 737.12 metric tons of carbon dioxide equivalent. The carbon reduction decreased by 3% compared to 2018.

Energy Saving Target

- ◆ Energy saving for the server room of information center (PUE): With the base year 2019, the target is to reduce 11% by 2025.
- ◆ Plant energy saving (EI): With the base year 2018, the target is to reduce 5% by 2025.
- ◆ HQ energy saving (EUI): With the base year 2014, the unit area electric consumption will be reduced by 10% by 2024.



ISO 50001 Certificate (Taiwan)



ISO 50001 Certificate (China)



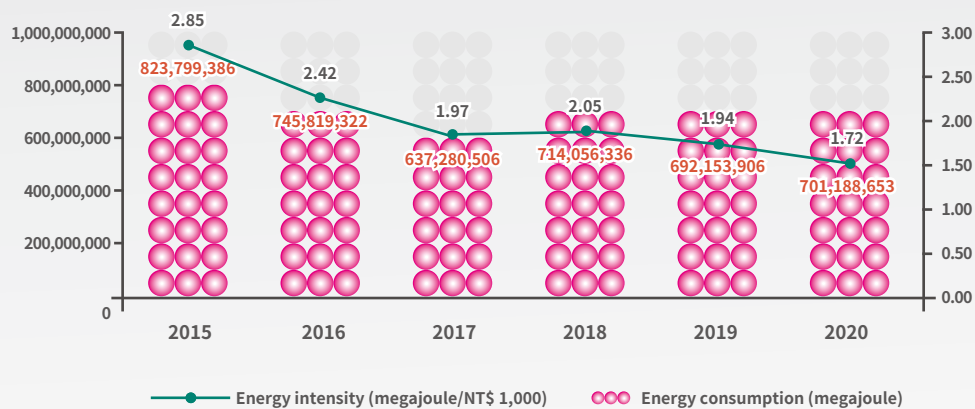
Energy Saving and Carbon Reduction

- ◆ Energy saving in server room located in information center (PUE)
 - IET: PUE in 2020 decreased by 3.67% compared to the base year 2019
 - TAO: PUE in 2020 decreased by 19.40% compared to the base year 2019
 - IPT: Due to the stable operation in Jan. 2021, PUE was 1.47 (based on the calculation in Jan.2021)
 - ICC: PUE in 2020 was the same as the base year 2019
- ◆ Energy saving in HQ (EUI) : EUI of IET in 2020 decreased by 19.10% to 129.24 MWh/ m² compared to 159.75 MWh/ m² in 2014 (base year)
- ◆ Energy saving in factories (EI): 2020 EI in China sites decreased by 14.95% to 0.359 (kWh / NT\$ thousands revenue) compared to 0.468 (kWh / NT\$ thousands revenue) in the base year 2018.

6.1 Climate Action

6.1.4 Energy Management

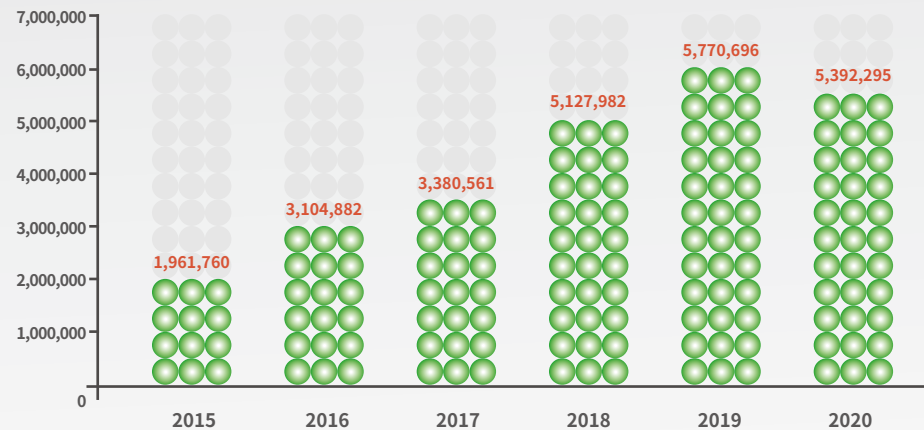
Inventec's Energy Consumption and Energy Intensity over the Years



Energy Consumption and Energy Intensity

- ◆ To fulfill its corporate social responsibility and sustainable operation goals, Inventec will continue to drive the energy management system that meets international standards by adhering to energy saving and carbon reduction. Our commitment to energy policy includes:
 - Continuously improve energy efficiency and reduce the costs of energy usage.
 - Comply authentically with regulatory requirements and comprehensively identify all kinds of energy sources.
 - Review energy targets and objectives, and ensure the availability of information resources.
 - Implement the energy management system to reduce greenhouse gas emissions.
- ◆ Energy consumption: the usage of energy of Inventec in 2020 was 701,188,653 megajoule (purchased electricity, natural gas), which is an increase of 1.31% compared to the 692,153,906 megajoule of energy (purchased electricity, natural gas) in 2019.
- ◆ Energy intensity: the energy intensity of Inventec is 1.72 megajoule / NT\$ one thousand in 2020, which is a decrease of 11.12% compared to 2019 (1.94 megajoule / NT\$ one thousand).
- ◆ According to the analysis of energy intensity from 2015 to 2020, Inventec's energy consumption and energy intensity has seen a downward trend, which shows that Inventec's efforts to reduce energy consumption while pursuing revenue growth are effective.

Inventec's Renewable Energy Usage over the Years (Unit: kWh)



Renewable Energy

- ◆ The solar power of Inventec Group (Inventec, Inventec Appliances, and Inventec Solar Energy Corporation) generated in 2020 was 5,392,295 kWh (19,412,261 megajoule), a decrease of 378,401 kWh compared to 5,770,696 kWh (20,774,506 megajoule) of the renewable energy consumption in 2019. Selling some buildings in Pudong factory is the main reason.
- ◆ The use of renewable energy in 2020 increased by nearly 1.75 times compared with 2015, which shows the Group's determination to attach importance to "green energy environmental protection".
- ◆ As well as implementing energy saving and improving equipment energy efficiency, Inventec Group has also been striving for a breakthrough in present conditions by continuing to build solar energy clean devices.

6.2 Eco-friendly

6.2.1 Approach to Environmental Responsibility

Environmental Management System Operational Process



7 Factories around the World Passed ISO 14001 Third-party Reviews.



ISO 14001 Certificate

6.2 Eco-friendly

6.2.1 Approach to Environmental Responsibility

Inventec

Overview of Environmental Management

- ◆ To avoid environmental pollution caused by business process, Inventec continues to advance the ISO 14001 environmental management system through the PDCA plan-do-check-act cycle mechanism to meet the latest environmental regulations.
- ◆ Inventec has set up excellent operation and control mechanism in terms of employee environmental education, wastewater, chemicals, waste, etc. to prevent effectively toxic or harmful substances from polluting the surrounding environment.

Environmental Education for All Employees

- ◆ To increase the environmental awareness of all personnel, Inventec has been focusing on management and control measures of water resources, waste, and other related items in factory areas during new employee orientation with the goal of everyone implementing daily environmental management methods.
- ◆ Promoting paperless green learning through the e-Learning platform to provide online courses and convey norms and tendencies related to environmental protection to establish an environmentally friendly operating concept.
- ◆ Carrying out special personnel training and qualified presumption in accordance with local laws and regulations based on the manufacturing process or special operational requirements of each factory floor to ensure compliance operations.

Domestic Wastewater

- ◆ Since Inventec mainly adopts system assembly and testing without process water, the source of wastewater is mostly general domestic wastewater.
- ◆ The domestic sewage of the factory floor is collected and discharged to the sewage pipeline or sewer through pipelines before being sent to a urban sewage treatment plant for unified processing. Conforming to local laws and regulations, the treatment process has no serious impact on relevant habitats or the surrounding ecological environment.

