

# ESG



英業達集團  
Inventec

**Care More, Take More Responsibility**

**Sustainability Report 2021**

Inventec's LEED Green Building

# Sustainability Honor

**Inventec**



**National Industrial Innovation Award**



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



**CommonWealth Magazine 2022 Top 2000 Enterprises - No. 10 in Manufacturing**



**CommonWealth Magazine Sustainability Citizen Award**



**Corporate Sustainability Award**



**Corporate Sustainability Report Award - Gold Award**



**Growth through Innovation Award**



**Responsible Business Alliance VAP Audit Achieving Platinum Status**

# Sustainability Honor

Inventec



Talent Quality-  
management System -  
Silver Award



Healthy Workplace  
Certification-Health  
Promotion Mark



No Accident Labor-Hour  
Record Award



Best Supply Award



Supplier Innovation  
Award



Recognition Award for Exceptional  
Performance of ODM



Achievement Award for the Wellbeing  
of Supplier's Workers



Achievement Award for the  
Supplier's Waste Reduction

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# 1. Overview

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## SDGs Index



# 1.1 Message from Top Management

Due to the impact of COVID-19 on trade over the past year, the severe imbalance between the supply and demand of semiconductors, shipping logistics, and energy issues have all led to long-term tightness, in the supply chain. As the post-epidemic era approaches, such uncertain factors as the intensity of global inflation and the impact of geopolitical tensions will continue to have a profound impact on the economic development of countries around the world.

Inventec's goal has always been to develop high-quality products with core competitiveness, optimize its logistics workflow, and adopt flexible business strategies. Thanks to the efforts of our colleagues, we have succeeded to prosper the revenue this year at a high level of more than NT\$500 billion, setting a new record with unprecedented achievement.

In 2021, the consolidated operating revenue reached more than NT\$519.7 billion, an increase of 2.25% from 2020 (consolidated revenue of more than NT\$508.2 billion); meanwhile, the consolidated operating profit reached more than NT\$4.7 billion, an increase of 6.38% from 2020. However, under the adjusted influence of asset revitalization on non-operating income and expenditure, the consolidated net profit before tax was more than NT\$7.6 billion, a decrease of 25.58% from 2020. Furthermore, the net profit after tax attributable to shareholders of the parent company surpassed NT\$6.5 billion, a decrease of 13.38% from 2020. Consolidated earnings per share after tax was NT\$1.82, a slight decrease from NT\$2.10 in 2020.

Benefiting from the work-from-home economy under the influence of the COVID-19 epidemic, the revenue of laptop computer products increased by 10% compared with the same period last year. On the other hand, despite data centers' increasing demand for server products, the revenue decreased by 4% compared to the same period last year, primarily due to the supply chain shortage. Although old smart devices are gradually being replaced by new smart devices with an adjustment observed in customer orders, the revenue from this area still contributed more than NT\$32.4 billion.

As global trade competition intensifies and the influence of geopolitical tensions becomes widespread, the impact of inflation on economic development can no longer be ignored. In response to unfair trade practices with its competitor nations, the US government has issued comprehensive 100-Day critical product supply chain reviews to strengthen relationship with its trading allies and enhance the global supply chain resilience. As the global economy develops toward a green economy, countries from around the world have pledged to adopt "net zero emission" reduction measures to gradually reduce the potential risks of climate change on corporate sustainability. As for the aforesaid shifting development of industrial environment, the carbon reduction and energy transition requirements will indubitably bring major challenges to the manufacturing industry. To this end, in order to cope with changes to the external business environment and also meet the customer satisfaction, the company has put forward resource integration with a strategic layout and resonate with action plans for digital transformation.



# 1.1 Message from Top Management

Due to the various effects of COVID-19 variants that continue to affect the stabilization of the epidemic, geopolitical rivalries between Russia and Ukraine, supply chain disruption, and global inflation that may rise higher than expected, all major research institutions have lowered their forecasted growth rates for the 2022 global economy. In cooperation with global logistics services and supply chain management, the company expects that operating income will continue to grow once the impact of material shortages is alleviated. The annual business plan is described from several aspects as below:

I. Aspects of products business:

1. The server business will benefit from the conversion to new platforms, integrated 5G services, and the increased proportion of orders for AI, edge computing, cloud applications, etc. The global market share is projected to optimistic growth this year.

2. Due to the change in work style and learning mode of the general public under the influence of the COVID-19 epidemic, the demand for laptop computers is booming. In addition to the continuous development of mid-to-high-end hybrid business laptops, the company has also cooperated with brand manufacturers to launch new models of gaming laptops. With the advantages of long-term R&D, design, and manufacturing, laptop computer sales can be maintained at a high level.

3. Due to the gradual bridging of the gap between supply and demand on product, the sales of smart devices this year will be significantly better than that of the previous year, targeting smart home and smart wearable devices, medical application products etc.

4. In terms of emerging businesses, automotive electronics developing in the direction of electric vehicles (EV) and self-driving cars will contribute to significant growth after passing the certification of car manufacturers. As for the application of medical devices, the company is cooperating with medical centers and clinics to provide telemedicine healthcare and medical platform.

II. Division of production at home and abroad: Based on existing production capacity, Inventec endeavors to implement the domestic and overseas production bases in coordination with customer demands. Inventec continues to expand its production bases in North America and Europe. In Asia, it maintains China and Taiwan as prime production centers. Overseas decentralized production focuses on supporting the comprehensive product line, ranging from servers and laptops to automotive electronics and other product lines.

III. Environment, Social, and Governance (ESG) Sustainable Development Practices:

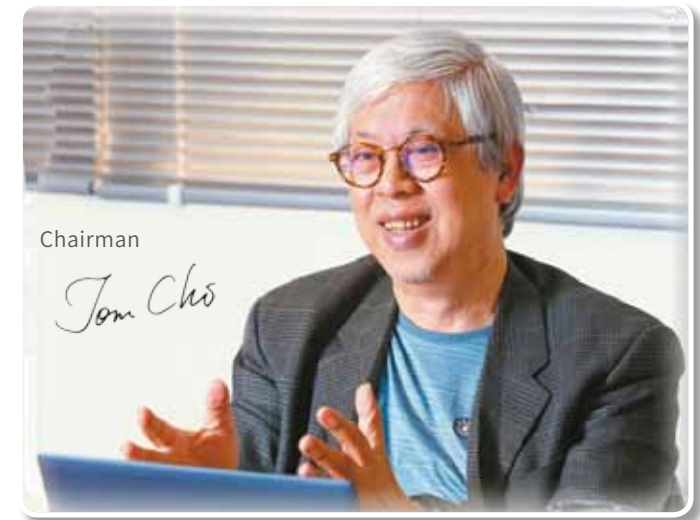
1. Environment aspect: In response to extreme climate change, the company carries out greenhouse gas management and has adopted the principle of science-based targets (SBT) to gradually achieve energy-saving and carbon reduction targets. The company further conducts enterprise water resource management based on the principles of "water conservation and recycling."

2. Social aspect: The company focuses on protecting stakeholders' rights and equities to ensure corporate sustainability. The company also provides social care services to disadvantaged groups.

3. Governance aspect: Adhering to the principle of integrity management, the company implements the Corporate Governance 3.0-Sustainability Blueprint. The Company has improved its effectiveness by continuing to strengthen the functions of the Board of Directors and conduct internal and external evaluations of Board of directors performance. To achieve a complementary balance between upper and lower governance, the company has also strengthened its disclosure of financial information and emphasized on risk management of information security, thereby promoting the development of corporate sustainability.

Ethical corporate management has always been the prime principle of our corporate governance. By operating functional committees and corporate governance units under the board of directors, we improve corporate governance, enhance information transparency, and strengthen communication channels for stakeholders. We will also focus intensely on environment, social, and governance (ESG)-related issues, the disclosure of relevant information, and publication of a CSR report to reinforce the company's competitiveness for sustainable management. In cooperation with the "Inventec Group Charity Foundation," we also endeavor to carry out public welfare activities and provide social care services.

Based on the core concept of "innovation, quality, open mind, and execution" and the corporate culture of strict management and thorough execution, Inventec strives to continue to grow with the spirit of "care more, take more responsibility" to face the challenging business environment through experience inheritance, resource sharing, continuous attention to ESG issues, net zero emissions, digital transformation, and other goals. By maintaining a competitive advantage in the five important ABCD5 technologies, the company can provide customers with a full range of product design and solution services. In the future, Inventec will continue to uphold professionalism, challenge itself, improve the company's core competitiveness, and bring better profits and sustainable corporate development to all shareholders and employees.



# 1.2 About Inventec

## 1.2.1 Editorial Guideline

Thank you for reading the Inventec Sustainability Report. Since 2008, Inventec has issued the sustainability reports for 14 consecutive years, which transparently disclose the value and performance created by Inventec every year. The content standards of this report are consistent with the previous year's Sustainability Report and are in line with the GRI Standards issued by the Stock Exchange and the Global Sustainability Standards Board (GSSB).

### 1. Compilation Basis

Inventec's 2021 "Sustainability 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 (in comparison with GRI 2: General Disclosures)
- ◆ 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:

- ◆ Eight factories of Inventec (IET, TAO, ITO, IPT, SQT, ICC, ICZ, and IMX)
- ◆ Three factories of Inventec Appliances (IACT, IACP, and IACJ)
- ◆ AIMobile
- ◆ The financial-related information of AIMobile 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 sustainability windows 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 Sustainability Report" conducted data compilation and documentation. Calculations were made in the unit of New Taiwan dollar.

- ◆ Inventec designated the third-party party unit (SGS) to carry out substantial examination and assurance operations on the contents and data in the report.
- ◆ 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 "Vibrant Workplace" 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 "Social Inclusion" covers Inventec Group Charity Foundation.
- ◆ If other special meanings are involved in other quantitative data units, they will be explained in the form of annotations.

## 4. Release Version

The annual sustainability reports that have been regularly issued by Inventec over the years are posted on the Inventec Sustainability website for all stakeholders to download.

- ◆ Version of latest release: published in June 2022
- ◆ Report period: from January 1st, 2021 to December 31st, 2021
- ◆ Version of previous release: June 2021
- ◆ Version of next release: expected to be published in June 2023

## 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 Talent and Management Center  
 Address: No.66, Hougang St., Shilin Dist., Taipei City 111059, Taiwan  
 TEL: +886-2-2881-0721#27088

### Supplementary Information



Website    Email    Facebook    Annual Report





# 1.2 About Inventec

## 1.2.2 About Inventec

- 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., please refer to 1.2.4 Global Scale)
- Chairman: Mr. Tom-Hwar Cho
- President: Mr. Yung-Tsai Wu
- Total employees: 18,378 (2021/12/31)
- Revenue in 2021 : approximately NT\$ 519.7 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 2021 Annual Report for the important investments, equity, share capital, shareholder structure, business scope, payments to government, and sales volume.



The company's annual report issued by Inventec in 2022

◆ In recent years, the climate has been changing rapidly, and as sustainability keeps simmering, ESG emerges in response to achieve global net-zero emission targets in 2050. Inventec depends on social responsibility and takes ESG as its operating core value. It will continue to focus on ESG and digital transformation, enhance to implement a green supply chain, promote the company’s cohesion and competitiveness, and keep up with global trends. The Company adheres to a consistent operation philosophy and corporate culture. Through internal management mechanisms and external auditing execution, the Company vigorously examines and approves the setting and execution of objectives and strategies, actually mastering the overall organizational risk.



“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.



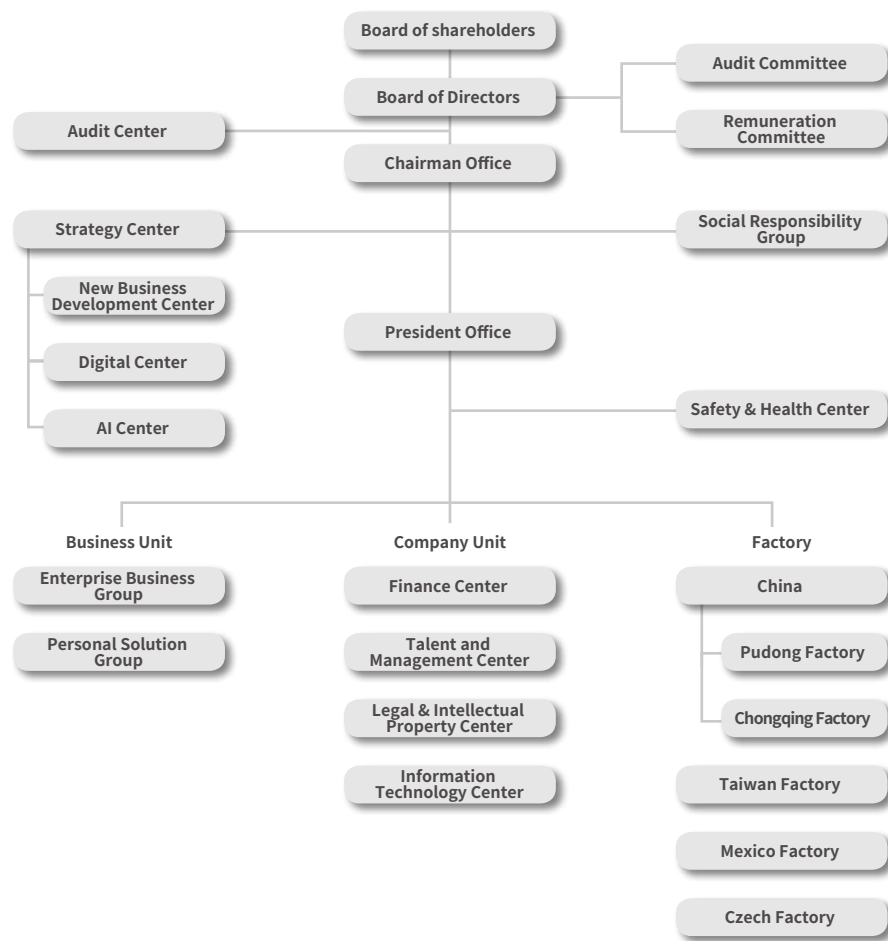
Taipei Headquarters



# 1.2 About Inventec

## 1.2.3 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

Major Department	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 implementation of the Company.
Digital Center	Coordinate the digital transformation and data-driven intelligence business of the company.
AI Center	Coordinate science and technology studies and enterprise applications of the company's artificial intelligence.
New Business Development Center	Coordinate the development, management and implementation of new businesses of the company.
Enterprise Business Group	Planning and management of enterprise business computer design, development, manufacturing, production, marketing, 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 and Management Center	Coordinate the company's human resources and administrative management business, as well as the integration and supervision of the management system.
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.
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.




























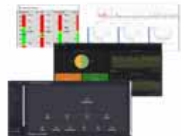



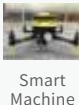

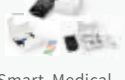
# 1.2 About Inventec

## 1.2.4 Global Scale



# 1.2 About Inventec

## 1.2.5 Product Development

<p><b>Notebook PC</b></p>  <p>Enterprise-Class</p>  <p>Laptop Computer</p>  <p>Gaming Laptop</p>	<p><b>Desktop /AIO</b></p>  <p>Entertainment AIO</p>  <p>Retail AIO</p>	<p><b>Thin Client</b></p>  <p>Small-Form-Factor (SFF) Business Desktop</p>  <p>Thin Client Cloud Computer</p>	<p><b>Industrial Tablet</b></p>  <p>eNote</p>  <p>Tablet</p>  <p>Color ePaper Digital Signage</p>	<p><b>Industrial/Medical PC</b></p>  <p>Medical PC</p>  <p>Box PC Industrial PC</p>	
<p><b>5G/Edge</b></p> <ul style="list-style-type: none"> <li>MEC Edge Server</li> <li>OpenRAN Network Infrastructure</li> <li>5G+AI+AOI E2E Enterprise Network Solution</li> </ul> 	<p><b>Server</b></p> <ul style="list-style-type: none"> <li>Intel/AMD/ARM platforms</li> <li>ODM/OTS models</li> <li>Rackmount /Blade /Pedestal</li> </ul> 	<p><b>Storage</b></p> <ul style="list-style-type: none"> <li>Hot/Cold/Warm Storage</li> <li>RAID card</li> </ul> 	<p><b>Switch</b></p> <ul style="list-style-type: none"> <li>Programmable</li> <li>Open Source/ Whitebox</li> <li>1G/10G/25G/ 100G/400G</li> </ul> 	<p><b>Smart Camera / Smart Street Light Controller</b></p>  <p>Camera Locker</p>  <p>Smart Street Light Controller</p>  <p>Heatmap Camera</p>	<p><b>Fleet Management</b></p>  <p>In Vehicle</p>  <p>Wireless Card &amp; MIFI</p>  <p>Wireless Speaker</p>  <p>Multimedia Player</p>
<p><b>AI Solution</b></p> <ul style="list-style-type: none"> <li>Nvidia/AMD GPU</li> <li>FPGA</li> </ul> 	<p><b>Rack Solutions</b></p> <ul style="list-style-type: none"> <li>Open specs</li> <li>RSD Infrastructure</li> </ul> 	<p><b>Network Solution</b></p> <ul style="list-style-type: none"> <li>CORD</li> <li>SDN/NFV</li> <li>5G</li> <li>SONIC</li> <li>Telemetry</li> <li>Orchestration</li> </ul> 	<p><b>Broadband &amp; Broadcasting</b></p>  <p>VOIP Phone</p>  <p>GPS Navigator</p>	<p><b>IoT Cloud Computing</b></p>  <p>Graphic Calculator</p>  <p>Smart Machine</p>  <p>Smart Wearable</p>  <p>Smart Medical</p>	

# 1.2 About Inventec

## 1.2.6 RBA Membership

- ◆ 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, to fulfill the responsibilities of RBA members.
- ◆ RBA-ONLINE's SAQ (Self-Assessment Questionnaire) assessments and VAP (Validated Assessment Program) audits and improvements are carried out at 7 facilities of Inventec and 3 facilities of Inventec Appliances. In 2021, among the factories that received RBA audits in China, Europe and America, 1 factory achieved platinum status, and 4 factories achieved silver status. They 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 sustainability information.