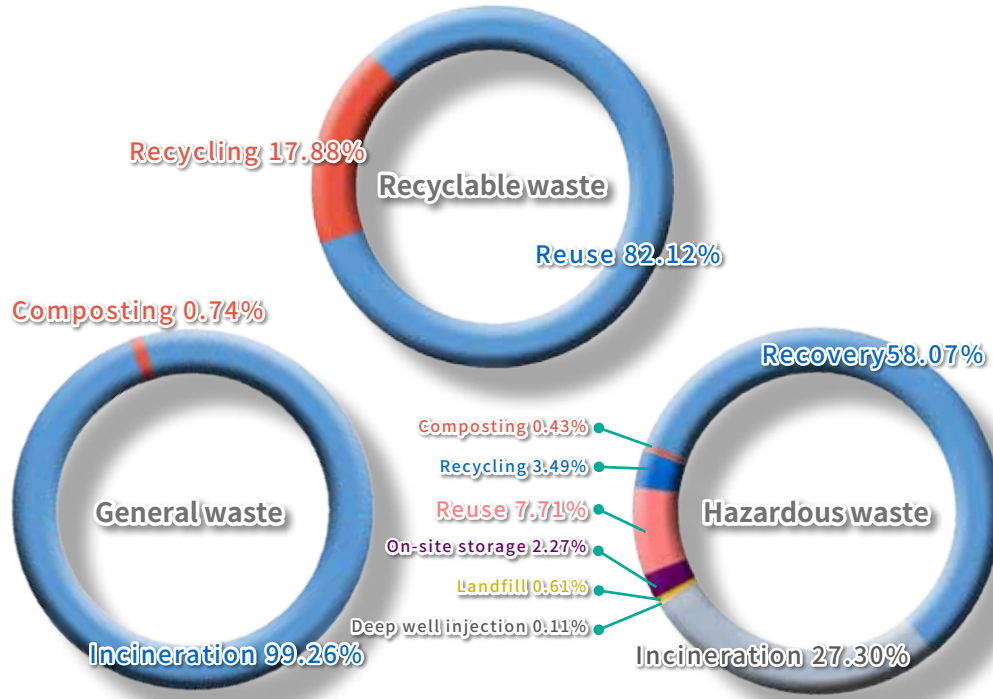
Chemicals

- ◆ To fully understand the safety information of chemicals and reduce the risk of chemical hazards causing harm to health and safety and the environment, Inventec has implemented relevant management measures aimed at hazard labeling, storage, and use management of hazardous chemicals, and carried out the necessary vocational training for personnel who manage chemical substances to prevent disasters and accidents.
- ◆ No serious leakage occurred in 2020.

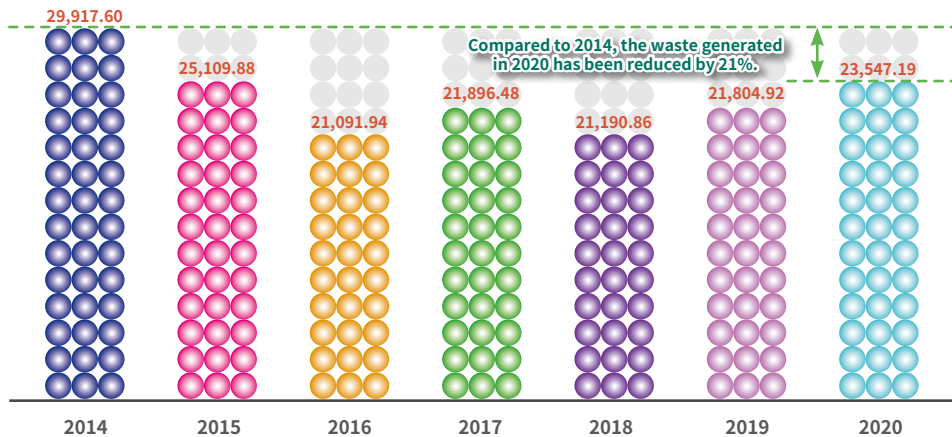
6.2 Eco-friendly

6.2.2 Waste Management

Analysis of Waste Disposal Methods



Inventec's Amounts of Wastes over the Years (Unit: Metric Ton)



Policy

- Realize zero pollution and emissions, work diligently on waste reduction, follow environmental protection laws, and continue driving environmental sustainability.
 - Strive for industrial waste reduction, and implement environmental protection on factory floors.
 - Minimize waste output and maximize resources recycling.

Objective

- Taking 2014 as the base year, waste will be reduced by 25% by 2025.
- Ensure that waste disposal and removal methods comply with local regulations and standards.
- Implement waste management, classification, recycling, and reduction.

Practice

- Select a qualified waste disposal company from which a specially assigned person is responsible for monitoring the transportation of waste and treatment method at any time, and take note of the weights.
- A designated waste area where specially assigned personnel will give assistance for the recovery and treatment of various industrial wastes has been marked at factories.
- Take the initiative to inspect and audit cooperative cleaning companies and review their factory conditions and license conformity on a regular basis to ensure that waste disposal and removal methods conform to standards.

2020 Waste Management Conditions

- Waste classification: Inventec's waste categories are divided into general waste, recyclable waste, and hazardous waste.
- Volume of waste generated in operation: the volume of waste generated in operation managed by Inventec in 2020 was 23,547.19 metric tons, with recyclable waste accounting for the highest proportion (85.07%), followed by general waste (12.37%) and hazardous waste (2.56%).
- Treatment methods of waste generated in operation :
 - Recyclable waste: mainly focuses on reuse / recycling .
 - General waste: mainly incineration.
 - Hazardous waste: mainly focuses on recovery and incineration.
- According to the volume of waste generated in operation information of Inventec from 2014 to 2020, the volume of waste generated in operation has seen a downward trend over the past seven years. Compared to 2014, the volume of waste generated in operation in 2020 has been reduced by 21.29%, demonstrating Inventec's efforts in reducing environmental load.
- Inventec's waste removal and treatment companies did not breach contract or violate laws in 2020.

6.2 Eco-friendly

6.2.3 Water Resource Management

Water Management Policy

Water saving for all people

Change the act

Efficient water consumption

Circulation and recycling



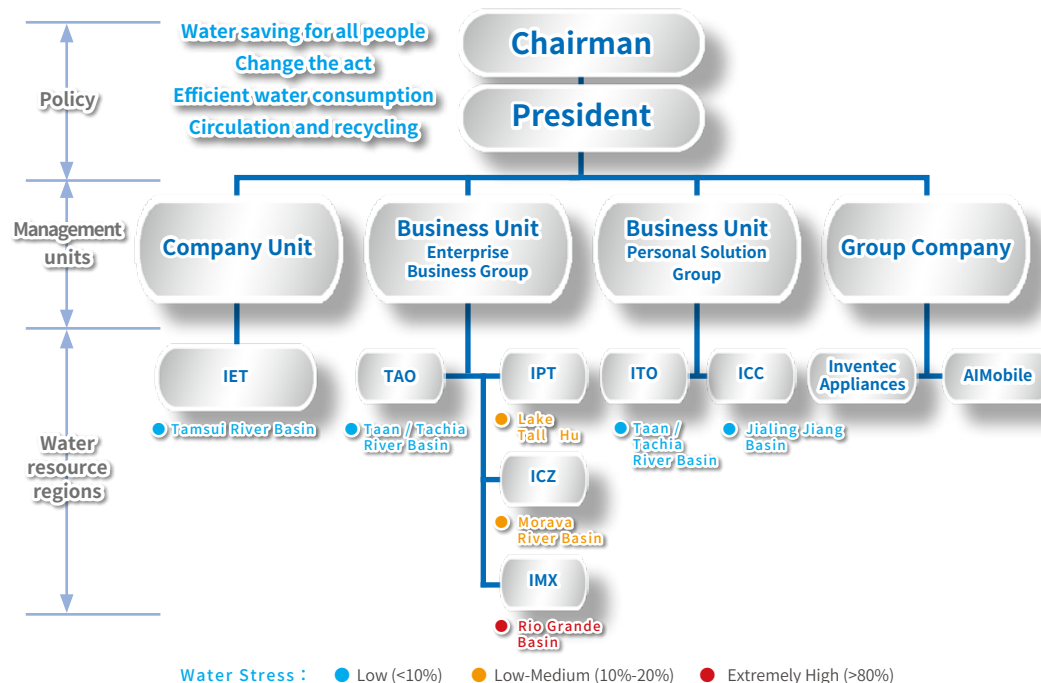
Taking 2012 as the base year, the water consumption intensity will be reduced by 24% by 2024.