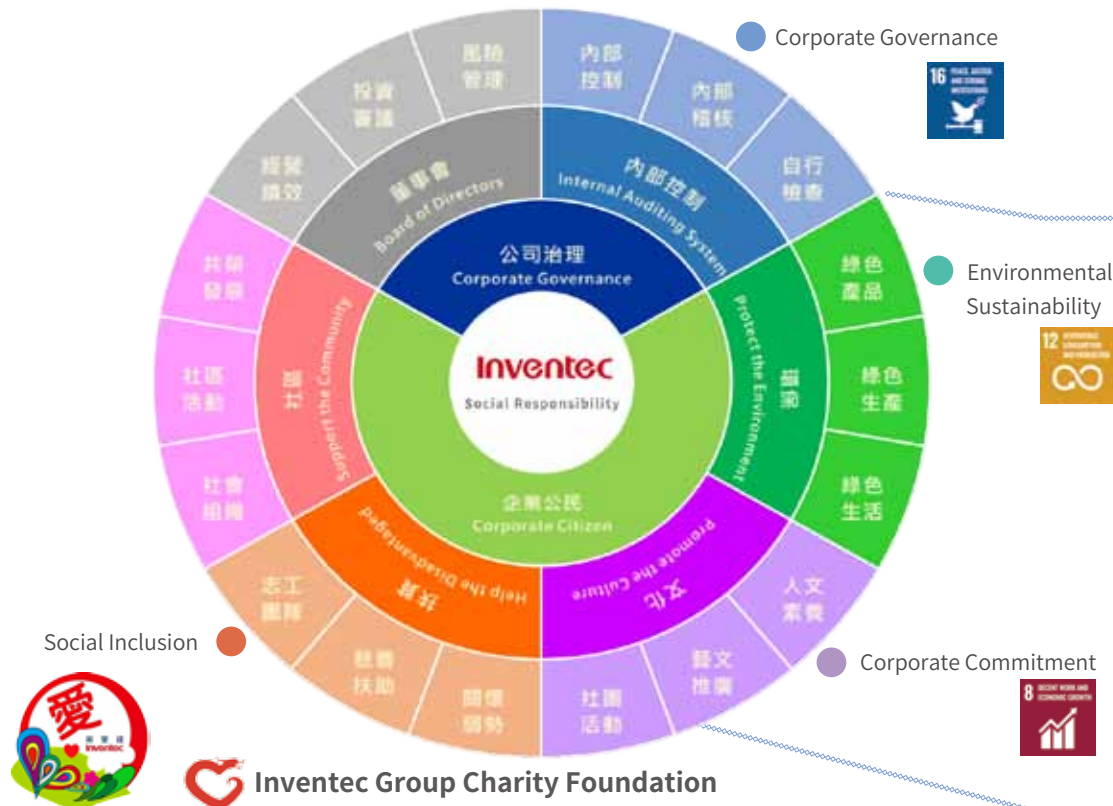
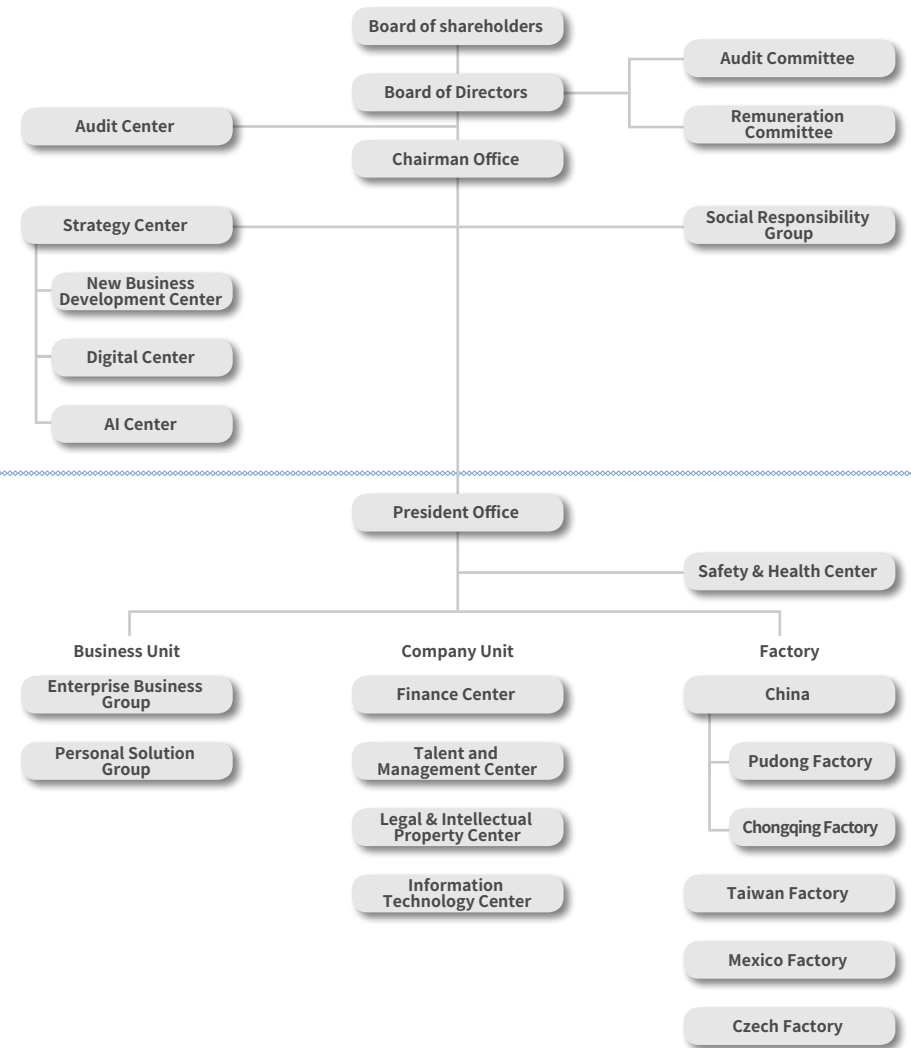
The VAP scores of Inventec's plants in China, North America, and Europe are higher than 180 out of 200.



# 1.2 About Inventec

## 1.2.7 The Unit Executing Sustainable Development Policies

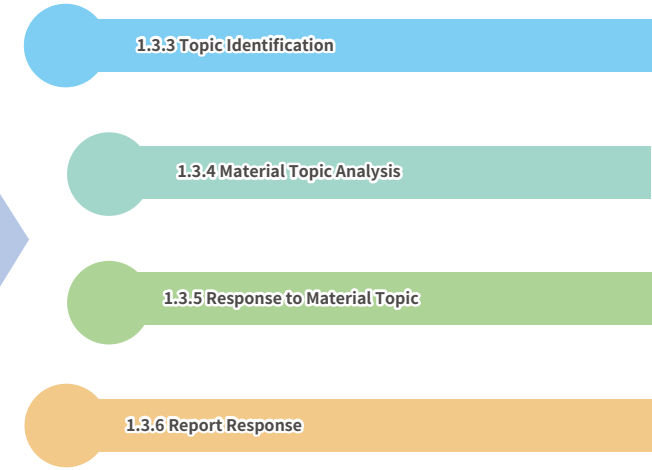
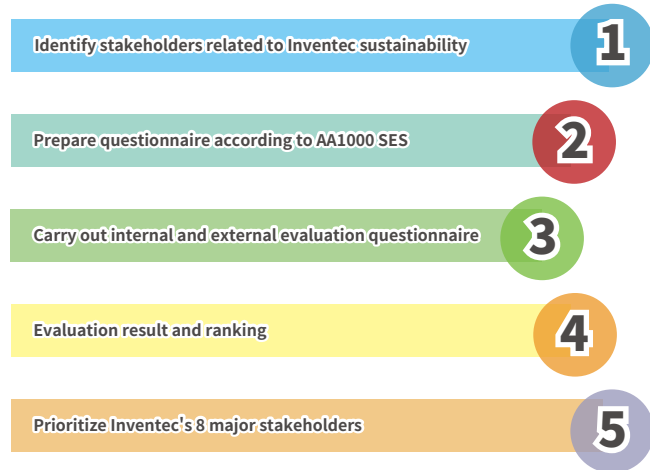
- ◆ The "Social Responsibility Group" is established under the Chairman office to be dedicated to promoting corporate sustainability related affairs and regularly report to the Board of Directors. Making sustainability policy, system, or related management guidelines of responsible corporations and the proposal and implementation of a substantive launch plan, report the implementation plan and results to the board every May.
- ◆ Inventec formulates the sustainable development policy in accordance with "Inventec Corporation Sustainable Development Best Practice Principles". Inventec adheres to "corporate governance" internally and practices "corporate citizenship" externally. The relevant works and activities are 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".



Inventec Group Charity Foundation



# 1.3 About this Report



## Stakeholders Identification Management Process

### 1.3.1 Stakeholder Identification Management Process

◆ To strengthen stakeholders' communication mechanism, Inventec has formulated an internal management process for identifying stakeholders, as shown on this page, by referring to GRI Standards and AA1000 SES (2015) international standards. In order to effectively differentiate the eleven major stakeholders related to Inventec sustainability, 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 on this page.

## Inventec's 8 Major Stakeholders

### 1.3.2 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 shared processes of differentiation and response by Inventec and Inventec Appliances, 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 "material topic identification management process" is shown on this page.

## Material Topic Identification Management Process

### 1.3.3 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 Sustainability 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.



# 1.3 About this Report Communication with the 8 Major Stakeholders

## Employee

Critical information	Communication instructions of stakeholders	Content
<p><b>Employee welfare and training expenses:</b> More than 1.18 billion</p> <p><b>Employee salary:</b> Average amount NTD 1,024 thousand</p>	What employees mean to Inventec	◆ Main assets of the company
	Two-way communication, communication frequency and channel between Inventec and the employees	<ul style="list-style-type: none"> <li>◆ 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.</li> <li>◆ The human resources unit irregularly holds management and labor council or monthly meetings every year to carry out communication.</li> <li>◆ The responsible unit will post problems and countermeasures on the bulletin board on an as needed basis.</li> </ul>
	Way of engagement of Inventec and the employees	◆ Consultation, negotiation, participation, and cooperation
	7 topics for discussion about which employees are concerned	<ul style="list-style-type: none"> <li>◆ COVID-19 pandemic</li> <li>◆ Talent acquisition</li> <li>◆ Employee welfare</li> <li>◆ Talent cultivation</li> <li>◆ Financial performance</li> <li>◆ Equal opportunity and diversity</li> <li>◆ Occupational safety and health</li> </ul>
	Content of response	<ul style="list-style-type: none"> <li>◆ <b>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. (COVID-19 pandemic)</b></li> <li>◆ <b>In response to the operational needs of local factories and creating job opportunities, a total of 29,660 individuals were recruited by eight factories around the world in 2021. (Talent acquisition)</b></li> <li>◆ <b>Employee welfare and training: In 2021, the amount of money invested in factories in China and Taiwan reached more than NTD 1.187 billion. (Talent cultivation, employee welfare)</b></li> <li>◆ <b>Total training hours: 711,799 hours. (Talent cultivation)</b></li> <li>◆ <b>The consolidated after-tax earnings per share is NT\$ 1.82. (Financial performance)</b></li> <li>◆ <b>No grievance case about discrimination in 2021. (Equal opportunity and diversity)</b></li> <li>◆ <b>Eight factories all over the world passed the third-party reviews of ISO 45001 (Occupational safety and health)</b></li> <li>◆ <b>Financial performance: Please refer to 3.1.2 Financial Performance</b></li> </ul>
	Sustainability report's chapters for employees	3. Operational Development and 4. Vibrant Workplace





# 1.3 About this Report



## Customer

Critical information	Communication instructions of stakeholders	Content
<p><b>Collaborative customers' green products obtained 267 environmental certifications</b></p> <p><b>Customer service obtained 1,043 product safety certifications</b></p>	What customers mean to Inventec	<ul style="list-style-type: none"> <li>◆ Main source of revenue of the company.</li> </ul>
	Two-way communication, communication frequency and channel between Inventec and the customers	<ul style="list-style-type: none"> <li>◆ Each responsible unit takes the initiative to respond to the standards, audits, or questionnaires requested by customers through the committee as needed every year.</li> <li>◆ The responsible unit fills out the SAQ questionnaire on the RBA-Online Supply Chain &amp; CSR Management Platform every year.</li> </ul>
	Way of engagement of Inventec and the customers	<ul style="list-style-type: none"> <li>◆ Consultation, negotiation, participation, and cooperation</li> </ul>
	8 topics for discussion about which customers are concerned	<ul style="list-style-type: none"> <li>◆ Innovative research and development</li> <li>◆ Equal opportunity and diversity</li> <li>◆ Cyber security</li> <li>◆ Renewable energy</li> <li>◆ Compliance with environmental laws and regulations</li> <li>◆ Circular and innovative product</li> <li>◆ Climate change</li> <li>◆ Sustainable supply chain management</li> </ul>
	Content of response	<ul style="list-style-type: none"> <li>◆ <b>TOP 100 Global Smart Manufacturing Patent Holders. (Innovative research and development)</b></li> <li>◆ <b>No grievance case about discrimination in 2021. (Equal opportunity and diversity)</b></li> <li>◆ <b>No penalties related to environmental regulations were received in 2021. Please refer to 4.3.1 Workplace Partnership for the penalty record related to labor regulations. (Compliance with laws and regulations)</b></li> <li>◆ <b>Six factories around the world have passed ISO 27001 third-party reviews. (Cyber security)</b></li> <li>◆ <b>Inventec used 17 million kWh of renewable energy for the year of 2021. (Renewable energy)</b></li> <li>◆ <b>Seven factories all over the world passed the third-party reviews of IECQ QC 080000. (Circular and innovative product)</b></li> <li>◆ <b>Inventec's greenhouse gas emissions (Scope 1 and Scope 2) in 2021 was 100,902 metric tons, a decrease of 32,019 metric tons (24.1%) when compared to 2020 (132,920 metric tons). (Climate change)</b></li> <li>◆ <b>123 supplier facilities finished the self-assessment of the Responsible Business Alliance (RBA), and 56 supplier facilities finished the RBA Validated Audit Process (VAP). (Sustainable supply chain management)</b></li> <li>◆ <b>Circular and innovative product: Please refer to 3.2.2 Circular and Innovative Product.</b></li> </ul>
	Sustainability report's chapters for customers	3. Operational Development and 5. Environmental Sustainability



# 1.3 About this Report



## Government Agency

Critical information	Communication instructions of stakeholders	Content
<p><b>8th corporate governance evaluation: Top 6-20% company in terms of corporate governance</b></p> <p><b>Environmental protection expenditure: More than 130 million</b></p>	What government agencies mean to Inventec	<ul style="list-style-type: none"> <li>◆ All corporate regulations and resources support have been standardized.</li> </ul>
	Two-way communication, communication frequency and channel between Inventec and the government agencies	<ul style="list-style-type: none"> <li>◆ The responsible unit discloses information on the company website, uploads the annual report and sustainability report, and makes information public on the Market Observation Post System every year according to regulations.</li> <li>◆ 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.</li> <li>◆ 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.</li> <li>◆ The corresponding units occasionally participate in government policy announcements and advocacy, projects, or activities.</li> </ul>
	Way of engagement of Inventec and the government agencies	<ul style="list-style-type: none"> <li>◆ Consultation, negotiation, and participation</li> </ul>
	9 topics for discussion about which government agencies are concerned	<ul style="list-style-type: none"> <li>◆ Anti-corruption</li> <li>◆ Investment strategy</li> <li>◆ Risk management</li> <li>◆ Renewable energy</li> <li>◆ Energy management</li> <li>◆ Water resources management</li> <li>◆ Waste management</li> <li>◆ Climate change</li> <li>◆ Equal opportunity and diversity</li> </ul>
	Content of response	<ul style="list-style-type: none"> <li>◆ <b>For anti-corruption training, a total of 11,429 people from eight factories around the world participated in integrity management training programs, an increase of 12% over 2020 (10,239 people). No major violations took place in 2021. (Anti-corruption)</b></li> <li>◆ <b>The amount of money invested in research and development in 2021 was more than NT\$ 10.59 billion, an increase of 9% over 2020. (Investment strategy)</b></li> <li>◆ <b>The risk management operations were reported to the board of directors on May 11th, 2021, to strengthen the implementation of the risk management system. (Risk management)</b></li> <li>◆ <b>A renewable energy team was established. The China factories used 17 million kWh of renewable energy, accounting for about 9% of the total electricity consumption of the eight global factories in 2021. (Renewable energy)</b></li> <li>◆ <b>Four factories around the world passed ISO 50001 third-party examination. (Energy management)</b></li> <li>◆ <b>Compared with 2020, water consumption in 2021 was decreased by 17.25%. (Water resources management)</b></li> <li>◆ <b>Compared to the base year, 2014, the volume of waste in 2021 has been reduced by 13.87%. (Waste management)</b></li> <li>◆ <b>Eight factories around the world passed ISO 14064-1 third-party verification. (Climate change)</b></li> <li>◆ <b>No grievance case about discrimination in 2021. (Equal opportunity and diversity)</b></li> <li>◆ <b>Risk management: Please refer to 3.1.1 Risk Management and Countermeasures</b></li> </ul>
	Sustainability report's chapters for government agencies	2. Sustainable Governance, 3. Operational Development, 4. Vibrant Workplace, and 5. Environmental Sustainability



# 1.3 About this Report



## Supplier (Including Contractor)

Critical information	Communication instructions of stakeholders	Content
<p><b>Responsible minerals: 100% of suppliers completed the responsible minerals investigation</b></p> <p><b>The advanced technology / new product exchange forum: an accumulative total of 229 suppliers and 294 sessions</b></p>	What suppliers mean to Inventec	<ul style="list-style-type: none"> <li>◆ The main source of products and materials of our company.</li> </ul>
	Two-way communication, communication frequency and channel between Inventec and the suppliers	<ul style="list-style-type: none"> <li>◆ 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.</li> <li>◆ The responsible unit holds Sustainable Supply Chain Forum and requests questionnaires to be filled out every year.</li> <li>◆ The responsible unit elaborates occupational safety and conducts on-site interviews as necessary every year.</li> <li>◆ The responsible unit makes responses via the supplier website as needed every year.</li> </ul>
	Way of engagement of Inventec and the suppliers	<ul style="list-style-type: none"> <li>◆ Participation and cooperation</li> </ul>
	1 topic for discussion about which suppliers are concerned	<ul style="list-style-type: none"> <li>◆ Sustainable supply chain management</li> </ul>
	Content of response	<ul style="list-style-type: none"> <li>◆ In 2021, 46 suppliers were audited, with a 100% execution rate and a 100% case closing rate. (Sustainable supply chain management)</li> <li>◆ 100% of suppliers completed the responsible minerals investigation in 2021. (Sustainable supply chain management)</li> <li>◆ An accumulative total of 229 suppliers participated in the advanced technology / new product exchange forums. (Sustainable supply chain management)</li> <li>◆ 139 supplier representatives attended the “2021 Inventec Group Sustainable Supply Chain Forum”. (Sustainable supply chain management)</li> <li>◆ Sustainable supply chain management: Please refer to 3.3 Sustainable Supply Chain</li> </ul>
	Sustainability report's chapters for suppliers	3.Operational Development



# 1.3 About this Report





## Shareholder / Investor

Critical information	Communication instructions of stakeholders	Content
<p><b>The EPS is NT\$ 1.82</b></p> <p><b>The performance of the Board: the evaluation results by an external professional independent agency were "between good and excellent"</b></p>	<p>What shareholders / investors mean to Inventec</p>	<ul style="list-style-type: none"> <li>◆ Main source of fund of the company.</li> </ul>
	<p>Two-way communication, communication frequency and channel between Inventec and the shareholders / investors</p>	<ul style="list-style-type: none"> <li>◆ The responsible unit regularly shares such information through shareholders' meeting, investor conferences, stock report, financial reports (monthly/quarterly), annual reports, company websites, and news media every year.</li> </ul>
	<p>Way of engagement of Inventec and the shareholders / investors</p>	<ul style="list-style-type: none"> <li>◆ Consultation and participation</li> </ul>
	<p>4 topics for discussion about which shareholders / investors are concerned</p>	<ul style="list-style-type: none"> <li>◆ Financial performance</li> <li>◆ Investment strategy</li> <li>◆ Risk management</li> <li>◆ Climate change</li> </ul>
	<p>Content of response</p>	<ul style="list-style-type: none"> <li>◆ <b>The amount of profit after tax has reached more than NT\$ 6.5 billion. (Financial performance)</b></li> <li>◆ <b>In 2021, the sum of money invested in plant equipment reached more than NT\$ 2.809 billion. (investment strategy)</b></li> <li>◆ <b>The risk management operations were reported to the board of directors on May 11th, 2021, to strengthen the implementation of the risk management system. (Risk management)</b></li> <li>◆ <b>Inventec's greenhouse gas emissions (Scope 1 and Scope 2) in 2021 was 100,902 metric tons, a decrease of 32,019 metric tons (24.1%) when compared to 2020 (132,920 metric tons). (Climate change)</b></li> <li>◆ <b>Climate change: Please refer to 5.1 Climate Action</b></li> </ul>
<p>Sustainability report's chapters for shareholders / investors</p>	<p>3. Operational Development and 5. Environmental Sustainability</p>	



# 1.3 About this Report

## Community

Critical information	Communication instructions of stakeholders	Content
<p><b>Social donation contributions have reached more than NT\$ 15 million</b></p> <p><b>Volunteer service: 11,547 hours</b></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	◆ COVID-19 pandemic ◆ Compliance with environmental laws and regulations
	Content of response	◆ <b>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. (COVID-19 pandemic)</b> ◆ <b>No penalties related to environmental regulations were received in 2021. (Compliance with environmental laws and regulations)</b> ◆ <b>COVID-19 pandemic: Please refer to 4.2.2 Workplace Safety &amp; Health</b>
Sustainability report's chapters for communities	5. Environmental Sustainability and 6. Social Inclusion	 

# 1.3 About this Report



## Media



Critical information	Communication instructions of stakeholders	Content
<p><b>CommonWealth Magazine</b>  <b>2022 top 2000 enterprises - No. 10 in manufacturing</b></p> <p><b>The EPS is NT\$ 1.82</b></p>	What media mean to Inventec	◆ An important channel for information communication.
	Two-way communication, communication frequency and channel between Inventec and the media	<ul style="list-style-type: none"> <li>◆ Collect and organize news reports and occasionally reply to questionnaires.</li> <li>◆ Irregularly publish material information on the Market Observation Post System and company websites.</li> <li>◆ Shareholders' meeting and investor conferences on a regular basis.</li> </ul>
	Way of engagement of Inventec and the media	◆ Negotiation and participation
	4 topics for discussion about which media are concerned	<ul style="list-style-type: none"> <li>◆ Anti-corruption</li> <li>◆ Financial performance</li> <li>◆ Energy management</li> <li>◆ Climate change</li> </ul>
	Content of response	<ul style="list-style-type: none"> <li>◆ <b>For anti-corruption training, a total of 11,429 people from eight factories around the world participated in integrity management training programs in 2021, an increase of 12% over 2020 (10,239 people). (Anti-corruption)</b></li> <li>◆ <b>The consolidated after-tax earnings per share is NT\$ 1.82. (Financial performance)</b></li> <li>◆ <b>Implementation of ten major energy-saving programs to save 1.17 million kWh of electricity. (Energy management)</b></li> <li>◆ <b>Inventec's greenhouse gas emissions (Scope 1 and Scope 2) in 2021 was 100,902 metric tons, a decrease of 32,019 metric tons (24.1%) when compared to 2020 (132,920 metric tons). (Climate change)</b></li> <li>◆ <b>Energy management: Please refer to 5.1.4 Energy Management</b></li> </ul>
	Sustainability report's chapters for media	2. Sustainable Governance, 3. Operational Development, and 5. Environmental Sustainability



# 1.3 About this Report



## Research Institute

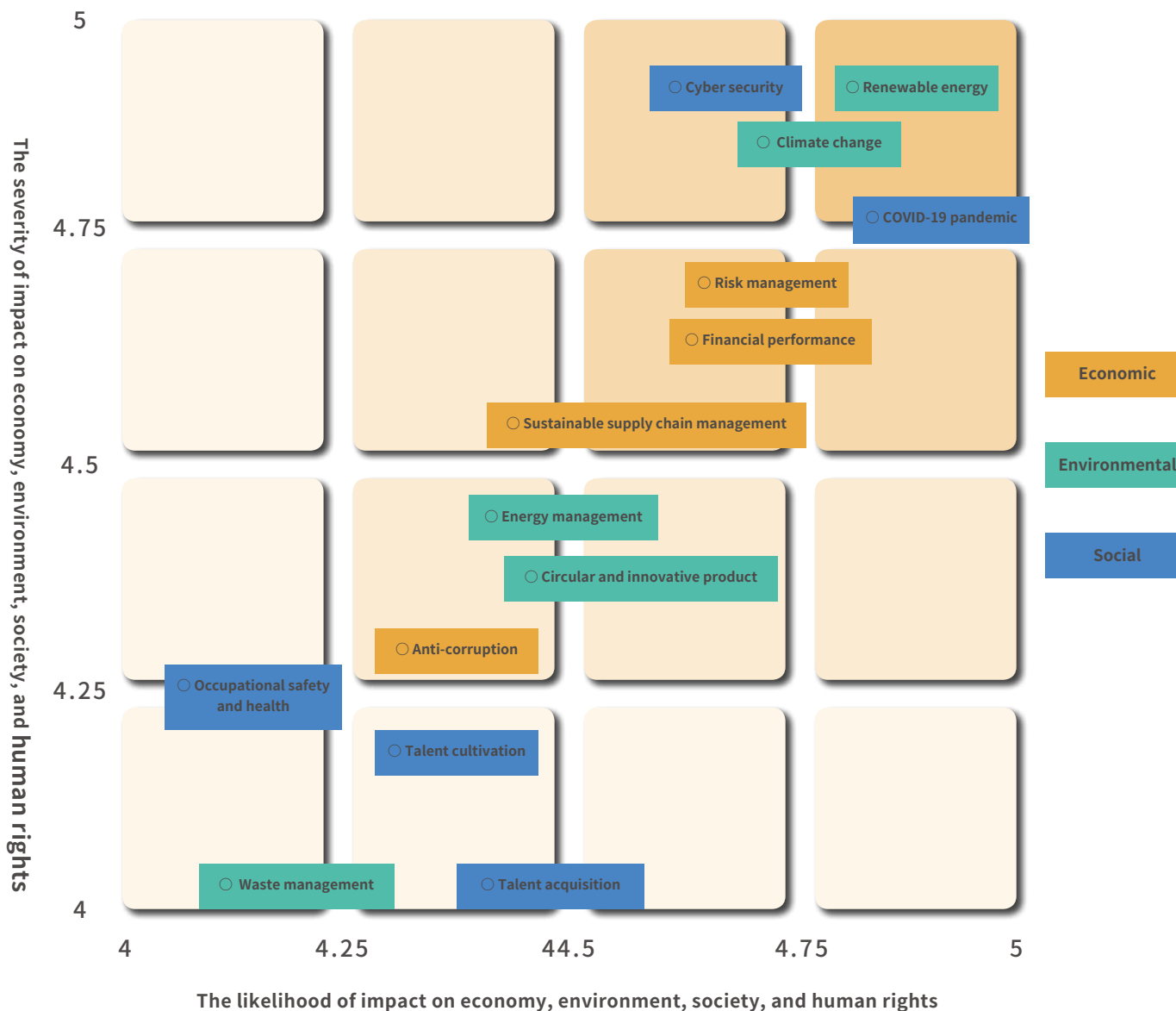
Critical information	Communication instructions of stakeholders	Content
<p><b>The amount of money invested in research and development expenditure is NT\$ 10.59 billion</b></p> <p><b>The number of global patents certificates obtained from around the world has reached more than 16,700</b></p>	What research institutes mean to Inventec	<ul style="list-style-type: none"> <li>◆ Important communication channels for industry professional information.</li> </ul>
	Two-way communication, communication frequency and channel between Inventec and the research institutes	<ul style="list-style-type: none"> <li>◆ Collect and organize reports submitted by research institutions and accept visits, telephone interviews, and questionnaire surveys as needed.</li> <li>◆ Investor conference is held on a regular time schedule. °</li> </ul>
	Way of engagement of Inventec and the research institutes	<ul style="list-style-type: none"> <li>◆ Consultation and participation</li> </ul>
	3 topics for discussion about which research institutes are concerned	<ul style="list-style-type: none"> <li>◆ Innovative research and development</li> <li>◆ Sustainable supply chain management</li> <li>◆ Cyber security</li> </ul>
	Content of response	<ul style="list-style-type: none"> <li>◆ <b>Inventec won the National Industrial Innovation Award of Ministry of Economic Affairs. (Innovative research and development)</b></li> <li>◆ <b>100% of our suppliers have signed the declaration of conformity of the Responsible Business Alliance Code of Conduct. (Sustainable supply chain management)</b></li> <li>◆ <b>No complaints against customer privacy violation or loss of customer information were received in 2021. (Cyber security)</b></li> <li>◆ <b>Cyber security: please refer to 3.1.6 Cyber Security Management System</b></li> </ul>  
Sustainability report's chapters for research institutes	3. Operational Development	



# 1.3 About this Report

## 1.3.4 Material Topic Analysis

- ◆ The material topics to which Inventec pays close attention are based on the material topics of the “2020 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 21 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.
- ◆ The preparation unit of Inventec’s sustainability report includes interviews and questionnaire surveys aimed at the company’s senior executives and internal experts and invited representatives of the relevant sustainability committees of the Inventec Group to evaluate the 21 topics according to severity and likelihood of the relevant impacts on the eight major stakeholders. Coupled with the preparation unit of Inventec’s sustainability report referring to the weighted average of the eight major stakeholders’ directions of concern regarding (1) The assessment of the importance of the topics’ impacts on economy, environment, society, and human rights is in accordance with the severity and scope of impact. The negative impacts are more important, if their improvements are more difficult. (2) The assessment of the topics’ impacts on the economy, environment, society, and human rights is in accordance with their possibility and frequency of happening. Any topic getting any score higher than 4 is the material topic, as shown by the figure on this page. After prioritizing and analyzing the 21 topics, we sorted the qualified 14 topics as Inventec’s material topics, as shown by the figure on this page.










# 1.3 About this Report

## 1.3.5 Response to Material Topic




In order to meet the needs of relevant stakeholders, the above 14 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 14 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	2021 results of implementation	2022 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	Renewable energy	To understand the operational energy usage, increase the proportion of renewable energy, and reduce greenhouse gas emissions.	Management mechanism of renewable energy	Inventec used 17 million kWh of renewable energy.	To achieve the performance of energy conversion by expanding the conversion and installation of renewable energy facilities.	GRI 302-1	 	Natural capital	--		√		<ul style="list-style-type: none"> <li>5.1.4 Energy Management</li> <li>p. 110-111</li> </ul>
2	COVID-19 pandemic	Establish the new life for pandemic prevention (operations without interruption) to reduce the impact of COVID-19 on operations.	Occupational Safety and Health Management System (Comply with international ISO 45001 requirements)	0 infection in the factory.	0 infection in the factory.	GRI 403-6		Human capital	--		√		<ul style="list-style-type: none"> <li>4.2.2 Workplace Safety &amp; Health</li> <li>p. 87</li> </ul>
3	Cyber 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.	1.Information security management system (Comply with international ISO 27001 requirements) 2.Customer privacy management procedures 3.Trademark and copyright management procedures	Six factories around the world have passed ISO 27001 third-party reviews.	Formulate cyber security policies and objectives, demonstrate cyber security management systems, and ensure the confidentiality, integrity, and availability of information assets.	GRI 418-1		Intellectual capital	--		√	√	<ul style="list-style-type: none"> <li>3.1.6 Cyber Security Management System</li> <li>p. 54-56</li> </ul>
4	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.	1.Environmental sustainability framework 2.TCFD management structure 3.Greenhouse gas management system (Comply with international ISO 14064-1 requirements)	1.Eight factories around the world have passed ISO 14064-1 third-party verification. 2.Inventec's greenhouse gas emissions (Scope 1 and Scope 2) in 2021 was 100,902 metric tons, a decrease of 32,019 metric tons (24.1%) when compared to 2020 (132,920 metric tons). 3.Continue to optimize the management systems about mitigation/adaptation.	Optimize the regulations governing the emergency response management of all factories worldwide 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	--		√		<ul style="list-style-type: none"> <li>5.1 Climate Action</li> <li>p. 99-111</li> </ul>







# 1.3 About this Report

## 1.3.5 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	2021 results of implementation	2022 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	
5	Risk management	1. Effectively prevent and control risks and improve management performance in order to achieve the goal of sustainable operation. 2. Recognize major risks, evaluate risk analysis, clarify response strategies, strengthen response mechanisms, effectively reduce risks, and improve competitiveness.	1. Board of Directors operation 2. Audit committee 3. Prevention (risk control) internal control system 4. Operation management of business group (BG)	1. The risk management operations were reported to the board of directors on May 11th, 2021, to strengthen the implementation of the risk management system. 2. 469 internal control documents. 3. 065 positions have been identified among 368 units. 4. 052 goals and 2,505 risk items affect the achievement of goals. 5. 110 control points were drawn up at the same time to reduce the occurrence of these risks to ensure that the objectives are effectively achieved.	1. Optimize the 8 evaluated risks and countermeasures: "strategic risks", "operational risks", "financial risks", "regulatory compliance and intellectual property risks", "occupational safety risks", "product safety risks", "information security risks", and "environmental safety risks". 2. 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	--	√			• 3.1.1 Risk Management and Countermeasure • p. 45-48
6	Financial performance	Ensure normal operation of Inventec and protect the rights and interests of shareholders.	1. Board of Directors operation 2. Operation management of business group (BG)	1. The amount of profit after tax has reached more than NT\$ 6.5 billion. 2. The consolidated after-tax earnings per share is NT\$ 1.82.	1. Business of laptop computer remains at the high end. 2. Continuous development and launch of new products. 3. Emphasize developing the medical field and autonomous machines with AI technology. 4. Improve profit visibility of the product and refine project management.	GRI 201-1		Financial capital	--	√			• 3.1.2 Financial Performance • p. 49
7	Sustainable supply chain management	A stable supply chain system that reduces operational risks.	1. Management mechanism of the Responsible Business Alliance Code of Conduct 2. Supplier Sourcing Management Information System 3. Supplier Assessment Information Management System 4. Management process of Supplier Social Environmental Responsibility (SER)	1. The percentage of business deals of local (Greater China) suppliers accounts for 70% of all deals. 2. 100% of our suppliers have signed the declaration of conformity of the Responsible Business Alliance Code of Conduct. 3. 100% of suppliers completed the responsible minerals investigation.	1. Continue to perform the Validated Audit Process (VAP) of the Responsible Business Alliance (RBA) aiming at high-risk suppliers. 2. Continue to increase the ratio of business transactions of local (Greater China) suppliers. 3. 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	√	√	√	• 3.3 Sustainable Supply Chain • p. 62-66

# 1.3 About this Report

## 1.3.5 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	2021 results of implementation	2022 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	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"> <li>Energy management system (Comply with international ISO 50001 requirements)</li> <li>Regulations governing energy saving and carbon reduction program</li> </ol>	<ol style="list-style-type: none"> <li>Four factories around the world have passed ISO 50001 third-party reviews.</li> <li>Implementation of ten major energy-saving programs to save 1.17 million kWh of electricity.</li> <li>Regarding energy saving at headquarters (EU), the electricity consumption per unit area has been reduced by 21.33% compared to 2014.</li> <li>Compared with 2019, the energy saving at the Information Technology Center facilities (PUE) has been reduced by 48.96%.</li> <li>Compared with 2018, the energy saving (EI) of the factory has been reduced by 32.26%.</li> </ol>	<ol style="list-style-type: none"> <li>To achieve the performance of energy conversion by expanding the conversion and installation of renewable energy facilities.</li> <li>Dedicated to creating a low-carbon environment and an all-staff carbon reduction culture.</li> <li>Improve clean production and follow green factories.</li> </ol>	GRI 302-1 GRI 302-3 GRI 302-4	  	Natural capital	--	√			<ul style="list-style-type: none"> <li>5.1.4 Energy Management</li> <li>p. 110-111</li> </ul>
9	Circular and innovative product	<ol style="list-style-type: none"> <li>In order to meet international regulatory requirements, customer environmental protection, and save resources required for product production.</li> <li>Give serious consideration to the health of consumers and environmental protection of the place of production and consumption.</li> </ol>	<ol style="list-style-type: none"> <li>Green product management system (Meet the international IECQ QC 080000 requirements)</li> <li>Quality management system (Comply with international ISO 9001 requirements)</li> </ol>	<ol style="list-style-type: none"> <li>Worked in coordination with customers to obtain 267 environmental certifications.</li> <li>Number of customers served with regard to product safety regulations certification: 1,043.</li> <li>Seven factories around the world have passed IECQ QC 080000 third-party reviews.</li> </ol>	<ol style="list-style-type: none"> <li>Energy-saving design goal of Notebook PC: the efficiency of energy use exceeds the latest ENERGY STAR Computers Specification Version 8.0 by 25%.</li> <li>Energy-saving design goal of servers: the efficiency of energy use meets ENERGY STAR Computer Servers Specification Version 3.0.</li> </ol>	GRI 416-1 GRI 416-2		Manufactured capital Natural capital	--	√	√	√	<ul style="list-style-type: none"> <li>3.2.2 Circular and Innovative Product</li> <li>p. 58-60</li> </ul>
10	Anti-corruption	Avoid impacting company operations and earnings to maintain corporate reputation.	<ol style="list-style-type: none"> <li>Global Employee Code of Conduct Management Measures</li> <li>Employee Complaints and External Reporting Management Specifications</li> </ol>	<ol style="list-style-type: none"> <li>Number of training hours for integrity operation: 7,503.5 hours.</li> <li>No cases of dishonesty occurred</li> <li>The rates of employees signing the &lt; Employee Code of Conduct &gt;: Taiwan factories reached 100%; Pudong factories reached 99.86%; Chongqing factory reached 99.70%.</li> </ol>	The rate of employees' continuing to sign the < Employee Code of Conduct > reaches 100%.	GRI 205-1 GRI 205-2 GRI 205-3		Financial capital Social capital	--	√	√	√	<ul style="list-style-type: none"> <li>2.2 Integrity Management</li> <li>p. 35-39</li> </ul>