- ◆ Employee water-saving training is carried out by each factory floor to change water use behavior.
- ◆ Implement a water resources management plan, make use of water-saving valves, recover available equipment water, and set up a rainwater recovery (wastewater treatment) system.
- ◆ Analyze statistics on water resources every month to manage water resources usage.
- ◆ Implement a water resources management plan every year to improve water recycling rates.



- ◆ The chairman of the board is the highest person in charge of water resources management.
- ◆ The president is the highest level of management responsible for formulating water management policies.
- ◆ Different areas are established in all business units and company units according to their functional characteristics and operating procedures to practice water resources management and to conduct water resource risk identification and probability assessments, and risk management of water resources before integrating the results into the operations management structure of each unit so a report can be filed with upper management.

Inventec Water Resource Management Structure



The Drainage Basins Where Inventec's Global Plants are Located and the Water Stress Faced.

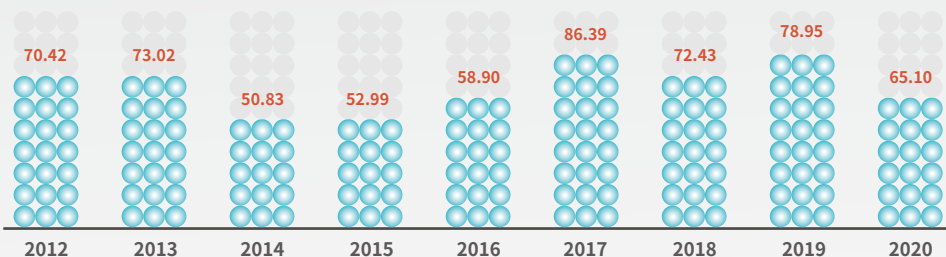


Among Inventec's global plants, only the location of IMX faces higher water stress. IMX's water withdrawn and water consumed accounts for less than 1% in Inventec.

6.2 Eco-friendly

6.2.3 Water Resource Management

Inventec's Water Consumption per Person over the Years (Unit: Metric ton /Person)



Water Recycling

- ◆ Inventec implemented three water-saving programs in 2020 (rainwater recovery and reuse, concentrated water recovery and reuse of pure water equipment, and air-conditioning condensate recovery and reuse), with a total volume of 18,178 tons of water (accounting for 1.39% of total water consumption) recovered. Compared with 2017 (the volume of water recovered was 3,906 tons), an increase of 365% (the volume of water recovered has increased by 14,272 tons) was achieved.

Improvement of Usage Efficiency of Water Resources

- ◆ Tap water is the main source of water resources used by Inventec. According to statistics, the usage of tap water in 2020 was 1.3071 million tons. Compared with 1,498,200 tons in 2019, water consumption in 2020 was reduced by 191,200 tons; a decrease of nearly 12.76%. The average water consumption per person per year was 65.10 tons in 2020, which was reduced by 13.85 tons compared to 78.95 tons in 2019. Compared with 2012, the water consumption per person was reduced by 7.56% in 2020.



Automatic sprinkler system in the factory to regulate water consumption



Earth Day promotional activities for cherishing water resource



Remove old valves and replace pump valves with the new ones to avoid pipeline breakage and water leakage.

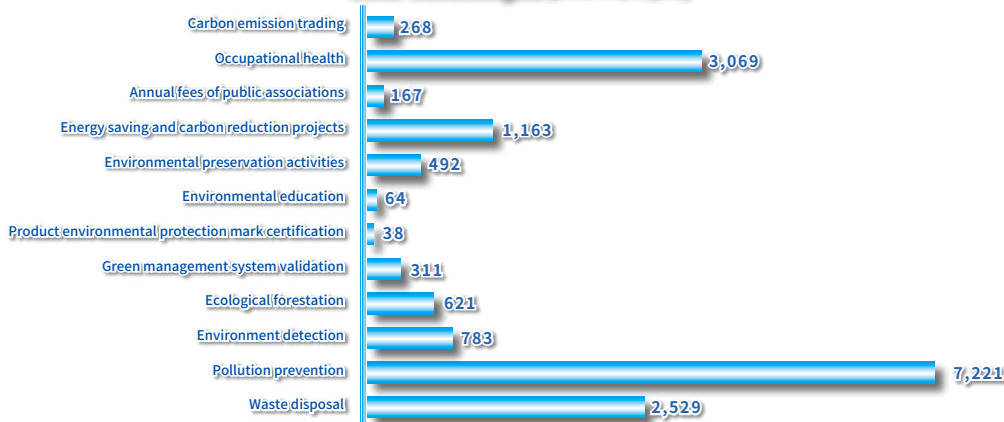
Measures of Water Resources Management

- ◆ All factories of Inventec have no demand for process water. With regard to the practice of water resources management, project management methods are adopted for water saving (such as installing water-saving equipment, setting up water recycling equipment, and water resources management for separate buildings). Management are involved in the process by conducting a regular analysis of water usage status, employee training in water resources (announcements, small cards, training courses), and requesting employees to change their water use behaviors to achieve the goal of overall water consumption reduction.