# 1.3 About this Report

## 1.3.5 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	2021 results of implementation	2022 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	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"> <li>Total training hours: 711,799 hours.</li> <li>The cumulative numbers of employees who have passed language proficiency tests so far are: 3,084 in English and 708 in Japanese.</li> <li>A total of 698,844 learners were accumulated from 2015 to 2021.</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>Draw up and implement individual development plans for key talents of business units aimed at the capabilities to be strengthened.</li> </ol>	GRI 404-1 GRI 404-2 GRI 404-3		Human capital	--	√			<ul style="list-style-type: none"> <li>4.1.3 Talent Cultivation</li> <li>p. 76-81</li> </ul>
12	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	--	√			<ul style="list-style-type: none"> <li>4.1.2 Talent Acquisition</li> <li>p. 73-75</li> </ul>
13	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"> <li>Occupational Safety and Health Management System (Comply with international ISO 45001 requirements)</li> <li>Management mechanism of the Responsible Business Alliance Code of Conduct</li> </ol>	<ol style="list-style-type: none"> <li>Eight factories around the world have passed ISO 45001 third-party reviews.</li> <li>Won "Healthy Workplace Certification-Health Promotion Mark" by National Health Administration, Ministry of Health and Welfare.</li> <li>Held 13 health lectures that were participated by 1,478 people, with a satisfaction score of 4.87 points (out of 5 points).</li> <li>100% of contractors entering the factory have completed safety and health education and training.</li> <li>The completion rate of job education and training for special personnel has reached 100%.</li> </ol>	<ol style="list-style-type: none"> <li>Optimize safety and health education and foster safety and health awareness.</li> <li>Continue planning and organizing health promotion activities.</li> </ol>	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	√	√		<ul style="list-style-type: none"> <li>4.2 Health and LOHAS</li> <li>p. 82-87</li> </ul>
14	Waste management	Ensure that waste disposal and removal methods comply with regulations and customer expectations.	<ol style="list-style-type: none"> <li>Environmental management system (Comply with international ISO 14001 requirements)</li> <li>Management mechanism of the Responsible Business Alliance Code of Conduct</li> </ol>	<ol style="list-style-type: none"> <li>Eight factories around the world have passed ISO 14001 third-party reviews.</li> <li>The amount of waste in 2021 was reduced by 13.87% compared with 2014.</li> </ol>	<ol style="list-style-type: none"> <li>Promote industrial waste reduction and implement environmental protection on the factory floor.</li> <li>Minimize waste output and maximize resource recycling.</li> <li>Carry out waste management, classification, recycling, and reduction.</li> <li>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.</li> </ol>	GRI 306-1 GRI 306-2 GRI 306-3		Natural capital	TC-ES-150a.1		√		<ul style="list-style-type: none"> <li>5.2.2 Waste Management</li> <li>p. 113</li> </ul>

# 1.3 About this Report

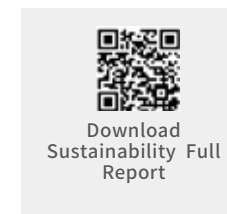
## 1.3.6 Report Response

### Report Management Process

The Talent and Management Center, Inventec’s preparation unit, performs the related tasks for issuing the Sustainability Report each year in accordance with the “Sustainability Report Compilation Management Procedures.” The management process of Inventec’s publication of the sustainability report is shown in the figure on this page.

### Regular Board of Directors' Report

Risk management, integrity management, and 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 14 material topics, stakeholder communication channels, Inventec’s response mechanism, and implementation of risk management and integrity management reported to the Board of Directors on May 11th, 2021, and May 13th, 2022.













### The Management Process of Inventec Issuing Sustainability Report



# 1.3 About this Report

## Inventec ESG Matrix Management

	Adhere to corporate governance internally. 	Practice corporate citizenship externally. 	● Integrity Management	● Environmental Sustainability	● LOHAS Workplace	● Labor Rights	● Value Chain	● Charitable Activities	Corresponding pages
 ● ISO 14001 Environmental Management System				●					P.98
 ● ISO 14064 Greenhouse Gas Accounting and Verification				●			●		P. 98
 ● ISO 50001 Energy Management System				●					P. 98
● IECQ QC 080000 Hazardous Substance Process Management System				●			●		P. 43、98
 ● Water Resource Management System				●					P. 114-115
● Responsible Business Alliance (RBA) Management System			●	●		●	●		P. 12
● Authorized Economic Operator (AEO)							●		P. 62-66
● Sustainable Supply Chain Management System			●	●		●	●		P. 62-66
 ● ISO 45001 Occupational Health and Safety Management System						●			P. 69
 ● SA 8000 Social Accountability Management System						●			P. 69
 ● Talent Management System					●	●		●	P. 72-81
● ISO 9001 Quality Management System							●		P. 43
● ISO 13485 Medical Devices - Quality Management System							●		P. 44
● IATF 16949 Automotive Quality Management System							●		P. 43
● ISO 27001 Information Security Management System							●		P. 44、55
● AA1000 Sustainability Report Management System			●						P. 139
 ● Integrity Management System			●				●		P. 35-39
● Product Safety Certification Management System							●		P. 58
● Responsible Minerals Management System						●	●		P. 64
● Patent Management System							●		P. 57
Corresponding pages			P. 35-39	P. 97-123	P. 68-95	P. 68-95	P. 62-66	P. 125-131	



## 2. Sustainable Governance

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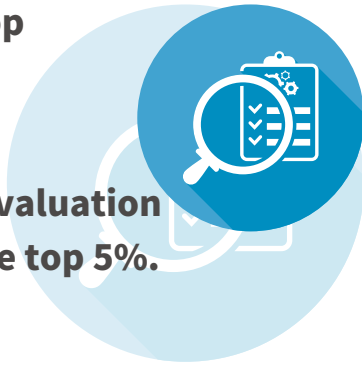


### SDGs Index



# Sustainable Governance Performance

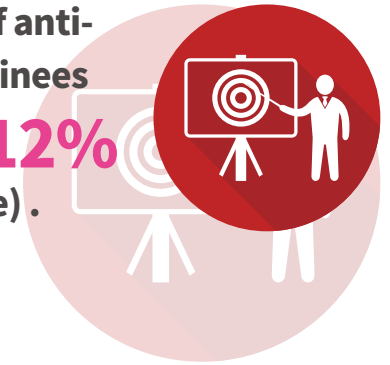
Rank as the top  
**6-20%**  
in Corporate  
Governance Evaluation  
and pursue the top 5%.



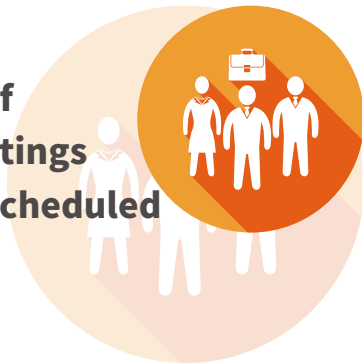
**100%**  
of the audit committee  
meetings were held as  
scheduled (4 times).



The number of anti-  
corruption trainees  
increased by **12%**  
(11,429 people).



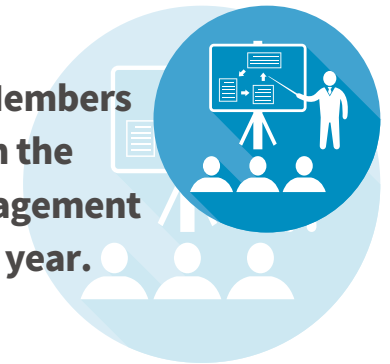
**100%**  
of the Board of  
Directors meetings  
were held as scheduled  
(13 times).



The external evaluation  
results of the Board's  
performance were  
**between good  
and excellent.**



**100%**  
of the Board Members  
plan and finish the  
integrity management  
training every year.



- 
- ◆ 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.



# 2.1 Corporate Governance

## 2.1.1 Board of Directors' Operation

### The Goals of Strengthening Functions of the Board

- ◆ Strengthen board of directors' and functional committees' functions
  1. Deepen corporate management: perform the functional committee's duties.
  2. Promote director remuneration information transparency and reasonably connect performance with remuneration.
  3. Enhance risk management supervision.
  4. External assessment of Board of Directors' performance
- ◆ Safeguard shareholders' equity
  - Equal treatment of shareholders: properly handle shareholders' suggestions and queries and increase interaction with investors.
- ◆ Improve information transparency
  1. Improve the timeliness of disclosure of information contained in financial statements.
  2. Enhance non-financial and ESG information disclosure.



## 2.1.2 Duties of Directors

### Directors' Duties

- ◆ The regular shareholders' meeting elected nine directors (including three independent directors). All independent directors serve as members of the remuneration committee and audit committee.
- ◆ The Directors timely receive continuing professional education. Inventec has bought relevant liability insurance for the Directors. With respect to the major issues in 2021, please refer to the major information release record of Market Observation Post System.
- ◆ The reports regularly arranged for the Board of Directors in each May include promoting corporate governance, sustainable development, communication with various stakeholders, regulatory compliance and intellectual property management, and implementation and plan reports for promoting integrity management and risk management operations.
- ◆ 4 corporate governance communication meetings were organized in 2021.
- ◆ The amendment of the Corporate Governance Best Practice Principles and the Code of Practice for Corporate Sustainability was approved on March 15, 2022, to actively implement corporate social responsibility and promote its sustainable development



### Supplementary Information



Annual report



Rules of Procedure for Board of Directors Meetings



Corporate governance page on Inventec official website

### The Correspondence between the 2021 Information of Inventec's Board of Directors and the Company's Annual Report

Information of Board of Directors		2021 Annual Report
Occurrence of the Board of Directors' meeting	◆ The Board of Directors' meetings are held every month. In 2021, Inventec's Board of Directors held 13 meetings and carried out company governance meetings every season.	II . Corporate Governance Report → 2.3 Corporate Governance Practices → 2.3.1 Information of Board Meeting Operation
Corporate governance officer	◆ The Board meeting dated February 26th, 2019, resolved to 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	<ul style="list-style-type: none"> <li>◆ 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.</li> <li>◆ The external evaluation was carried out by KPMG Advisory Services Co Ltd., an external professional independent organization. The operation period assessed was from Oct. 27th, 2021, to January 7th, 2022. The evaluation scope included the overall board of directors, functional committees and individual directors. The evaluation was conducted through data analysis, questionnaires and interviews, and the performance evaluation report was issued based on the results.</li> <li>◆ In 2021, the results of the performance evaluation were "between good and excellent".</li> </ul>	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"



# 2.1 Corporate Governance

## 2.1.3 Board of Directors


Directors' Name	Title	Gender	Range of Age	Education
Cho, Tom-Hwar	Chairman	Male	61-70	Department of Electrical Engineering, National Taiwan University
Yeh, Kuo-I	Director	Male	81-90	Shilin High School of Commerce
Wen, Shih-Chih	Director	Male	61-70	Xihu Vocational High School of Industry and Commerce
Lee, Tsu-Chin	Director	Male	71-80	Bachelor of Economics, Tunghai University
Chang, Ching-Sung	Director	Male	61-70	Master of Electric Engineering, National Taiwan University
Yeh, Li-Cheng	Director	Male	51-60	Master of Information Engineering, Pace University
Chang, Chang-Pang	Independent Director	Male	71-80	Master of Laws, National Cheng-Chi University
Chen, Ruey-Long	Independent Director	Male	71-80	Bachelor of Economics, National Chung-Hsing University
Wea, Chi-Lin	Independent Director	Male	71-80	Doctor of Economics, University of Paris
Male: 10 people=100% Female: 0 person=0%			>51-60 years old: 1 person accounting for 1/9=11.11% >61-70 years old: 3 people accounting for 3/9=33.33% >71-80 years old: 4 people accounting for 4/9=44.44% >81-90 years old: 1 person accounting for 1/9=11.11	

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. and 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

## 2.1.4 Succession Plan

◆ To strengthen Board functions and reinforce management mechanisms, the Company has established Board structure as appropriate, Board member diversification guidelines, and a candidate nomination system for the election of directors based on the principle of fair treatment to shareholders. 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, and periodical evaluation of the management succession plan development in May every year, and implementation to ensure sustainable operation.

**Supplementary Information**



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”



## 2.1 Corporate Governance

### 2.1.5 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 2021. 2 committee members’ attendance rate was 100%, and 1 committee member’s attendance rate was 75%.

### 2.1.6 Remuneration Committee

- ◆ The remuneration committee consisting of 3 independent directors reviews performance and remuneration policies, system, standards, and structure of directors and managers, regularly assesses and determines their salaries and remunerations, and makes suggestions to the Board.
- ◆ A total of 2 meetings of the remuneration committee were held in 2021, and the average attendance rate of all members was 100%.



### 2.1.7 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 2021 is NT\$ 558,930,501, and the remuneration of directors in 2021 is NT\$ 83,422,463.



Supplementary Information



Remuneration Committee Charter

### The Correspondence between the 2021 Information of Inventec's Committees and the Company's Annual Report

Committee Information	2021 Annual Report
<p>Employee remuneration</p> <ul style="list-style-type: none"> <li>◆ Reasonable salary welfare policies and the operational performance or results will be reflected in the employee’s compensation as appropriate.</li> </ul>	<p>II . Corporate Governance Report                      → 2.3 Corporate Governance Practices                      → 2.3.6 Corporate Sustainability and Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”</p>
<p>Remuneration paid to Directors, President, and Vice Presidents</p> <ul style="list-style-type: none"> <li>◆ Submit to the Board of Directors for resolutions made by the remuneration committee’s recommendations.</li> </ul>	<p>II . Corporate Governance Report                      → 2.2 Directors, Supervisors and Managers’ Information                      → 2.2.3.5</p>



## 2.2 Integrity Management

### 2.2.1 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 "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", and the amendment of the "Code of Integrity Operations" was approved by the Board of Directors on March 15, 2022, 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.

◆ 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: In order to solve major violations or misconduct, etc. complained 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. In 2021, no employee complaint case was formally filed.

◆ 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.

◆ In the "Employee Complaints and External Reporting Management Specifications", Inventec has designated a dedicated complaint acceptor and complaint and reporting hotline: Tel.: 2881-0721 ext. 21999 / E-mail: 21999@inventec.com, and according to the treatment principle, Inventec will protect the reporter from discriminations, threats, post transfers, and other unfavorable treatments.



# 2.2 Integrity Management

## 2.2.2 Implementation Result

### Integrity Management Implementation



#### Information about Integrity Management

Management Measures for the High-Risk Units	<p>◆ 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 &amp; Intellectual Property Center, Talent and 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.</p>
Prevention and Training Measures	<p>◆ 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 2021, a total of 11,429 people from Taiwan, China, and Europe and America received integrity management training. The integrity management training hours were 7,503.5 hours. The training completion rates are shown on this page. 100% of the board members plan and complete the integrity management training every year.</p>
Acceptance of Accusations and Investigation Results	<p>The personnel handling the reported case transferred all cases to the specific internal authorities. In 2021, no act without good faith was filed.</p>

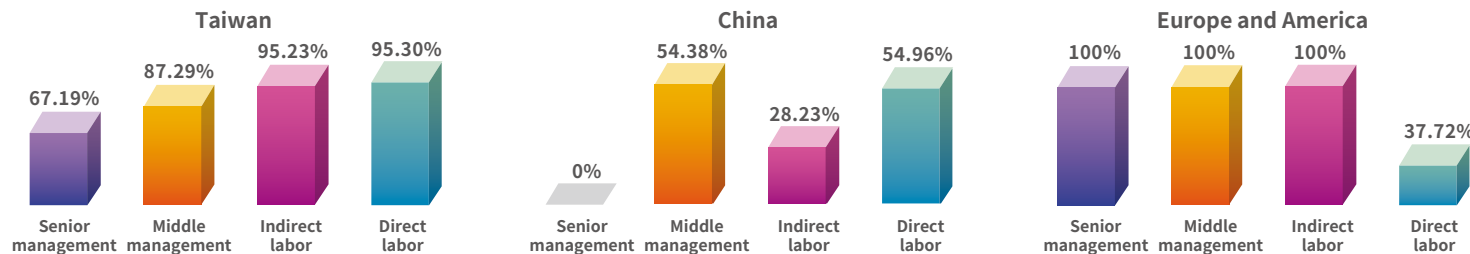
### Risk Management Operations



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 May to strengthen the implementation of the risk management system.

- 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 and audit committee every May to strengthen the implementation of the risk management system.
- 4. The scope of risk management includes** "strategic risks", "operational risks", "financial risks", "regulatory compliance and intellectual property risks", "occupational safety risks", "product safety risks", "information security risks", and "environmental safety risks".

### 2021 Employee Integrity Management Training Completion Rates



100% of the board members plan and complete the integrity management training every year.



- Note:
- Percentage of trained employees = the number of trained employees by region, by gender, and by employee categories / the total number of employees in the region, gender, and employee categories on 2021.12.31 \* 100%
  - Employees entitled to the total number of the trainees on 2021.12.31 and total number of training hours on 2021.12.31 means those employees who completed training programs in 2021. The total employee turnover is excluded.
  - The anti-corruption training for Inventec employees is completed through new employee orientation and RBA internal training.

Supplementary Information



Stakeholder zone



Annual report



# 2.2 Integrity Management

## 2.2.3 Integration and Establishment of an All-in-one Preventive (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 preventive (risk control) internal control system, the preventive (risk control) internal control operation, the preventive (risk control) internal audit, preventive (risk control) self-evaluation and the performance thereof.

In order to fully capitalize upon the function of the preventive (risk control) internal control system, the internal control operation, and the self-evaluation, and improve the value and contribution of the internal audit, a “Preventive (Risk Control) Internal Audit Report” is proposed during the Inventec’s Board of Directors monthly meeting, so that Directors, audit committee members and operational team can understand the deficiency in the company’s implementation of the preventive (risk control) internal control system and the preventive (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 preventive (risk control) internal control system is under positive circular operation; all employees of the company are aware of and implement the preventive (risk control) internal control system. Meanwhile, together with the efforts of the audit team, continuous and effective implementation of the preventive (risk control) internal control system, the preventive (risk control) internal control operation, and the preventive (risk control) self-evaluation can be assured.

In order to continuously implement corporate governance, the internal control system, the internal audit operations, and the self-evaluation, the Board of Directors decided to formulate the "Internal Audit Reward and Penalty Points Regulation", which was approved in August 2006 and revised on August 28th 2017 for implementation. It combines the internal control system of all units, execution effect of self-assessment, and personal annual performance appraisal. "Internal Audit Reward and Penalty Points Regulation" is not only the commitment and oath of the Board of Directors to pay attention to corporate governance and implementation of the internal control system, but also exerts a rooting and deepening effect on Inventec's promotion of corporate governance and implementation of the internal control system.

The Board of Directors and the operational team of Inventec attach great importance to corporate governance and the implementation of the preventive (risk control) internal control system and convene a Board of Directors meeting every month to review issues such as corporate governance, operations and the internal control system, etc. A corporate governance meeting is also convened every quarter, appointing an accountant checking and auditing the content and propose suggestions and descriptions on new laws and decrees regarding examination each quarter, and the Board of Directors will coordinate with relevant laws and decrees to adjust the practice and regulation of corporate governance and the preventive (risk control) internal control system. The Directors, the internal audit supervisors, and the accountants achieve full communication in the corporate governance meetings. Meanwhile, the Board of Directors' support and affirmation of the Audit Center indicates that the Inventec Board of Directors and top-tier management’s attention and determination in implementing corporate governance is actually put into practice.

The preventive (risk control) internal control system of Inventec is the management process following the "Governing Establishment Regulations of Internal Control Systems by Public Companies" and was designed by its managers, consented by the audit committee, passed by its Board of Directors, and implemented by the Board of Directors, managers, and other employees for purpose of promoting sound operations of the Company, so as to reasonably ensure that the following objectives are achieved: (1). Effectiveness and efficiency of operations. (2). Reliability, timeliness, transparency, and regulatory compliance of reporting. (3). Compliance with applicable laws, regulations, and bylaws.

Through considering the Company's ethical value, organizational structure, authority assignment, human resources policy, performance evaluation, reward and punishment, Inventec's preventive (risk control) internal control system is integrated into ten internal control operation circulations, and a thorough and effective preventive (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 preventive (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, ISO14064 greenhouse gas management system, ISO 45001 occupational safety and health management system, TOSHMS Taiwan occupational safety and health management system, and ISO 50001 energy management system, ISO 27001 information security management system, etc.

Inventec has established a global e-All In One preventive (risk control) internal control system, including: (1). Inventec Group’s multi-in-one preventive (risk control) internal control system, (2). Total subsidiaries (37 in total) preventive (risk control) internal control system, (3). Implementation of “e-internal control system with computer” management.

Moreover, for the convenience of colleague’s inquiry and compliance, an “inquiry system for procedural documents of the preventive (risk control) internal control system” has been established. Employees can inquire about operation procedural documents of their department through the internal website of the company at any time. If required, they can inquire about procedures across the plants and apply to the document control department. In order to implement the ground work of internal control, all new employees attend the educational training course on the “Implementation of Preventive (Risk Control) Internal Control System”.

Inventec has consolidated all domestic and overseas plants and all subsidiaries and plants to establish all-in-one preventive (risk control) internal control system. The parent company, Inventec, has issued a total of 469 preventive (risk control) internal control system procedure documents; a total of 37 subsidiaries have issued 1,285 preventive (risk control) internal control system procedure documents. As of now, a total of 1,754 procedure documents have been formulated. Meanwhile, the Audit Center along with the IT unit have established a computerized document management system of preventive (risk control) internal control system, which significantly reduced not only the manpower of documentation, review, countersignature, issuing, revise, reading, etc., but also the restriction of time and space. And the way of paperless meets the trend of better environmental protection.



# 2.2 Integrity Management

## 2.2.4 Preventive (Risk Control) Internal Audit

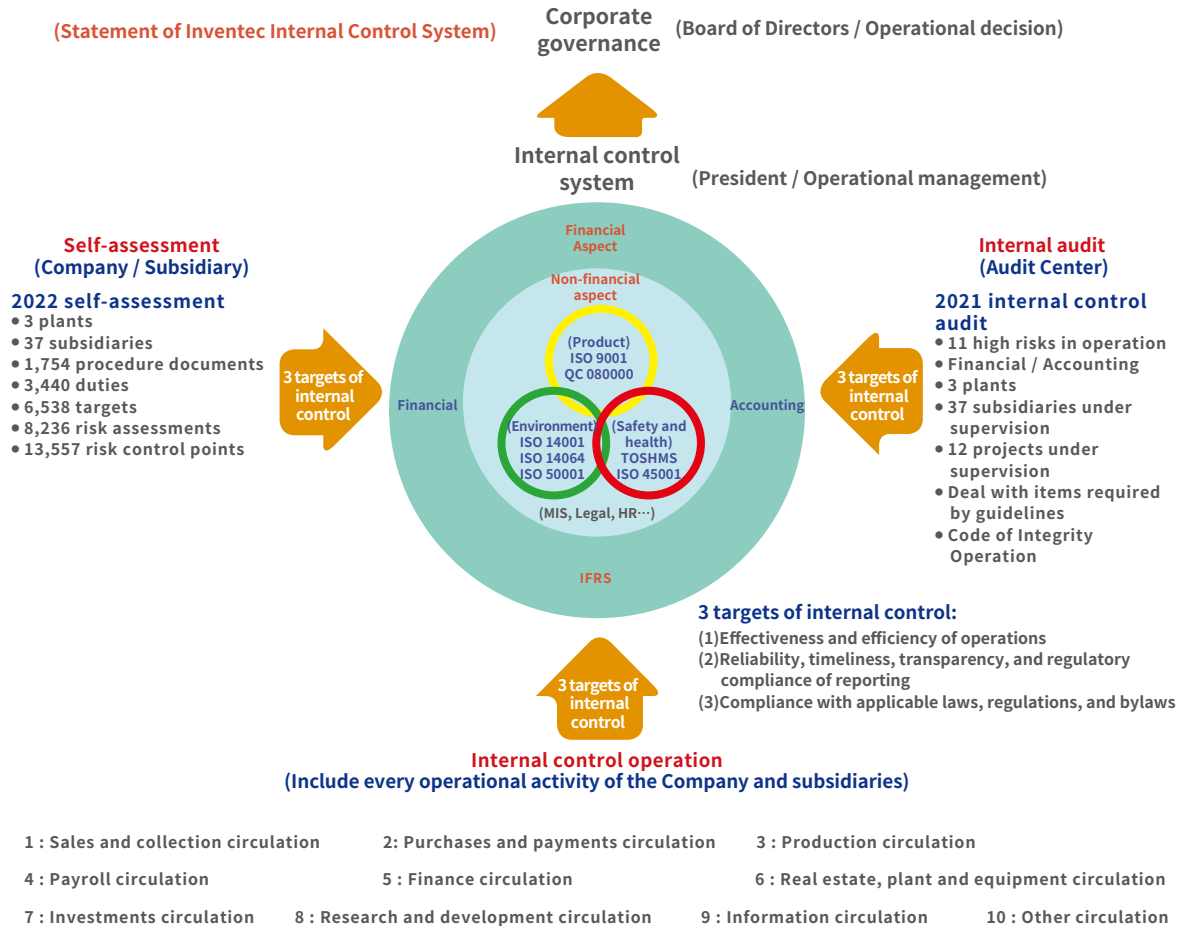
Internal audit lean progress: regulatory compliance audit -> detection and defect elimination audit -> factory governance audit -> computer-aided audit -> remote audit -> preventive (risk control) audit.

Preventive (risk control) internal audit is performed according to the audit policy for the following 11 high risks approved by the Board of Directors in 2021: ethics, approval authority, inventory management, receivables, costs and expenses, asset preservation, industrial safety and environmental protection, cyber security, financial reporting (IFRS), financial regulations, compliance with laws and regulations to establish the audit emphasis for the preventive (risk control) internal control system on the basis of "Code of Integrity Operation" and operational risk assessment, and identifies potential operational risks as soon as possible, assists the operational team to take preventive actions in advance, and continuously improves the contribution and value of internal audits to Inventec and its subsidiaries.

Preventive (risk control) internal audit plan: The 2021 preventive (risk control) internal audit plan approved by the Board of Directors covers: the Company (Shilin Factory, Taoyuan Factory, Inventec Computer Factory), subsidiaries (PSG Group, EBG Group, the other Group, a total of 23 and Inventec Appliances Group, a total of 14). The internal audit report and the follow-up report are submitted to the audit committee for inspection prior to the end of the following month after the completion of the audit project. The review, tracking and implementation of internal control deficiencies are recorded, and they are reported to the Board of Directors in consultation with the audit committee.

In addition to the "annual audit plan" approved by the Board of Directors, the preventive (risk control) internal audit shall be carried out for the control operations of each transaction cycle in all factories and subsidiaries. To expand the depth of internal audits and promote their greater synergy and contribution, the Audit Center will establish project audits when requested to do so by the Board of Directors for the important problems and high-risk businesses found in routine audits and shall conduct in-depth investigations and submit audit reports.

### Inventec Internal Control System



(Legal compliance: "Governing Establishment Regulations of Internal Control Systems by Public Companies")



## 2.2 Integrity Management

### 2.2.5 Preventive (Risk Control) Self Assessment

According to Article 22 of the Financial Supervisory Commission's "Guidelines for the Establishment of Internal Control System for Public Offering Companies": The public offering company shall self-assess the internal control system and shall firstly urge its internal units and subsidiaries to conduct self-assessment at least once a year. The internal audit unit then reviews the self-assessment report of each unit and subsidiary.

Inventec implements internal control preventive (risk control) self-assessment operations once a year, and then the Audit Center will review the preventive (risk control) self-assessment report of each unit and subsidiary. Together with the internal control deficiency and improvement circumstance of abnormal matters found by the Audit Center, they will be the major basis for the Board of Directors and the President to assess the overall effectiveness of preventive (risk control) internal control system and issue the "Statement of Inventec Internal Control System".

In order to implement the self-supervision mechanism of the Company, respond to environmental change in a timely manner, and adjust the design and execution of the internal control system, in each year, the "Self-assessment Training Explanation Sessions" were arranged for the responsible colleagues without experience, if more than 5 people, in each plant and subsidiary. 319 people participated. It ensures that supervisors above the department level fully understand the purpose and practice of self-assessment and are able to actually execute self-assessment. The internal control self-assessment trainings for the new responsible person of internal control self-assessment were conducted for Inventec's 3 plants and 37 subsidiaries (including: 4 on-site trainings and 13 Teams trainings for a total of 319 people).

Inventec completed self-assessment on 368 units, identified 1,065 duties, 2,052 targets, and 2,505 risk items affecting target achievement. Meanwhile, the Company has prepared 4,110 control points to reduce the occurrence of such risks in order to achieve those targets. For the subsidiary part, the self-assessment work on a total of 566 departments from 37 subsidiaries was completed, identifying 2,375 duties, 4,486 targets, and 5,731 risk items affecting target achievement. Meanwhile, the Company has prepared 9,447 control points to reduce the occurrence of such risks in order to achieve those targets.

### 2.2.6 Internal Control System Statement

"2021 Inventec Corporation Statement of Internal Control System" has been approved by the Board of Directors in their meeting held on Mar. 15th, 2022, with zero of 9 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement. The details can be found on the website: <https://www.inventec.com/en/inspect>.





## 2.3 Information Disclosure

### 2.3.1 Information Disclosure Mechanism

#### Information Disclosure Channels Description

◆ The Company 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 its due rights and interests.

#### Information Disclosure Channels

- Spokesperson
- Investors conference
- Shareholders' meeting
- Market Observation Post System
- Company website
- Annual report
- Sustainability Report
- Stakeholder zone

◆ Inventec has procedures for handling stock affairs and a dedicated mailbox for accepting shareholders' suggestions, doubts, disputes, and lawsuits and implemented according to the procedure.

#### 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



#### Stakeholder



Stakeholder



Annual report



Inventec's CDP platform over the years



RBA-ONLINE Supply Chain & CSR Management Platform



# 3.Operational Development

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- 3.3 Sustainable Supply Chain .....62

## Four Major Development Fields



## New Business Opportunities

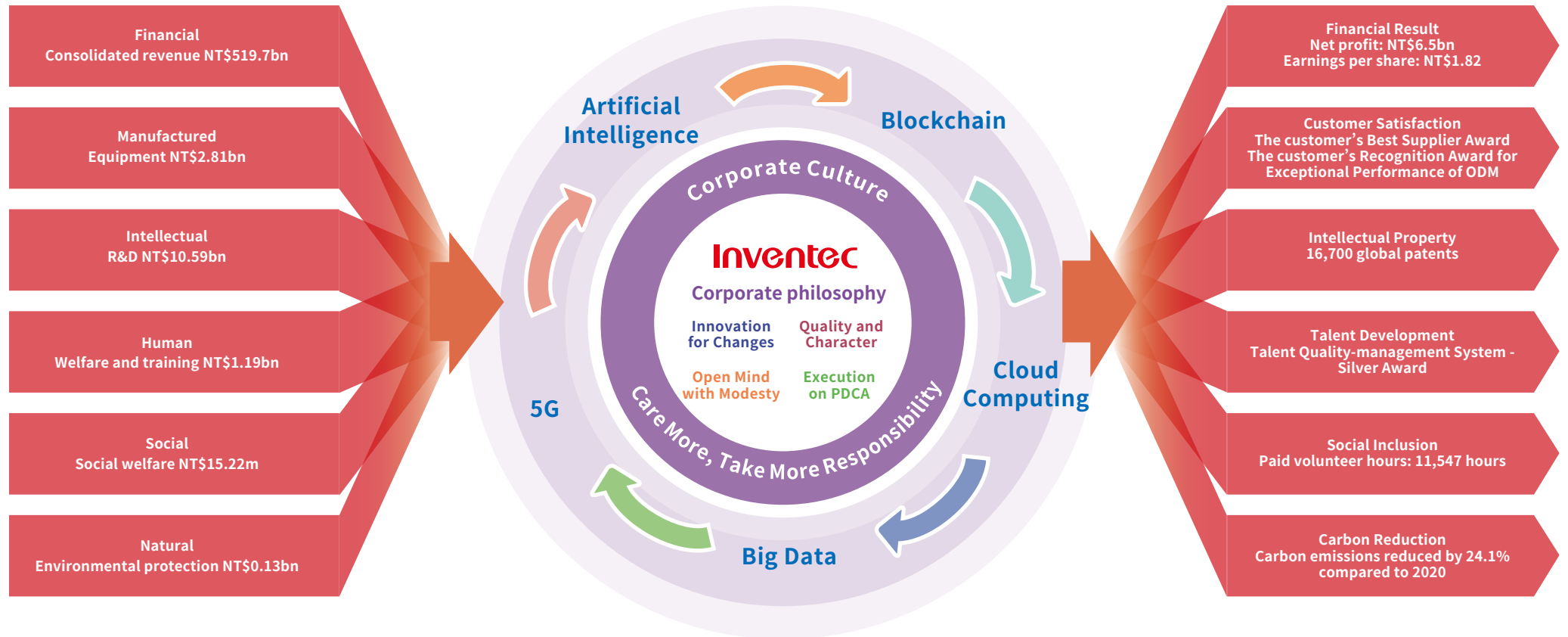
### SDGs Index



Auto electronic      Medical care

Business Opportunities

# Integrated Reporting Performance



- ◆ **Material Topic** : Cyber security, risk management, financial performance, sustainable supply chain management, and circular and innovative product.
- ◆ **Key Practices** : The risk management operations are regularly reported to the Board of Directors every May to strengthen the implementation of the risk management system. The ISO 27001 Information Security Management System is established in Inventec's 6 global plants and is certified by an external third party. Implement Inventec Group Sustainable Supply Chain Management Policy and encourage innovative research and development to improve operational performance.
- ◆ **Browse Suggestions** : Employee, customer, supplier, shareholder / investor, research institute, etc.
- ◆ **SASB index** : Labor conditions TC -ES-320a.2 and TC-ES-320a.3 and materials sourcing TC -ES-440a.1.



# International Management System Certificates of Operational Development

**ISO 9001**  
Quality Management System



**IECQ QC 080000**  
Hazardous Substance Process Management System



**IATF 16949**  
Automotive Quality Management System



**ISO 26262**  
Road Vehicles — Functional Safety



### The Numbers of Certified Factories

Taiwan	3
China	3
Europe and America	2

### The Numbers of Certified Factories

Taiwan	3
China	3
Europe and America	2

### The Numbers of Certified Factories

Taiwan	2
China	2
Europe and America	0

### The Numbers of Certified Factories

Taiwan	1
China	1
Europe and America	0



# International Management System Certificates of Operational Development

**ISO 13485**  
Medical Devices - Quality Management System



**ISO 27001**  
Information Security Management System



**ISO 17025**  
Laboratory Quality Management System



**The Numbers of Certified Factories**

Taiwan	2
China	1
Europe and America	0

**The Numbers of Certified Factories**

Taiwan	2
China	3
Europe and America	1

**The Numbers of Certified Factories**

Taiwan	1
China	1
Europe and America	0

# 3.1 Operation Management

## 3.1.1 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 Sustainability in March 2022, 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 and audit committee every May 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 Procedures

- ◆ 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: The risk management operations shall be regularly reported to the Board of Directors and audit committee every May 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", "regulatory compliance and intellectual property risks", "occupational safety risks", "product safety risks", "environmental risks", and "cyber security risks."