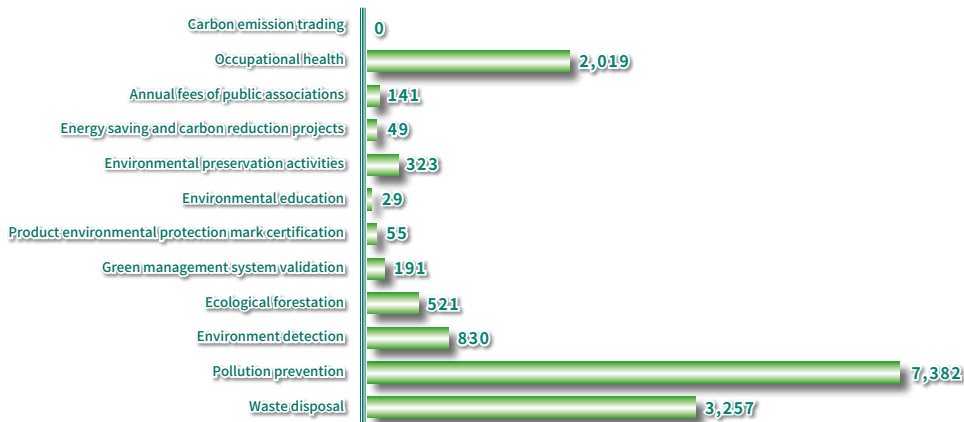
6.2 Eco-friendly

6.2.4 Environmental Management Accounting

2019 Cost Analysis (Unit: NT\$,10,000)



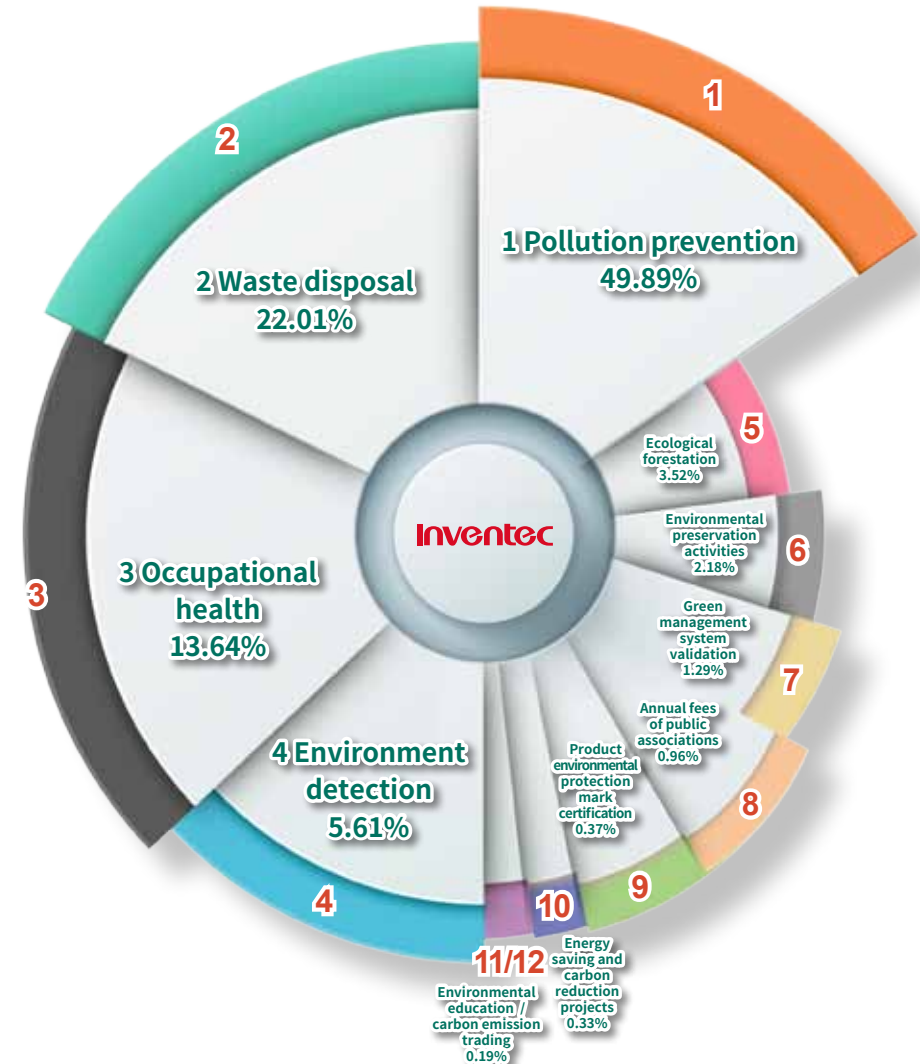
2020 Cost Analysis (Unit: NT\$,10,000)



Administration Expenses for the Maintenance of Environmental Sustainability

- ◆ Administration expenses for the maintenance of environmental sustainability of Inventec in 2020 was NT\$ 147,983,986; respectively 89.61% for Inventec Corporation and 10.39% for Inventec Appliances .
- ◆ The proportions of Inventec's various items of expenditure in 2020 and variations in expenses of each item from 2019 to 2020 are as shown in the figure.

2020 Cost Distribution



6.3 Ecological Sustainability

6.3.1 Green Life

The Sustainable Supply Chain Partner Day responded to 4 SDGs through venue, gifts, drinking water, etc.



Environmental education facility



Environmentally friendly electronic scale

- Encourage precise control of resource utilization
- Avoid waste of resources
- Deepen the idea of green life

Environmentally friendly packaged water

- 43% reduction in plastics
- 55g reduction in carbon dioxide emissions per bottle
- Increase of recycling space by more than 70%



All participating partners on the Sustainable Supply Chain Partner Day responded to SDGs with the exclusive event sticker.



Sustainable Supply Chain Partner Day

◆ To promote the concept of green life education and connect with the Sustainable Development Goals (SDGs), the 2020 Inventec Group Sustainable Supply Chain Forum was held on December 11, 2020. The day became known as the "Inventec Sustainable Supply Chain Partner Day". The event was organized and arranged in such a way that it demonstrated the significance of sustainability. It included:

- The National Taiwan Science Education Center, rated as an environmental education facility, was chosen as the venue.
- Environmentally friendly packaged water, featuring a 43% reduction in plastics, 55g reduction in carbon dioxide emissions per bottle, and an increase of recycling space by more than 70%, was offered to the participants on the day.
- Environmentally friendly electronic scales were given as gifts to encourage precise control of resource utilization, avoid waste, and deepen the idea of green life.

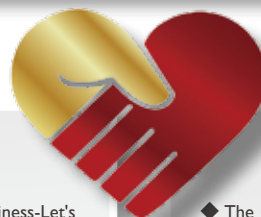


Partners of sustainable supply chain



6.3 Ecological Sustainability

6.3.2 Ecological Education



Adoption of Important Wetlands throughout the Country

- ◆ Since 2012, Inventec and the Inventec Group Charity Foundation have been carrying out the "Love · Happiness-Let's take care of the local ecological environment" project for nine consecutive years by adopting the important wetland, Guandu Nature Park. In the year of 2020, the ecological experience of a total of 116,559 people who visited the Guandu Nature Park was improved.
- ◆ In 2020, we sponsored six sessions of wetland environmental education programs for schools in remote areas. In response to the epidemic, three sessions were scheduled and completed in December 2020 and January 2021 respectively, allowing a total of 131 teachers and students to truly appreciate the beauty of wetlands. A total of 67 sessions were held from 2013 to 2020, with a cumulative number of 1,769 participants.
- ◆ Since 2015, Inventec has been continuing to promote the "Migratory Birds' Ark, Ecological Sustainability Program", collaborating with suppliers, to experience the significance of wetland ecology and environmental sustainability.

The Prospect of Ecological Sustainability – 10 Years of Success

- ◆ The Guandu Natural Park celebrated its 20th birthday in 2020. Inventec, the company which has been devoting itself to fulfilling sustainable ecology, is about to enter the milestone of its 10th year. The achievements made throughout the years for Guandu Natural Park include:
 - The first facility accredited by the Environmental Education Act in our country.
 - An Important Bird Area (IBA) categorized and listed by BirdLife International.
 - Asian member of the Wetland Link International.
- ◆ Covering an area of 57 hectares, the Guandu Nature Park contains profound potential for species conservation, with nearly 1,000 species of flora and fauna. As a long-term ecological sustainability partner, Inventec is pleased to see the fruitful conservation results of the Guandu Nature Park:
 - There are a total of 663 species of birds in Taiwan, and Guandu Natural Park is inhabited by 299 species.
 - Up 111 species of aquatic plants.
 - A total of 48 species are listed as conservation organisms in Taiwan.
 - A total of 18 species are listed as endangered species by the International Union for Conservation of Nature and Natural Resources (IUCN).

7. Inclusive Growth

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SDGs index



Inclusive Growth Performance

**12,229 employees
have donated
4,824,000 ml
of blood over
the years**

**Participation
in 36 public
associations for
social service**

**Support for
public welfare
13 public service
announcements**

**Social donation
More than
NT\$ 20 million**

**Volunteer team
served for 11.6
thousand hours**

**Park adoption
over the years
40 thousand
hours of service
Labor cost
NT\$8.568
million**

Strategy : Inventec adheres to the spirit of “greater responsibility, greater concern” and shoulders the responsibility for those in need

Major Practices : Expand the volunteer team, hold public welfare lectures, collaborate with social groups, serve communities, adopt parks, and have volunteer leaves

Browse Suggestions : Employees, communities, media, etc.