## 8 Risk Assessment Items and Operation

### Strategic Risks and Operation

- ◆ Innovation and quality: "Innovation" is the cornerstone of differentiation, which is a main factor for breaking through in a competitive environment. The group will continuously adhere to its innovative business philosophy whether it is tangible or intangible and remain committed to customers and partners with the highest "quality" improvements in the future.
- ◆ Technology and industry change: Across the world, 5G mobilizes new science and technology and also promotes horizontal alliances to upgrade each industry's competitiveness. Led by the digital economy, Inventec is actively engaged in 5G development and sets short, middle and long-term operation targets and financial indicators through blueprints for digital transformation. In addition, with the help of big data collection, application and analysis, and combined with the Internet of Things and AIT, it is committed to creating a 5G intelligent factory with high quality and excellent process. In the age of technological explosion and except for the digital application of information technology, Inventec must also enhance its Information security management to create a low-risk and circulating financial administration tool.
- ◆ Corporate culture: In recent years, the climate has been changing rapidly, and as sustainability keeps simmering, ESG emerges in response to achieve global net-zero emission targets in 2050. Inventec depends on social responsibility and takes ESG as its operating core value. It will continue to focus on ESG and digital transformation, enhance to implement a green supply chain, promote the company's cohesion and competitiveness, and keep up with global trends. The Company adheres to a consistent operation philosophy and corporate culture. Through internal management mechanisms and external auditing execution, the Company vigorously examines and approves the setting and execution of objectives and strategies, actually mastering the overall organizational risk.

### Operational Risks and Operation

- ◆ Centralized goods purchase and sales: With the change in economic and trade environments, conflicts with tariff barriers' impact of the epidemic, the shortage of components, port congestion, and ESG environment sustainability policy, the layout of the global supply chain is speeding up. Inventec, with the help of production strategy partitions and planning, listens carefully to the voices of different customers and adopts flexible and diverse supply modes to effectively reduce excessive sell in and out concentration risks.
- ◆ Expected benefits of plant expansion: Each ODM has adjusted its overall operation planning, including a flexible order receiving mode in response to the Sino-US trade and technology war, thus effectively controlling production costs and tariff risks. In 2021, Inventec also made careful assessments for a new plant expansion plan in Mexico as the economic environment and clients demanded. This new production base would satisfy order supplies in North American areas. Furthermore, other production bases will also receive asset activation assessments and production capacity relocation to balance capital exposure risks.



# 3.1 Operation Management

## 3.1.1 Risk Management and Countermeasures

### Financial Risks and Operation

- ◆ Interest rate: The international economy recovers as the epidemic drops steadily. However, crude oil and raw materials shortages triggered by the Sino-US trade conflict and Ukraine-Russia crisis undoubtedly hide the dangers of inflation. To cope with this, the Federal Reserve of America raised the interest rate in the first quarter of 2022, while the Central Bank also tightened monetary policies accordingly to stabilize cash flows and balance the domestic economy and living standards. Therefore, the Company has cautiously and regularly evaluated the loan interest rates from banks and each currency to avoid cash flow risks caused by market interest rates. The Company 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 Federal Reserve System has adopted increased rates and austerity programs due to concerns about the risk of a continued rise in inflation, which is likely to affect the monetary policies of various countries. In the face of capital spillovers from various countries, as the world enters the post-epidemic era, and with the increasing threat of conflict between Ukraine and Russia, the central bank is bound to adopt appropriate monetary policies to curb the flow of hot money everywhere to stabilize the foreign exchange market and assist export-oriented companies in making business and investment decisions. Due to the company's deep cultivation of international manufacturers, the major exchange rate policy is a natural hedging after offsetting and balancing credits and debts, supplemented by foreign exchange hedging operations.
- ◆ Inflation: Monetary policies and currency inflation are often mutually reinforcing to prevent the distortion of real interest rates and exchange rates. Generally speaking, with the domestic price increases in recent years due to the global epidemic, the Central Bank will raise interest rates gradually in 2022 to stabilize market mechanisms and contain inflation. In the future, the Company will continue to actively observe market conditions and effectively control costs and operating expenses to mitigate the impact of currency inflation on operations and prevent the phenomenon of false profits and real losses.
- ◆ Liquidity risk: Inventec still has a bank unsecured line of credit which is sufficient to fulfill its contractual obligations and there are no funding liquidity risks for the reasons given above.

### Regulatory Compliance and Intellectual Property Risks and Operation

- ◆ Legal changes: Know effectively the laws, policies, contentious and non-contentious businesses and practices; safeguard privacy rights, employee rights and interests related to the Covid-19 pandemic and business secrets; comply with export control laws and acts; hold lectures and forums on legal and intellectual property rights, hold new employee orientations, and provide e-learning courses to urge the implementation of risk control
- ◆ Litigation events: Closely follow contentious and non-litigation events of group companies and take appropriate countermeasures.
- ◆ Intellectual property rights: Increased focus on intellectual property rights, implement management of the group's trademarks, and ensure product patent rights and copyright are protected to defend independent research and development as intellectual property.

### Occupational Safety Risks and Operation

- ◆ Hazards risk assessment and identification: Formulate the Administrative Measures for Appraisal and Assessment of Safety and Health Hazard Risks in accordance with the Taiwan Occupational Safety and Health Management System "TOSHMS", International Occupational Safety and Health Management System "ISO 45001", and regularly perform a comprehensive hazard identification and risk assessment of each potential factor that may cause staff injury or accidents. Thus, setting occupational safety targets and objectives and management schemes as the safety and sanitation management basis.
- ◆ Emergency management implementation: Organize regular fire lectures and drills, urgent evacuation drills and fire control routine inspections. Also periodically check each safety facility through task marshaling to completely implement disaster prevention and relief work.



# 3.1 Operation Management

## 3.1.1 Risk Management and Countermeasures

### Product Safety Risks and Operation

◆ Product and Service Policy:

1. The Company provides customers with a comprehensive and thorough customer relations management service mechanism, from order receiving to the stage of product development and to the stage of mass production. After product delivery, we track the product condition to the customer end and actively care about all feedback from the customer.
2. Furthermore, by periodically holding customer business review meetings, the Company can discuss relevant issues, such as technology research and development, product delivery, product quality, after-sales service, quotation cost, energy saving and carbon reduction, green products, corporate social responsibility, etc., in response to the issues that concern customers.
3. Provide instant services and response mechanisms through a stationed service mechanism at OEM/ODM customer.
4. In response to environmental protection legal issues of each country throughout the world and provide customers with better environmental protection service, the Company will assist customers in acquiring product green mark certification,

◆ Supplier Evaluation Management:

1. With regard to the various assessments of suppliers, in addition to the quality, cost, delivery time, technical skill, and service that are assessed in the general industry, with the rise of corporate social responsibility awareness, the Company will also extend the assessment scope to green products and corporate social responsibility, and the assessment scope will correspond to the Company's requirements for supplier, including the establishment of management systems such as ISO 9001, ISO 14001, ISO 45001, RBA, etc.
2. Through diversified assessment consideration, the Company 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.
3. The Company ensures that the supplier does not violate the aforementioned circumstances through supplier RBA auditing.
4. Every year, the Company will perform 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.

### Environmental Risks and Operation

- ◆ Climate Change: Follow the TCFD climate change governance framework for mitigation and adaptation, define risk assessment and identification procedures in accordance with the climate action practice, grasp the risk factors of policies and regulations, technologies, markets, goodwill and extreme climates, evaluate potential opportunities and niche, look for opportunities in new energy, markets, products/ services, resource efficiency, etc., and develop new businesses and services, etc. to integrate into Inventec's operational process.
- ◆ Management system certification: All environmental sustainability management systems are formulated by considering the government, clients, staff, communities and stakeholders' demands and are in line with ISO/IECQ and other internationally standardized environmental management systems. These are the ISO 14001 Environmental Management System, IECQ QC 080000 Hazardous Substance Process Management System, ISO 14064-1 Greenhouse Gas Management System, ISO 50001 Energy Management System. The above operations are verified and certified by a third independent certifying organization with each issued a system certificate for certainty.
- ◆ Sustainable supply chain management: Release sustainable supply chain management policy and set up supplier risk appraisal procedures in light of industrial characteristics, purchasing patterns, regional relations, etc., to make risk classification with cooperating suppliers. In addition, the Company follows Responsible Business Alliance (RBA) specifications as Inventec's supply chain management basis, emphasizes a mutual understanding with suppliers to seek win-win cooperation, organizes the sustainable supply chain forums, and hopes to contribute to sustainable development.
- ◆ Environmental protection expenses: Mainly include waste disposal, pollution prevention equipment maintenance, environment monitoring, ecological afforestation, green management system verification, product environmental protection benchmark certification, environmental education, energy conservation and carbon reduction engineering, environmental conservation activities, occupational health, green supply chain management and carbon emission trading, etc.





# 3.1 Operation Management

## 3.1.1 Risk Management and Countermeasures

### Cyber Security Risks and Operation

◆ Cyber Security Risk Management Framework

1. Cyber Security Management Organization

Inventec attaches importance to cyber security and designates its President to preside over the cyber security response team. This is from the PSG to EBG production line as well as reporting related issues during the monthly cyber security meeting to implement and enhance cyber security management.

In accordance with the “Annual Internal Audit Plan” that was approved by the Inventec Board of Directors, the Company does regular audits of information security items, supervises the risk appraisal and panning of the Information Security Management System (ISMS), implements conditions of the information security system, and reports audit results to the Board.

2. Cyber Security Policy and Organization Framework

Cyber security policy: Enhancing cyber security awareness, abiding by cyber security regulations, implement cyber security management, and ensuring company operation

Organization Framework:

Cyber security officer: In charge of cyber security policy promoting and scheduling of resources and reports directly to the President

Cyber security department manager: In charge of information security system planning and management and reports directly to the cyber security officer

Cyber security department colleagues: In charge of information security service execution, protection and monitoring

3. Specific Management Schemes

Enhance company staff cyber security awareness: Company colleagues shall sign the “Staff Codes of Conduct” every year, including cyber security protection measures and publish a cyber security notice at the proper time to remind colleagues of cyber security risks. Besides this, the Company has regularly organized educational training for new-employed colleagues to let them know about Inventec’s cyber security management regulations and cultivate their awareness for compliance. Moreover, the Company also advocates cyber security educational training among colleagues and provides them with the latest cases and hot news to upgrade their cyber security awareness.

Antivirus and hacker monitoring: Monitor all factories’ virus detection conditions around the world and provide necessary protection measures, virus checking and killing. For example, tracking the reasons a factory computer suffered from a virus attack and confirming that it is eradicated. Report virus attacks and cyber security information to the President every month, including hot events, cyber security prevention and countermeasures to avoid a production shutdown due to a cyber security event.

Vulnerability management and bug fixes: Regularly check whether the external service host has any bugs with the help of the Vulnerability Scanning System and enhance system Patch update management. For example, sorting out system software update conditions every month and reporting it to the general manager to implement vulnerability management, and taking necessary bug fixes or prevention measures.

Cyber security inspection: Accept clients’ inspection, internal self-inspection and a third-party’s information security auditing in accordance with ISO 27001, other cyber security frameworks, and control items. This includes security policy, information security organization, human resource security, assets management, access control, cryptology, physical and environmental security, operational security, communication security, information system development acquisition and maintenance, supplier relation, information event management, and continuous management and compliance inspection.

Regular drill: To safeguard steady operations, the Company has backed up data at fixed periods and carried out drills in terms of abnormal system operations, network attacks, virus infections, fires in the machine room and other abnormal cyber security events. This ensures that company colleagues can handle it in real-time and correctly.

Defense-in-depth: Adopt a next-generation firewall, network access administration, intrusion detection system, antivirus software, vulnerability scanning, e-mail shield, Internet connection control, endpoint protection management, usability monitoring, log record, social engineering drill and internal cyber security management procedure. Also, cooperate with an external cyber security company to enhance monitoring and protection.



# 3.1 Operation Management

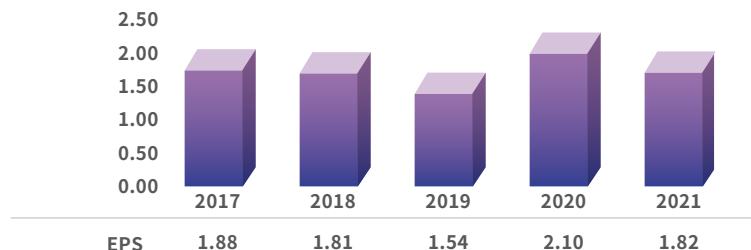
## 3.1.2 Financial Performance

### Financial Performance

- ◆ Inventec's financial performance is detailed in the company's annual report information issued by Inventec in 2022, and the financial performance information corresponds to the annual report sections.
- Benefiting from the work-from-home economy under the influence of the COVID-19 epidemic, the revenue of laptop computer products increased by 10% compared with the same period last year.
- Despite data centers' increasing demand for server products, the revenue decreased by 4% compared to the same period last year, primarily due to the supply chain shortage.
- Although old smart devices are gradually being replaced by new smart devices with an adjustment observed in customer orders, the revenue from this area still contributed more than NT\$32.4 billion.



Earnings per Share over the Years



### Honor and Affirmation

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



FTSE4Good  
TIP Taiwan ESG Index



### Inventec Receives Government Subsidies

- ◆ Inventec received a major government financial subsidy of NT\$ 373 million in 2021.  
Taiwan: NT\$ 0      China: NT\$ 373 million

### Correspondence Between 2021 Financial Performance Information and Company Annual Report

Financial Performance (NT\$)	Annual Report Issued by Inventec in 2022
<b>Consolidated revenue</b> ◆ In 2021, the consolidated operating revenue reached more than NT\$519.7 billion, an increase of 2.25% from 2020 (consolidated revenue of more than NT\$508.2 billion)	◆ 5. Financial Information → 5.1 Five Year Financial Summary → 5.1.2 Five Year Financial Summary – Consolidated Statement of Comprehensive Income
<b>Net profit</b> ◆ The consolidated net profit before tax was more than NT\$7.6 billion, a decrease of 25.58% from 2020. ◆ The net profit after tax attributable to shareholders of the parent company surpassed NT\$6.5 billion, a decrease of 13.38% from 2020.	
<b>Earnings per share</b> ◆ Consolidated earnings per share after tax was NT\$1.82, a slight decrease from NT\$2.10 in 2020.	
<b>Employee benefits and training expenses</b> ◆ Employee benefits expenses (including salary, labor and health insurance, pension, and others) were about NT\$ 1.17 billion.  ◆ Employee training expense was about NT\$ 16 million.	◆ 5. Financial Information → 5.4 Individual Financial Statements → Inventec Corporation Notes to the Parent Company Only Financial Statements → (12) Other  ◆ 4. Operational Highlights → 4.5 Labor Relations
<b>R&amp;D cost</b> ◆ The amount of research and development invested in 2021 was about NT\$ 10.59 billion, and it is estimated to invest about NT\$ 10.7 billion in 2022.	



Note: The exchange rate of RMB against New Taiwan Dollar used in this report is NT\$4.409 for the closing price of Bank of Taiwan on 2021/12/31.



# 3.1 Operation Management

## 3.1.3 Trend Analysis and Strategy

### Favorable Factors



**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.



**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.



**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.



**Establishment of a global logistics and supply chain system**

In addition to strengthening the status of global manufacturing, research and development, 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: The Company 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 fluctuation**

Solution: Most of the important components of the Company 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.

# 3.1 Operation Management

## 3.1.4 Long-term and Short-term Business Development Plans

### 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.



# 3.1 Operation Management

## 3.1.5 Customer Service

### Customer Service Mechanism

- ◆ Inventec provides customers with a comprehensive and thorough customer relations management service mechanism, from order receiving to the stage of product development and to the stage of mass production. After product delivery, we track the product condition to the customer end and actively care about all feedback from the customer. Through the customer complaint management system and with a complete customer complaint standard operation procedure, the Company prepares reason analysis, correction and prevention solutions in project review, and confirms effectiveness in order to give feedback on problem solving to customers and understand real customer demands to achieve the highest customer satisfaction.
- ◆ By periodically holding customer business review meetings, the Company can discuss relevant issues, such as technology research and development, product delivery, product quality, after-sales service, quotation cost, energy saving and carbon reduction, green products, corporate social responsibility, customers' privacy, etc., in response to the issues that concern customers. In order to solve the problems reflected by customers, the customer service and quality assurance departments have established a 24-hour customer service hot line and customer service website and provide instant services and response mechanisms through a stationed service mechanism at customer end.

### Cost

- ◆ Inventec enlists enterprise resources for overall planning and consideration to provide customers with the best solutions and operation platforms from commodity demand to design cooperation, manufacturing requirements, inventory control and after-sales services, etc. Aside from consolidating various company resources through the system support of Enterprise Resourcing Planning (ERP), Supply Chain Management (SCM), Cost Awareness, Design, the product quotation analysis system and the Failure Modes and Effects Analysis (FMEA), Inventec also expects to control the total production cost to a high degree of competitiveness. This includes raw materials, logistics and inventory costs as by manufacturing the best product at a low cost, high quality and good profits benefit both the customer and the company.

### 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.
- ◆ In order to pursue better product quality, operation quality, personnel quality and environmental quality through continuous improvement mechanism, all Inventec's factories around the world have obtained the ISO 9001 Quality Management System certificate, and some factories have obtained the ISO 17025 Laboratory Quality Management System certificate. 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, the IATF 16949 Automotive Quality Management System, and the ISO 26262 Road Vehicles — Functional Safety certificate.

### Inventec Quality Policy

**Inventec Quality Policy**

Comply with applicable Laws & Regulations

Set high Quality Objectives

Create customers' new needs

**Inventec** President  
Maurice Wu

#INVENTEC



# 3.1 Operation Management

## 3.1.5 Customer Service

### Delivery

- ◆ Inventec implements general e-commerce operations, from research and development of product designs to manufacturing and delivery, including internal operation procedures such as planning and management, logistics (Transportation considerations are based on firstly land transportation which is rail freight transportation followed by sea transportation and finally air transportation) and cash flow, etc. The smooth customer operation platform and exchange of supplier management data are operated based on an electronic data system. For the operation of this data system, aside from relying on a high-quality hardware system, it also relies on an e-commerce team with an abundance of professional experience. As well as importing the establishment of each system and integration of internal and external application services of the enterprise, it also improves the efficiency of the system through continuous reviews and improvements so as to capitalize upon the specific competitive advantage of Inventec.
- ◆ The R&D base of Inventec has two important stations in Shilin and Taoyuan, which are respectively responsible for the research and development and manufacturing of notebook PCs, wireless communications, consumer electronics, cloud computing services, software integration services and server products; in China, R&D teams are established in Shanghai and Chongqing, mutually cooperating with the R&D team in Taiwan for the development of new product designs. Overseas production bases mainly include the Pudong plant and Chongqing plant in China, the Mexican plant in Central America, and the Czech plant in Eastern Europe, all of which have established assembly and customer service centers to provide customized production and repair services. From research and development, design and production to distribution and technical support, Inventec puts customer-oriented and global operations in first place. By maximizing the power of the whole Group in global deployment, it is also the solid foundation for Inventec to provide customer comprehensive solutions from software to hardware and from Taiwan to the whole world.



The logistics are based on firstly land transportation which is rail freight transportation followed by sea transportation and finally air transportation

### Customer Satisfaction and Awards

- ◆ In 2021, Inventec achieved customer goals in terms of overall rating and satisfaction, and was awarded for its achievements as follows:



ODM Recognition Award



Best Supply Award



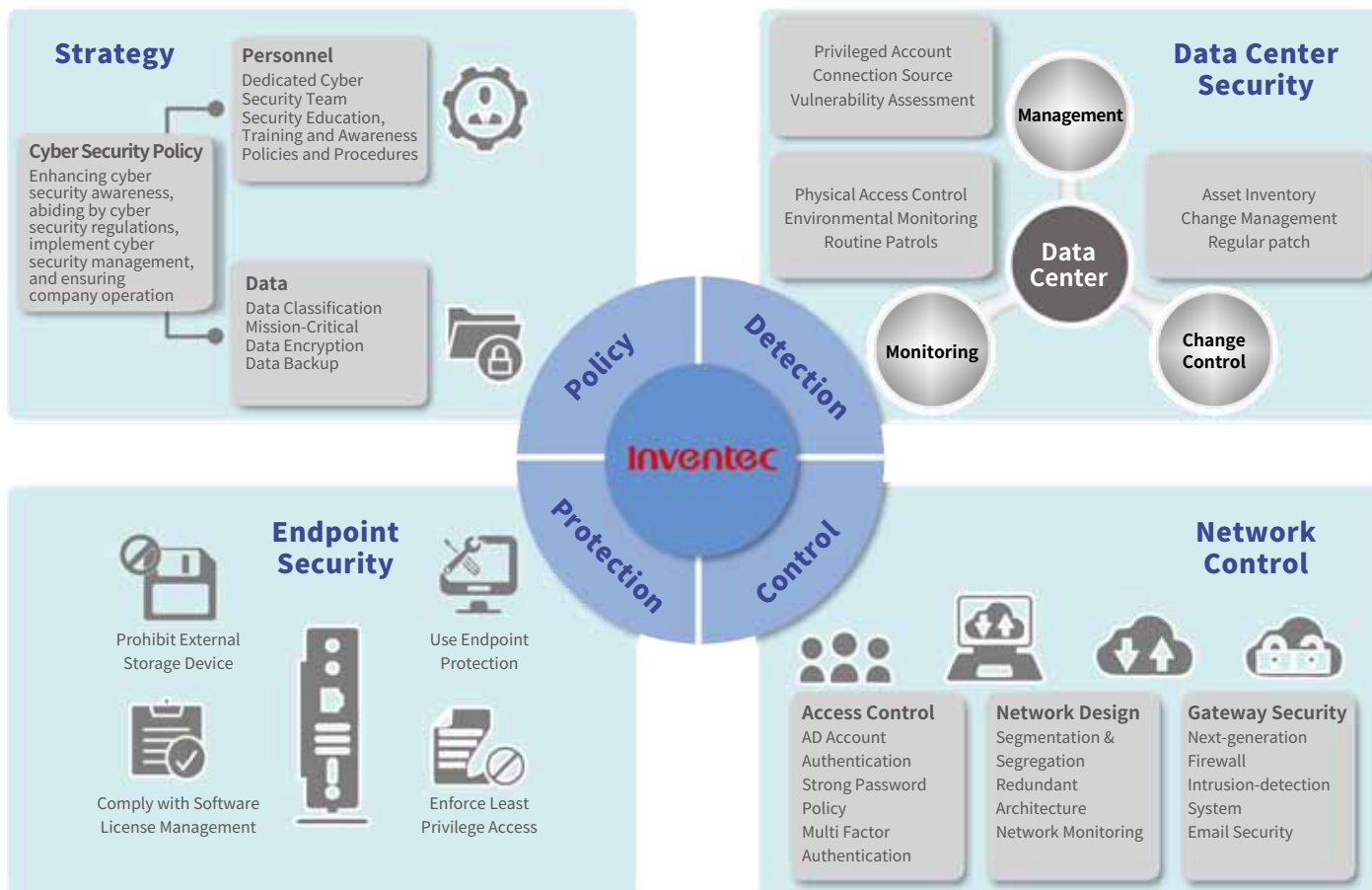
Supplier Innovation Award



# 3.1 Operation Management

## 3.1.6 Cyber Security Management System

### Inventec Cyber Security Management Structure



- ◆ The Company attaches importance to cyber security and designates its general manager to preside over the cyber security response team. This is from the PSG to EBG production line as well as reporting related issues during the monthly cyber security meeting to implement and enhance cyber security management.
- ◆ In accordance with the "Annual Internal Audit Plan" that was approved by the Inventec Board of Directors, the Company does regular audits of information security items, supervises the risk appraisal and planning of the Information Security Management System (ISMS), implements conditions of the information security system, and reports audit results to the Board.
- ◆ The Company's cyber security objectives in 2021 in accordance with cyber security policy are as below:

1. Enhancing cyber security awareness: (achieved)
  - Information security educational training rate for new colleagues reaches 96.7%
  - All colleagues have signed Staff Codes of Conduct, with an achievement rate of 100%
  - Has advocated cyber security among all colleagues 7 times
  - Has organized professional cyber security training twice
2. Abiding by cyber security regulations: (achieved)
  - Regularly update manufacturer name list and sign a confidentiality agreement with one nonconformity
  - Gathered information security-related regulations and identified newly increased/ revised laws and regulations twice
  - Firewall rule setup must conform to application and authorization with zero nonconformity
  - Departing staff's domain account must be suspended upon the date of departure with zero nonconformity
3. Implementing cyber security management: (achieved)
  - The different levels between account application forms and system accounts must not be less than 99% with zero nonconformity
  - During privilege account checking, less than one abnormal account is allowed with zero nonconformity
  - Conducted 4 vulnerability scanning in and out of the Company
  - Computers detected with virus quantities more than 100 must be posted with a process sheet with zero nonconformity
4. Ensuring company operation: (achieved)
  - External network service grade: SLA99.87%
  - Has checked fire equipment and finished UPS regular maintenance four times
  - In case a cyber security event occurs, shall report immediately for countermeasures with zero nonconformity
  - Has finished the continuous drill with respect to ten above medium-grade operation items (BCP) once.

# 3.1 Operation Management

## 3.1.6 Cyber Security Management System

### Cyber Security Management

◆ Establish Inventec’s information security policies based on ISO 27001 International Information Security Management Standards for factory rules. Also set up cyber security targets for each factory by referring to local regulations and business specifications, to meet clients’ expectations, as well as ensure the confidentiality, integrity and accessibility of the enterprise system and network operation. According to these cyber security targets, each unit shall review its information security policy and target applicableness every year, and organize a management review meeting to discuss and follow up on improvement.

### The Essential Tasks of Cyber Security

◆ COVID19 changed staff work modes and Working at Home has become normal. To this end, relevant network safety risks must be taken into consideration. What’s more, as blurry network boundaries and diverse devices become new challenges, reinforcements of interior device identification, personnel verification, EDR monitoring, as well as colleagues’ network safety awareness are priorities for this year.

◆ No complaints against customer privacy violation or loss of customer information were received in 2021.

### ISO 27001 Certificate Issued by the Third-party Certification Unit



IET



TAO



IPT / SQT



ICC



ICZ





# 3.1 Operation Management

## 3.1.6 Cyber Security Management System

### Cyber Security Risk Management and Continuous Improvement

- ◆ Inventec set up a specific cyber security unit to take charge of the company’s information security management system planning, monitoring and performing maintenance, as well as enhancing cyber security risk control, monitoring and management.
- ◆ Inventec, based on the “Administrative Methods for Information Security Protection”, adopts a PDCA (Plan, Do, Check, and Act) administration cycle mechanism to implement information security management, prevent illegal use, organize regular cyber security educational training for its staff, and actively carry out risk vulnerability management. This thus guarantees physical environment security, computer mainframe security, network use security, system access security, development and maintenance security and mobile device security. Any violation of security protection provisions will be disposed of according to “Personnel Management Measures”

### Cyber Security Risk Management Measures

1. Promote NAC(Network Access Control) access administration, identify interior devices, inspect device security, and then connect to the intranet after being satisfied with virus defense, software update, correct domain devices and other security conditions.
2. Upgrade the next-generation firewall, consolidate the network boundary, guard against external threats, establish a two-layer defense architecture, separate the production line, client terminal, and computer room server network, and improve the depth of security protection.
3. Import the bastion host or jump host, simplify the online entry of the host, reduce the risk of infiltration, enhance the online monitoring of the host, and use the dynamic password to protect privileged accounts.
4. Promote two-factor authentication and send the second layer OTP (One Time Password) through SMS to verify the identity of the logon to prevent the risk of the account and password being stolen or broken.
5. 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.
6. Guard against hacker phishing email attacks, organize social engineering drills and enable e-mail protection mechanisms, filter malicious attachments and phishing links, and avoid social engineering attacks that will cause harm to the Company.

### Cyber Security Announcement

Shut down the Idle computers  
Make the backup of confidential files



Do not open unfamiliar mails  
Do not click unknown links



Think before connect to free Wi-Fi  
Enable two-factor authentication for VPN



# 3.2 Innovative Research and Development

## 3.2.1 Innovation and Patent Portfolio

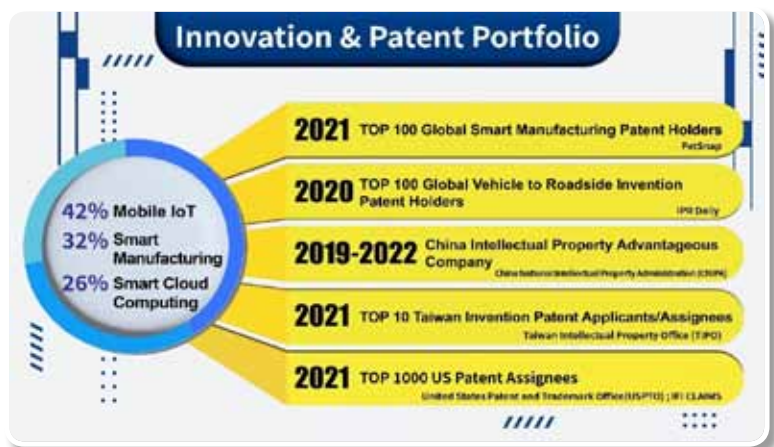
### Innovation and Intellectual Property Management

- ◆ “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.
- ◆ 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.



### Global Patent Advantage

- ◆ As of December 2021, Inventec Group has obtained more than 16,700 patents worldwide, continue to carry out innovative research and development on Industry 4.0, artificial intelligence and 5G communication, and pay attention to new business opportunities in the fields of healthcare and automotive electronics.
- ◆ Inventec was rated as one of Taiwan Top 10 Invention Patent Applicants and Assignees in 2021, 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. Inventec in particular outperformed in developing smart manufacturing patents and was awarded PatSnap Top 100 Global Smart Manufacturing Patent Holders. Furthermore, Inventec was awarded the honor of the 7th Taiwan Industrial Innovation Award in the field of smart technology due to its innovation and strong R&D capability, .
- ◆ 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) , PwC Top 500 Global innovation companies and IPR Daily Top 100 Global Vehicle to Roadside Patent holder. 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 21 consecutive years
  - ✓ Top 3 Patent proprietors among Taiwan ODM companies in China for over 15 consecutive years
  - ✓ China Intellectual Property Advantageous Enterprise (2019-2022)
  - ✓ Chongqing Intellectual Property Advantage Enterprise( ICC/Inventec) (2021)
  - ✓ TOP 100 Global Smart Manufacturing Patent Holders (Patsnap, 2021)
  - ✓ TOP 1000 US Patent Assignees (2021)
  - ✓ 7th Taiwan Industrial Innovation Award (Smart Technology)(2021)



### National Industrial Innovation Award of Ministry of Economic Affairs

In order to affirm Inventec's technological deepening and application integration in the field of smart technology, drive the upgrading and transformation of related industries into high-value-added knowledge-based service industries, and enhance the competitiveness of the future electronics industry, Inventec won the National Industrial Innovation Award from Ministry of Economic Affairs.



# 3.2 Innovative Research and Development

## 3.2.2 Circular and Innovative Product

### 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.

### Customer Service and Product Certification

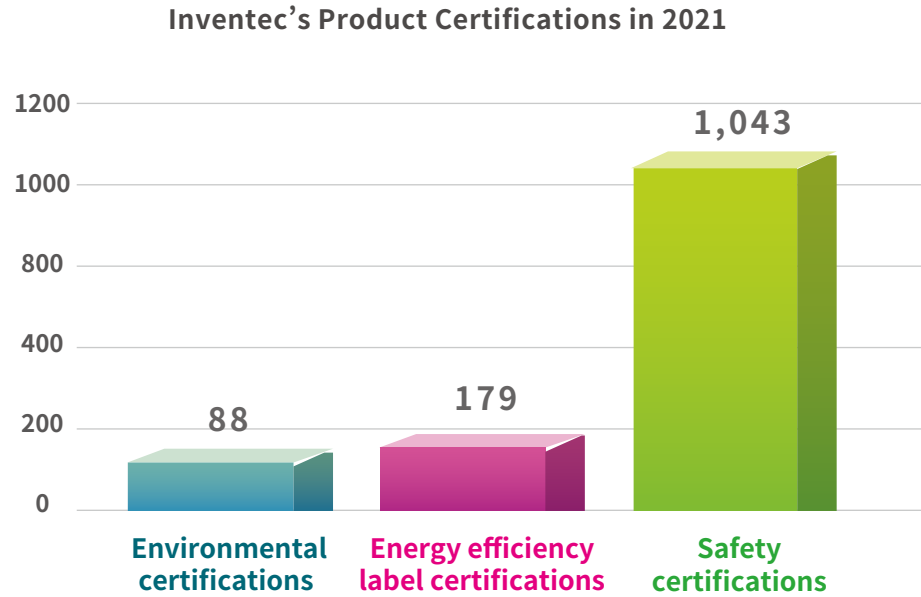
- ◆ To assist customers in providing environmentally friendly, energy saving, safe products, the administrative operation of product certification in Inventec is put into practice by the product certification authority in compliance with designated procedures and documents.
- ◆ Inventec's 2021 product certification totally includes the following 1,310 items:
  - ✓ Environmental certifications (88 items): Include TGM, SEPA, EPEAT, etc.
  - ✓ Energy efficiency label certifications (179 items): Include Energy Star, EU Energy Efficiency, MEPS, CECP, CEL, etc.
  - ✓ Safety certifications (1,043 items): Include UL, TUV, CE(CB), CCC, CSA, BSMI, NOM, etc.



### Product Energy Saving Design Target

The energy saving design target for notebooks: 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



## 3.2 Innovative Research and Development

### 3.2.2 Circular and Innovative Product

#### Green Products Management

◆ With respect to green products produced and manufactured by Inventec, Inventec has established an IECQ QC 080000 Hazardous Substance Process Management System (HSPM) since 2006. 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:

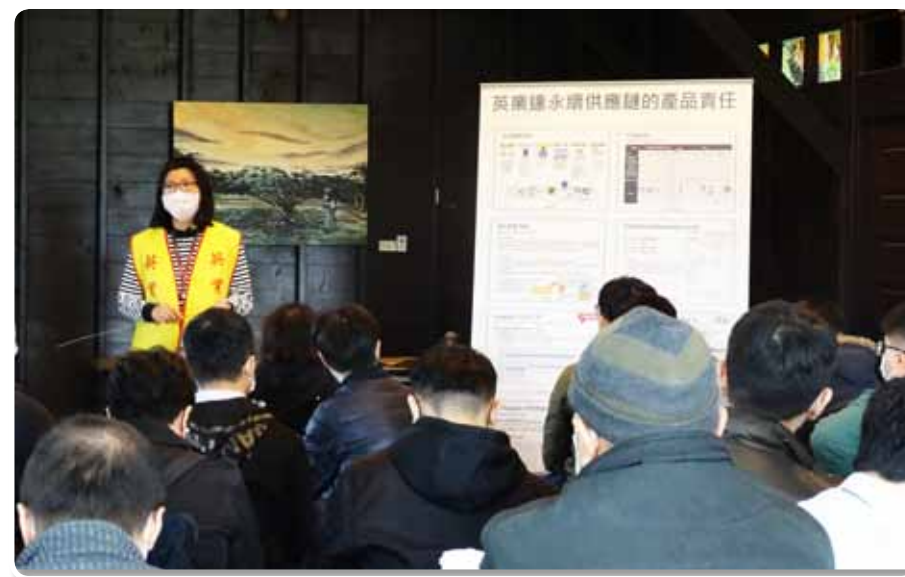
- The specially assigned unit responsible for green products collects and organizes environmental laws and regulations of green products and customers' standard requirements for green products on an ad-hoc basis, carries out impact assessment and appropriately revises Inventec Hazardous Substance Free (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 Pudong 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 2021, 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.



Explain the product responsibility of Inventec's sustainable supply chain to partners through the 2021 Sustainable Supply Chain Forum

## 3.2 Innovative Research and Development

### 3.2.2 Circular and Innovative Product

#### Green Packaging

- ◆ In order to protect the environment, Inventec's packaging design follows the principle of using recycled materials and selects recycled paper as the buffer package outfit design.
- ◆ The choice of ink is mineral oil-free ink. 98% of NB packaging design adopts pulp packaging; the use of EPE, the original plastic material, is reduced, and the design is changed into corrugated paper structure; simultaneously, more than 80% of the original plastic material EPE is recycled plastic.
- ◆ The selection of the overall packaging materials is to introduce the use of recycled materials from 2020. In 2021, the recycled EPE buffer materials originally used by NB were totally changed for the buffer design of pulp or corrugated paper, which greatly reduced the use of recycled EPE.