7.1 Foundation



- About education and culture social public affairs
- Scholarships and support funds for students of lower income family



- About environment protection affairs

- Social welfare affairs for children & youth welfare, women welfare, seniors welfare and disabilities welfare
- Donations to the activities of other social public organizations
- Other social public affairs

- Emergency aids and disaster relief affairs
- Medical allowance
- Other social welfare or charity affairs

- The affairs instructed by the competent authorities

Greater Responsibility, Greater Concern

"Love" is to take the responsibility of Inventec based on the needs of the society! Established in January 2010 by Inventec Group, the "Inventec Group Charity Foundation" integrates the internal resources of Inventec Group with the external resources of government agencies and non-governmental charity organizations while encouraging corporate colleagues to participate in various operations to put their heart and soul into promoting social welfare. The Foundation gives priority to caring for children, youth, women, the elderly, people with disabilities, and other underprivileged groups by making donations related to art and culture, education, and environmental conservation, as well as other social welfare projects that support major disaster relief and post-disaster reconstruction programs developed by our government and other private organizations.

7.1 Foundation



Environmental Conservation



The Senior Citizens' Welfare

Art and Culture



The Inventec Group Charity Foundation regularly organizes annual charity concerts- 2020 Taipei Philharmonic Youth and Children's Choir Year-end Gratitude Concert.



The Welfare of Women and Children



The Welfare of Physically and Mentally Disabled People

The five types of related charity organizations regularly supported by the Inventec Group Charity Foundation



- ◆ The Inventec Group Charity Foundation shows care for society through practical actions. Its purpose is to partake in social welfare-related charity events and cooperate with other organizations to assist socially disadvantaged people in obtaining sufficient resources to improve their lives and better protect their rights and interests.
- ◆ In 2020, the Foundation cooperated with 60 public welfare units in focusing on such areas as environmental conservation, art and culture, and social welfare for the benefit of senior citizens, physically and mentally disabled people, children, adolescents, women, etc.
- ◆ Over the years, the Inventec Group Charity Foundation has sponsored the Taipei Philharmonic Foundation to plan the Taipei International Choral Festival and hold Charity Concerts. In 2020, the 20th "2020 Taipei International Choral Festival" took place with both virtual and physical concert performances, making it a large-scale music festival that could still be held during the post-epidemic period.

7.1 Foundation



Inventec



Donate the domestic Mobile Epidemic Prevention and Inspection Station.



Publish the epidemic prevention announcement for expressing gratitude to the epidemic prevention personnel.



Donate the smart medical conveyance robot to the domestic medical institution.



Donate about 240 thousand masks as international epidemic prevention materials.

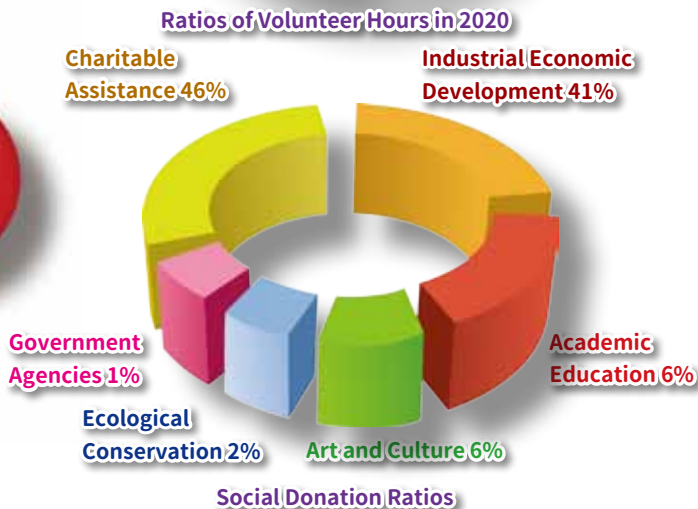
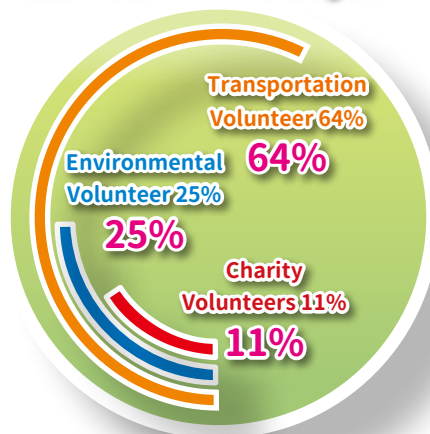
- ◆ In 2020, the Inventec Group Charity Foundation made overseas donations to support global epidemic prevention. Public service announcements were also created for well-known media to pay tribute to all epidemic prevention personnel. Furthermore, in order to improve the service quality of medical institutions, the company also contributed AI medical automated guided vehicle (AGV) and craniomaxillofacial analysis simulation software to Taipei Veterans General Hospital so that it could provide medical services of the highest quality to our citizens with the most complete equipment and advanced technology.
- ◆ During the local epidemic in May 2021, the "Mobile Epidemic Prevention and Inspection Station" was timely donated to the Taipei City medical institution for epidemic prevention purpose.

7.2 Social Inclusion

7.2.1 Long-term Focus and Donation



7.2.2 Volunteer Participation



Volunteer hours in 2020 increased by 72% compared to 2016.



In response to the "1919 Reading Program", Inventec has participated in the "1919 Charity Road Running and Material Packaging" volunteer activities for 8 consecutive years.

◆ Maintaining the spirit of "Greater Responsibility, Greater Concern", Inventec and the Inventec Group Charity Foundation have spared no efforts in fulfilling the five major missions of Inventec's corporate citizenship responsibilities, including giving charitable assistance, participating in arts promotion, raising disaster relief funds, implementing community afforestation, and supporting activities and events held by the government.

◆ Volunteer is part of the DNA of Inventec's employees and its corporate culture. From a new employee's first day of joining association activities, Inventec has developed a series of volunteer programs and incentives (16 hours of paid volunteer leave per person per year is granted by the general leave and management regulations of Taiwan) and takes the initiative to encourage Inventec employees to play a role in satisfying the needs of others during off-work hours, both in an effort to recognize Inventec's responsibility and to integrate and grow with our society. In 2020, the number of hours that Inventec Corporation participated in volunteer works reached 11,575, and the annual volunteer hours over the past 5 years are shown in the figure on this page.

◆ Inventec and the Inventec Group Charity Foundation have long been committed to developing the six dimensions in order to promote fellowship and grow with the cooperative partners. In 2020, social donations reached a total of NT\$ 21,552,000.

7.2 Social Inclusion

7.2.3 Participation in Industry Associations

Inventec actively participates in the industry associations to be a bridge serving the society.

Inventec



7.2 Social Inclusion

7.2.3 Participation in Industry Associations

Inventec, as a member of the industry associations, collaborates to promote industrial exchanges.

7.2 Social Inclusion

7.2.4 Long-term Promotion of Blood Donation



Inventec employees continue to respond to blood donation activities.

7.2.5 Support for the Society



Earth Day - Environmental Protection Knowledge Cloud Contest



Care for the disabled elders on Double Ninth Festival



Care for the disabled children



Encourage the medical staffs at the hospital



- ◆ Inventec has been actively responding to the need for blood donation for the past 27 years and has become a top-quality partner of the blood donation center. It organizes blood donation events on a quarterly basis. Even in 2020, a challenging year with the unpredictable epidemic, the chairman and supervisors of the company still enthusiastically encouraged all employees to donate their blood.
- ◆ Blood donation events are regularly held four times a year. All employees have enthusiastically responded to these events, and the cumulative total number of people who donated their blood was 12,229, with a total blood volume of 4,824,000 ml being donated.



- ◆ Inventec has long been committed to spreading care to its business partners and social groups by promoting all kinds of social participation activities and inviting them to jointly support all kinds of social care participation events.
- ◆ Inventec displays its multi-faceted efforts for social welfare participation by organizing the Earth Day-Environmental Protection Knowledge Cloud Contest, show care and concern for disabled elders and children, and extend its involvement to medical staff in mainland China.

7.3 Employees' Social Impact



- ◆ Upholding the idea of “Caring Inventec: In the needs of others, find Inventec’s responsibility” and the spirit of “Greater Responsibility, Greater Concern,” Inventec expects to continue paying it forward and creating a better future through both the vertical and horizontal integration of group resources and the selfless participation of corporate volunteers.
- ◆ Since 2013, Inventec has been supporting World Vision Taiwan to hold “30 Hour Famine,” and the company has subsidized employees’ activity registration fees as donation fundraising for the event.



Inventec has adopted Shilin Qiangang Park for 20 years.

- ◆ Inventec has adopted Shilin Qiangang Park for the past 20 years, with a total investment of 40,160 hours in environmental maintenance services and NT\$ 8,568,000 in labor costs.



- ◆ Inventec assisted the New Life Society in establishing the Food and Agriculture Academy to help students with disabilities to learn, grow, and develop self-reliance.



- ◆ Inventec teamed up with Chuanyue Charity Association to organize care and scholarship distribution events in remote areas.

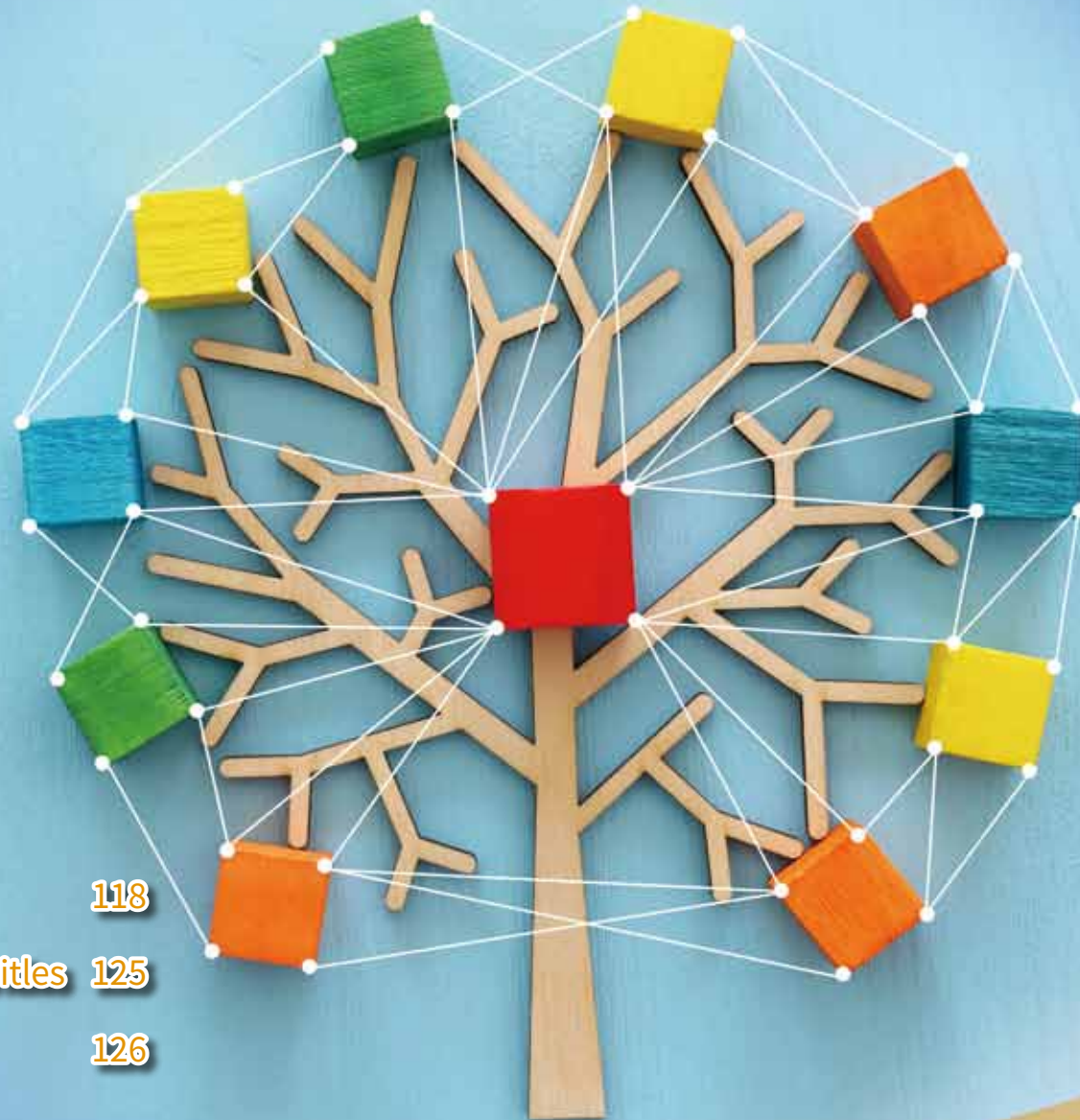


Donation Activity encourages the disadvantaged students.

- ◆ Inventec cares for schoolchildren from disadvantaged families. Through the “Donation Activity” events, the company calls on its employees to collect gift boxes of stationery and daily necessities to donate. From 2017 to 2020, a cumulative total of 621 gifts were given to schoolchildren from disadvantaged families.

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8.1 GRI/SASB Index

8.1.1 GRI Index

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102-10	Significant changes to the organization and its supply chain	4.3 Sustainable Supply Chain	61-64
102-11	Precautionary Principle or approach	6.1.2 Climate Action Approach	92-93
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102-23	Chair of the highest governance body	3.1 Corporate Governance	27-29
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Omission : Currently the nomination and selection of Board members does not consider the environmental and social professional and experience.			
102-25	Conflicts of interest	3.2.1 Whistleblower Protection and Open Reporting Channels (Please refer to the "Rules of the Board of Directors Meeting" for the interest conflict prevention policy)	30
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Omission : The current performance evaluation of the Board of Directors does not yet include environmental and social performance.			
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8.1 GRI/SASB Index

8.1.1 GRI Index

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Omission : Currently the remuneration policy and distribution principle of the Board of Directors do not include environmental and social performance.			
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102-55	GRI content index	8.1 GRI /SASB Index	118-120
102-56	External assurance	8.3 AA 1000 Assurance Statement	126

GRI 103 : Management Approach

Disclosure		Chapter/ Explanation	Page
103-1	Explanation of the material topic and its Boundary	2.2.2 Response to Material Topic	18-21
103-2	The management approach and its components Evaluation of the management approach	3 Sustainable Governance	26
103-3		4. Operational Development	36
		5. LOHAS Life	66
		6. Environmental Sustainability	88

GRI 201: Economic Performance, GRI 204: Procurement Practices, GRI 205: Anti-corruption

Disclosure		Chapter/ Explanation	Page
201-1	Direct economic value generated and distributed	4.1.7 Financial Performance	50
		7.2.1 Long-term Focus and Donation	112
201-4	Financial assistance received from government	4.1.7 Financial Performance	50
204-1	Proportion of spending on local suppliers	4.3.3 Sustainable Supply Chain Operation	64
205-1	Operations assessed for risks related to corruption	3.2.2 Implementation Result	31
205-2	Communication and training about anti-corruption policies and procedures	3.2 Integrity Management	30-32
205-3	Confirmed incidents of corruption and actions taken	3.2.2 Implementation Result	31

8.1 GRI/SASB Index

8.1.1 GRI Index

GRI 302: Energy, GRI 305: Emissions, GRI 306: Waste, GRI 308: Supplier Environmental Assessment

Disclosure		Chapter/ Explanation	Page
302-1	Energy consumption within the organization	6.1.4 Energy Management	97-98
302-3	Energy intensity	6.1.4 Energy Management	97-98
302-4	Reduction of energy consumption	6.1.4 Energy Management	97-98
305-1	Direct (Scope 1) GHG emissions	6.1.3 Greenhouse Gas Emission Management	95
305-2	Energy indirect (Scope 2) GHG emissions	6.1.3 Greenhouse Gas Emission Management	95
305-3	Other indirect (Scope 3) GHG emissions	6.1.3 Greenhouse Gas Emission Management	96
305-4	GHG emissions intensity	6.1.3 Greenhouse Gas Emission Management	95
305-5	Reduction of GHG emissions	6.1.4 Energy Management	97-98
306-1	Waste generation and significant waste-related impacts	6.2 Eco-friendly	101
306-2	Management of significant waste-related impacts	6.2 Eco-friendly	101
306-3	Waste generated	6.2 Eco-friendly	101
308-1	New suppliers that were screened using environmental criteria	4.3 Sustainable Supply Chain	61-64
308-2	Negative environmental impacts in the supply chain and actions taken	4.3 Sustainable Supply Chain	61-64

GRI 401: Employment, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 414: Supplier Social Assessment, GRI 416: Customer Health and Safety, GRI 418: Customer Privacy

Disclosure		Chapter/ Explanation	Page
401-1	New employee hires and employee turnover	5.2.2 Talent Acquisition	78
403-1	Occupational health and safety management system	5.1.2 Occupational Safety and Health Management System	70-71
403-2	Hazard identification, risk assessment, and incident investigation	5.1.2 Occupational Safety and Health Management System 5.1.3 Workplace Safety & Health	70-75
403-3	Occupational health services	5.1.3 Workplace Safety & Health	72-75
403-4	Worker participation, consultation, and communication on occupational health and safety	5.1.2 Occupational Safety and Health Management System	70-71
403-5	Worker training on occupational health and safety	5.1.3 Workplace Safety & Health	72-75
403-6	Promotion of worker health	5.1.3 Workplace Safety & Health	72-75
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1.3 Workplace Safety & Health	72-75
403-9	Work-related injuries	8.1.2 SASB Index	124
404-1	Average hours of training per year per employee	5.2.3 Talent Cultivation	83
404-2	Programs for upgrading employee skills and transition assistance programs	5.2.3 Talent Cultivation	79-83
404-3	Percentage of employees receiving regular performance and career development reviews	5.2.3 Talent Cultivation	79
414-1	New suppliers that were screened using social criteria	4.3 Sustainable Supply Chain	61-64
414-2	Negative social impacts in the supply chain and actions taken	4.3 Sustainable Supply Chain	61-64
416-1	Assessment of the health and safety impacts of product and service categories	4.2.2 Green Research and Development	57-58
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.2.2 Green Research and Development	57-58
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1.8 Information Security Management System	51-53

8.1 GRI/SASB Index

8.1.2 SASB Index

In accordance with Sustainability Accounting Standard of Sustainable Accounting Standards Board (SASB), Technology & Communications Sector's EMS (Electronic Manufacturing Services) & ODM (Original Design Manufacturing) standard is applicable to Inventec.



SASB Activity Metrics Index

SASB Code	Activity Metric	Content	Chapter
TC-ES-000.A	Number of manufacturing facilities	7 facilities	2.3
TC-ES-000.B	Area of manufacturing facilities	3,827,098.66 ft ²	1.2.1
TC-ES-000.C	Number of employees	20,079 people	1.2.1


SASB Sustainability Disclosure Topics & Accounting Metrics Index

SASB Code	Topic	Content	Chapter		
TC-ES-140a.1	Water management	Total water withdrawn and total water consumed by Inventec			
			2018	2019	2020
		Total water withdrawn (m3)	1,374,422	1,498,211	1,307,056
		Total water consumed (m3)	1,043,174	1,158,877	697,601
		In accordance with the World Resources Institute 'Aqueduct Water Risk Atlas', among Inventec's global plants, only the location of Mexico plant faces higher water stress. Mexico plant's water withdrawn and water consumed accounts for the proportion of each in Inventec.			
			2018	2019	2020
		Percentage of water withdrawn	1.51%	0.91%	0.84%
		Percentage of water consumed	0.40%	0.24%	0.32%
TC-ES-150a.1	Waste management	Amount of hazardous waste and percentage recycled.			
			2018	2019	2020
		Amount of hazardous waste (mt)	21.98	534.42	602.85
		Percentage recycled	37.26%	2.92%	11.21%

8.1 GRI/SASB Index

8.1.2 SASB Index

SASB Sustainability Disclosure Topics & Accounting Metrics Index

SASB Code	Topic	Content				Chapter		
TC-ES-310a.1	Labor practices	Number of work stoppages and total days idle due to serious labor disputes.				5.3.1		
			2018	2019	2020			
		Number of serious labor disputes	0	0	0			
		Number of work stoppage days	0	0	0			
TC-ES-320a.1	Labor conditions	Total recordable incident rate				5.1.2 5.1.3		
		Direct employees		Contract employees				
		2018	2019	2020	2018		2019	2020
		0.29	0.21	0.20	0.74		0.78	2.06
		2020 Near miss frequency rate						
		Direct employees		Contract employees				
		0.02		0.27				
TC-ES-320a.2	Labor conditions	Company	Facility	2020 RBA Validated Audit Process (VAP) audit rates		1.2.2 4.3.3		
		Inventec	All facilities	29%				
			High-risk facilities	No high-risk facilities in 2020				
		Tier 1 supplier	All facilities	4%				
High-risk facilities	33%							
TC-ES-320a.3	Labor conditions	Company	The classification of non-conformance with the RBA VAP	Non-conformance rate with the RBA Validated Audit Process (VAP)	Completion rate of corrective action plan (CAP)			
		Inventec	Priority nonconformances	0	No priority nonconformances			
			Other non-conformances	3	100%			
		Tier 1 supplier	Priority nonconformances	0.24	18%			
Other non-conformances	4.89		36%					
TC-ES-410a.1	Product lifecycle management	Weight of end-of-life products and e-waste recovered, percentage recycled: The processing after consumption is not applicable to Inventec.				N/A		
TC-ES-440a.1	Materials sourcing	Please refer to Inventec responsible sourcing of minerals on Inventec's website for the description of the management of risks associated with the use of critical materials				4.3.3		

8.1 GRI/SASB Index

8.1.2 SASB Index

Labor Practices and Conditions Summarized Index



Manpower Composition
Globally 20,079 people

5.2.1 Talent Policy p.76



Taiwan
5,794 people

Male
3,419 people

Female
2,375 people



China
12,635 people

Male
7,645 people

Female
4,990 people



Europe and America
1,650 people

Male
894 people

Female
756 people



Training hours
Globally 37.2 hours
in average

5.2.3 Talent Cultivation p.83



Taiwan

Male
11.4 hours

Female
8.3 hours



China

Male
51.0 hours


Female
54.7 hours



Europe and America

Male
15.9 hours

Female
15.2 hours



Parental leave

5.1.1 Employees Welfares p.67



Taiwan

Application rate
Male 0.88%
(8 ppl. / 910 ppl.)

Reinstatement rate
Male 80.00%
(4 ppl. / 5 ppl.)

Retention rate
Male 75.00%
(3 ppl. / 4 ppl.)

Application rate
Female 5.61%
(25 ppl. / 446 ppl.)

Reinstatement rate
Female 73.33%
(22 ppl. / 30 ppl.)

Retention rate
Female 84.62%
(11 人 / 13 ppl.)



Europe and America

Application rate
Male 0%

Reinstatement rate
Male 0%

Retention rate
Male 0%

Application rate
Female 100%
(29 ppl. / 29 ppl.)

Reinstatement rate
Female 61.11%
(11 ppl. / 18 ppl.)

Retention rate
Female 100%
(9 ppl. / 9 ppl.)

Major Stakeholders: Quick guide for government agencies, employees, customers, and suppliers

8.1 GRI/SASB Index

8.1.2 SASB Index

Labor Practices and Conditions Summarized Index



Employee work injury

5.1.3 Workplace Safety & Health p.72-75

Region	Total working hours	Work injuries	Work injury rate	Near Misses	Near miss frequency rate
Taiwan	Total working hours Male 6,413,456 hours	Work injuries Male 3	Work injury rate Male 0.09	Near Misses Male 1	Near miss frequency rate Male 0.03
	Total working hours Female 4,764,832 hours	Work injuries Female 3	Work injury rate Female 0.13	Near Misses Female 0	Near miss frequency rate Female 0
China	Total working hours Male 15,334,152 hours	Work injuries Male 6	Work injury rate Male 0.08	Near Misses Male 0	Near miss frequency rate Male 0
	Total working hours Female 10,009,504 hours	Work injuries Female 6	Work injury rate Female 0.12	Near Misses Female 0	Near miss frequency rate Female 0
Europe and America	Total working hours Male 1,744,220 hours	Work injuries Male 9	Work injury rate Male 1.03	Near Misses Male 3	Near miss frequency rate Male 0.34
	Total working hours Female 1,467,820 hours	Work injuries Female 13	Work injury rate Female 1.77	Near Misses Female 0	Near miss frequency rate Female 0



Agency employee work injury

Region	Total working hours	Work injuries	Work injury rate	Near Misses	Near miss frequency rate
Europe and America	Total working hours Male 406,479 hours	Work injuries Male 9	Work injury rate Male 4.43	Near Misses Male 2	Near miss frequency rate Male 0.98
	Total working hours Female 242,766 hours	Work injuries Female 6	Work injury rate Female 4.94	Near Misses Female 0	Near miss frequency rate Female 0












Contractor work injury

Region	Total working hours	Work injuries	Work injury rate	Near Misses	Near miss frequency rate
Europe and America	Total working hours Male 134,144 hours	Work injuries Male 1	Work injury rate Male 1.49	Near Misses Male 1	Near miss frequency rate Male 1.49
	Total working hours Female 60,784 hours	Work injuries Female 0	Work injury rate Female 0	Near Misses Female 0	Near miss frequency rate Female 0

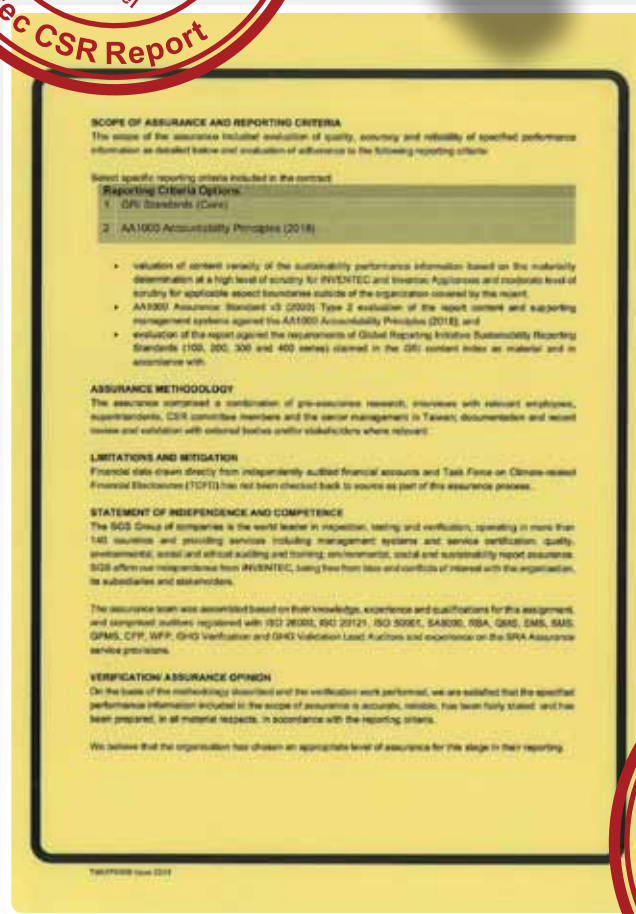
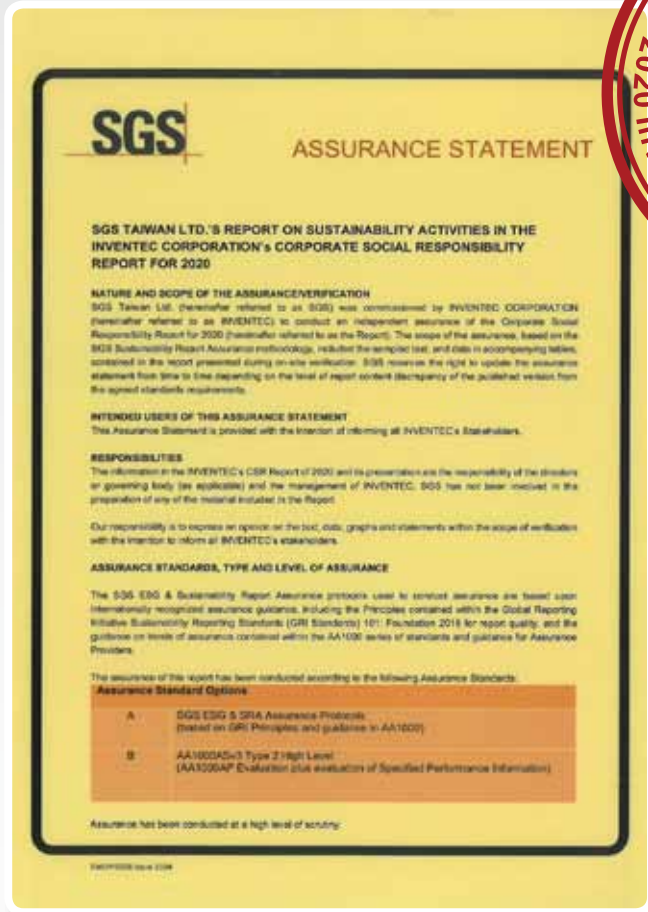
Major Stakeholders: Quick guide for government agencies, employees, customers, and suppliers

8.2. SDGs Reference Table of Chapter Titles

A mapping of Inventec's disclosure aligns with Sustainable Development Goals (SDGs)	Chapter	Page
 Goal 1. End poverty in all its forms everywhere. (Indirect)	5.2.1	76
 Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture. (Indirect)	5.1.1 7.2.1	67-69 112
 Goal 3. Ensure healthy lives and promote well-being for all at all ages. (Direct)	5.1.2 5.1.3	70-75
 Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Goal 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. (Direct)	5.2.3	79-83
 Goal 5. Achieve gender equality and empower all women and girls. (Direct)	5.2.1 5.1.1	76 68
 Goal 6. Ensure availability and sustainable management of water and sanitation for all. Goal 6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated Wastewater and substantially increasing recycling and safe reuse globally. Goal 6.4. By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. (Direct)	6.2.3	102-103
 Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all. (Direct)	6.1.4	97-98
 Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Goal 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors. Goal 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	4 5	36-64 66-86

A mapping of Inventec's disclosure aligns with Sustainable Development Goals (SDGs)	Chapter	Page
 Goal 8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms. Goal 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. (Direct)	5.2.1 5.1.2 5.1.3	76 70-71 72-75
 Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. (Direct)	4.1.4 4.2.1	47 55-56
 Goal 10. Reduce inequality within and among countries. (Indirect)	5.2.1	76
 Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable. (Indirect)	6.2	99-104
 Goal 12. Ensure sustainable consumption and production patterns. Goal 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. Goal 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. Goal 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. (Direct)	2 4.2.2 4.3 6.2	12-23 57-58 61-64 99-104
 Goal 13. Take urgent action to combat climate change and its impacts. Goal 13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. (Direct)	6.1	91-98
 Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development. (Indirect)	6.3.2	106
 Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. (Direct)	6.3.2	106
 Goal 16. Promote peaceful and inclusive societies for sustainable development, provide Access to justice for all and build effective, accountable and inclusive institutions at all levels. Goal 16.5. Substantially reduce corruption and bribery in all their forms. (Direct)	3.2	30-32
 Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. (Direct)	1.2.2	8

8.3 AA1000 Assurance Statement



Inventec



Greater Responsibility, Greater Concern