#### EU Directive on Packaging and Packaging Waste

- ◆ Reducing the total volume of packaging is the best way to prevent the generation of packaging waste. Inventec focuses on preventing the generation of packaging waste and requires all packaging material suppliers to comply with the EU Directive on Packaging and Packaging Waste through limiting the combined concentrations of lead, cadmium, mercury, and hexavalent chromium in packaging or packaging components and achieving recycling targets for various packaging materials.



# 3.2 Innovative Research and Development

## 3.2.3 Research and Development Program



### Notebook Computers

◆ Inventec has been focusing on research and development of notebook computers for a long time. Looking into 2022, in addition to high-order mixed commercial notebooks with optimized sound effects and artificial intelligence in the video field, there are also reinforced E-sport products with high quality. As supported by distance business opportunities and Stay at Home Economics, shipments in 2022 will be good as well.



### 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.



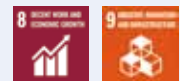
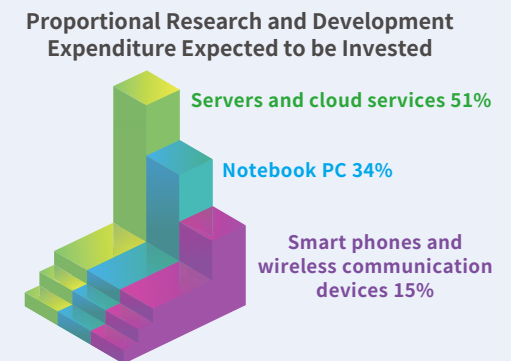
### Servers and Cloud Services

◆ Work patterns under the epidemic not only mobilize basic server construction demands and data center expansion but motivate high-effect AI into Cloud computing. 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, with the cooperation of industry 4.0, the smart factory will be established and be able to provide customers with high quality, short delivery times, low cost and excellent service products. With the introduction of Intel's new generation of Tiger Lake processors, high-performance edge device server and 5G cloud network e-Data Server, it is expected that in 2022 the Company's server and cloud industry will hit a peak.



### Research and Development Expenditure Expected to Be Invested

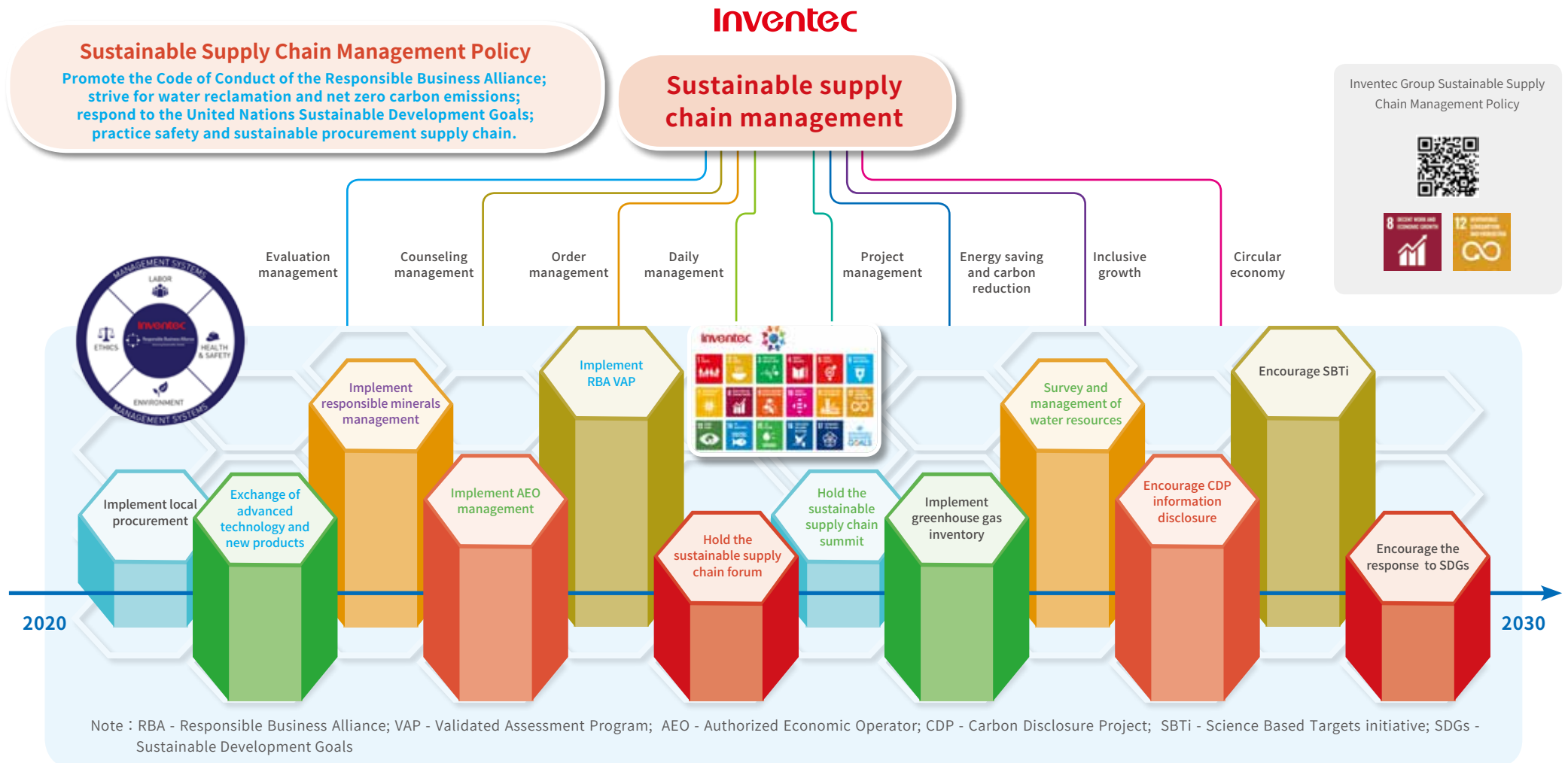
◆ At the rapid outbreak time of information communication, the future development plan of the Company will continue to move by mastering market fluctuation and understanding customer demands. In response to new market environments, manufacturing process improvement, and technology development, the Group is expected to input more than NT\$ 10.7 billion in research and development this year.



# 3.3 Sustainable Supply Chain

## 3.3.1 Sustainable Supply Chain Management Structure

As a member of Responsible Business Alliance, Inventec, in order to fulfill its RBA obligations and RBA member responsibilities, not only implements the daily management of local procurement, advanced technology and new product exchanges, and conflict minerals, but also requests its suppliers and partners to follow the RBA Code of Conduct with Inventec. At the same time, we expect the supply chain to jointly respond to the “United Nations Sustainable Development Goals (SDGs)” to promote corporate sustainability activities, and the suppliers consider integrity management, labor rights, healthy workplaces, climate change, information disclosure, etc. while developing the industrial economy, and move towards the goal of sustainable supply chain management.



# 3.3 Sustainable Supply Chain

## 3.3.2 Sustainable Supply Chain Operation

### 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 800 suppliers signed in 2021), and the declaration of conformity of Responsible Business Alliance Code of Conduct (800 suppliers in 2021, 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.
- ◆ 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's New Supplier Counseling Management

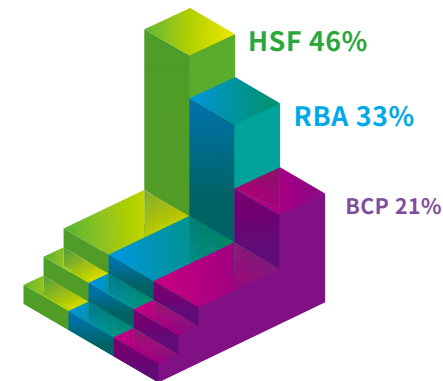
- ◆ Formed by Inventec's RD, Sourcer, CE, Supplier Management Unit, the Sustainable Supply Chain Counseling Group is in charge of carrying out new supplier assessment and counseling.
- ◆ In regard to new supplier assessment, the principal items are as follows:
  - Technology Development Ability Assessment
  - 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 2021 was 60.

### 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 46 suppliers in 2021; the actual achievement rate was 100%. A total of 147 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.



The audit findings of existing suppliers in 2021



### Audit 46 suppliers with 147 findings

Note : HSF – Hazardous substance free  
 RBA – Responsible Business Alliance  
 BCP – Business continuity plan





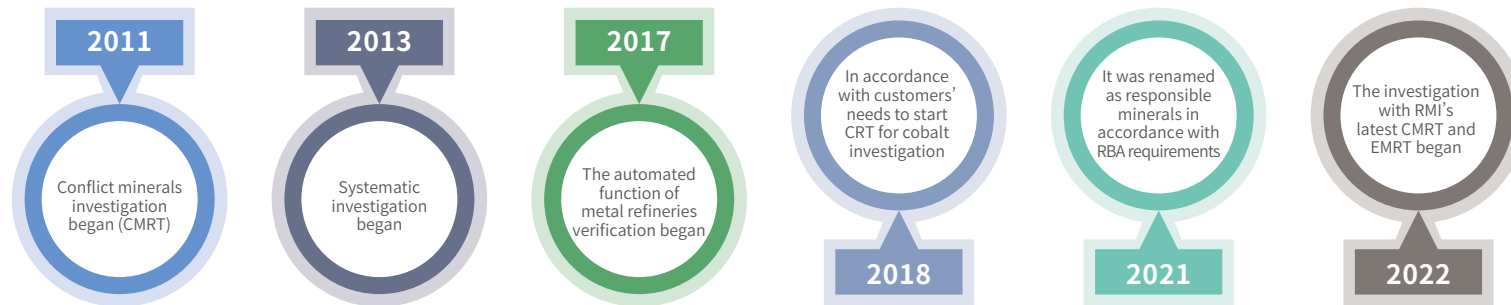
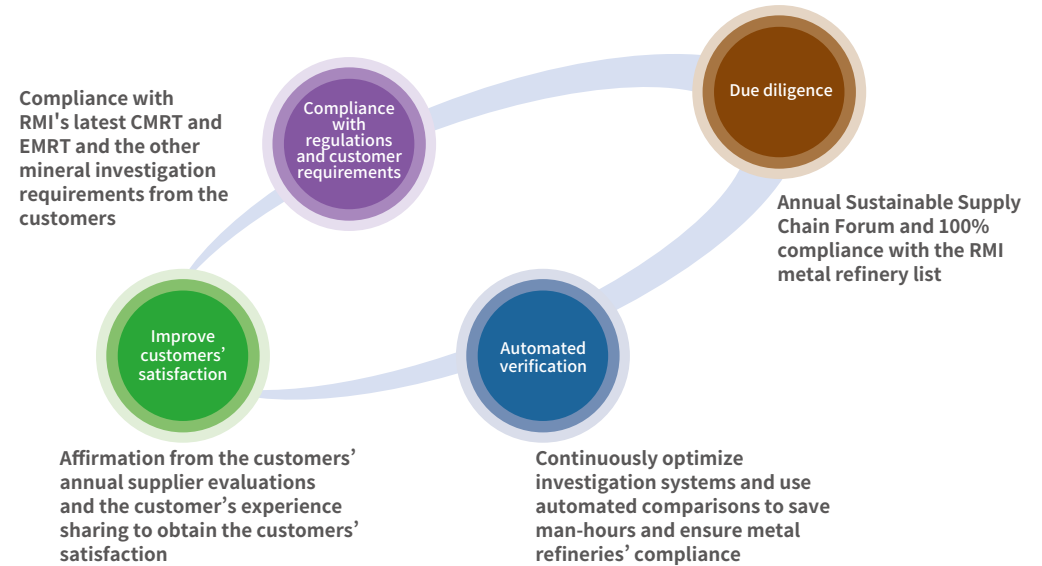
# 3.3 Sustainable Supply Chain

## 3.3.2 Sustainable Supply Chain Operation

### Inventec Responsible Minerals Investigation Process

- ◆ Conflict minerals(including tin, tantalum, tungsten and gold) originating from the Democratic Republic of the Congo (DRC) or adjoining countries are mined and sold under the control of armed groups to finance conflict characterized by extreme levels of violence, such as human right abuses. According to the EU key raw material review research report, one-third of the world's cobalt metals come from the Democratic Republic of Congo and neighboring countries in Central Africa, and there is also the risk of illegal operations. In 2018, the Responsible Minerals Initiative listed cobalt and mica as a responsible minerals for management.
- ◆ Inventec has conducted investigation based on Conflict Minerals Reporting Template(CMRT) of Responsible Minerals Initiative(RMI) since 2011 and has launched e-investigation via iSupplier portal since 2013; in 2022, Inventec conducts investigation using the latest Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) in accordance with RMI requirements to request that our suppliers undertake commercially reasonable due diligence with their supply chain to assure the materials used in products supplied to Inventec are without illegal minerals and fulfill the requirements from the customers and regulations.
- ◆ In 2021, 100% of the suppliers completed the responsible minerals investigation report, and Inventec will continue to ensure that 100% of our own suppliers submit responsible minerals investigation report in 2022.

### Inventec Responsible Minerals Target



Statement of Inventec Responsible Sourcing of Minerals



# 3.3 Sustainable Supply Chain

## 3.3.2 Sustainable Supply Chain Operation

### 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 covering labor, health & safety, environmental, ethics and management system (The management systems include compliance with regulations and customers' requirements and identification and mitigation of operational risks related to the RBA Code of Conduct.) to meet the supply chain management requirements of RBA.
- ◆ In 2021, 5% of Inventec's suppliers underwent VAP audits, and 50% 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 progress of the corrective action plans after VAP audits for 56 supplier factories in 2021



# 3.3 Sustainable Supply Chain

## 3.3.3 Exchange among the Sustainable Supply Chain

### Supplier Transaction Ratio

- ◆ Inventec had 1,180 suppliers performing transactions in 2021, with local (Greater China) suppliers accounting for the highest proportion of transaction value (70%).

### 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 and exchanging industry information. A total of 361 senior executives from 225 suppliers participated in the 2021 Sustainable Supply Chain Summit. Inventec continues to establish good cooperative relations with supply chain partners. Inventec Group expects the suppliers will work together to move towards the path of sustainable development.



The awards for appreciating the supply chain partners collaborating with Inventec



2021 Sustainable Supply Chain Summit

### 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 2021, 294 sessions have been held with an accumulative total of 229 suppliers participating in the forum. In 2022, we will continue to team up with our suppliers to organize technology dialogue forums so we can progress together.



### The Result of Innovative Technologies and New Products Dialogue

From 2009 to 2021, Inventec has held the innovative technologies / new products dialogue forum.

294 sessions have been held.

An accumulative total of 229 suppliers participated in the forum.



Innovative technologies and new products dialogue forum

# 4. Vibrant Workplace

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## SDGs Index



### Soft forums and lecture courses



### Parent-child summer camp



### Club activities



### Year-end banquet



### Family Day / Sports Day



# Vibrant Workplace Performance

The annual median compensation of the full-time employees not serving in a supervisory post increased by **3.58%**



**13** health lectures attended by **1,478** people were held, and the satisfaction rate was **4.87/5.**

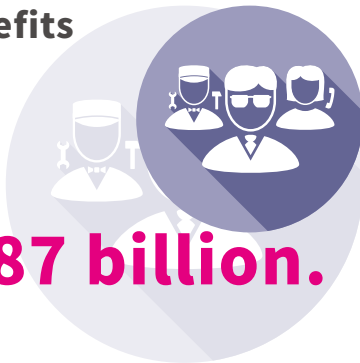


Won Talent Quality-management System -

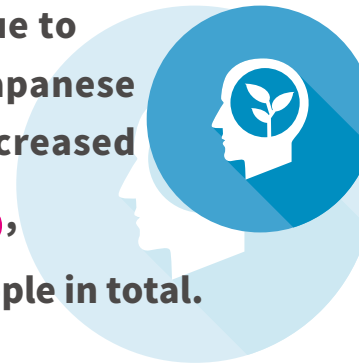
**Silver Award**



Employee benefits and training investment amounted to **NT\$ 1.187 billion.**



Staff bonus due to English and Japanese proficiency increased by **8.44%**, **3,792** people in total.



To create job opportunities, a total of **29,660** individuals were recruited.



- ◆ Material topics : COVID-19 pandemic, 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 8 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

# International Management System Certificates of Vibrant Workplace

SA8000 Social Accountability Management System



ISO 45001 Occupational Health and Safety Management System



Taiwan Occupational Safety and Health Management System



### The Numbers of Certified Factories

Taiwan	0
China	1
Europe and America	0

### The Numbers of Certified Factories

Taiwan	3
China	3
Europe and America	2

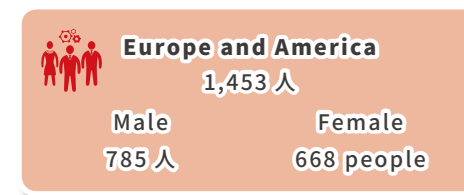
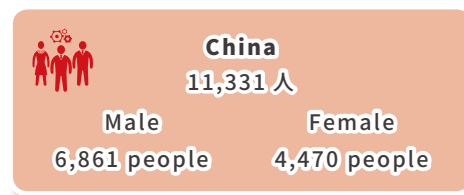
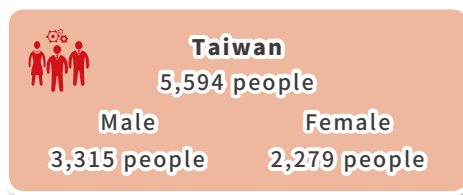
### The Numbers of Certified Factories

Taiwan	1
China	0
Europe and America	0

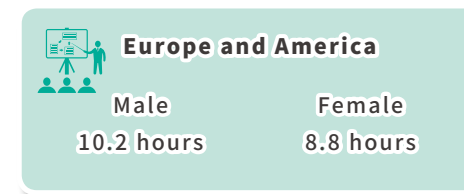
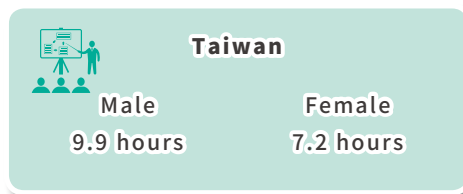
## Vibrant Workplace Summarized Index



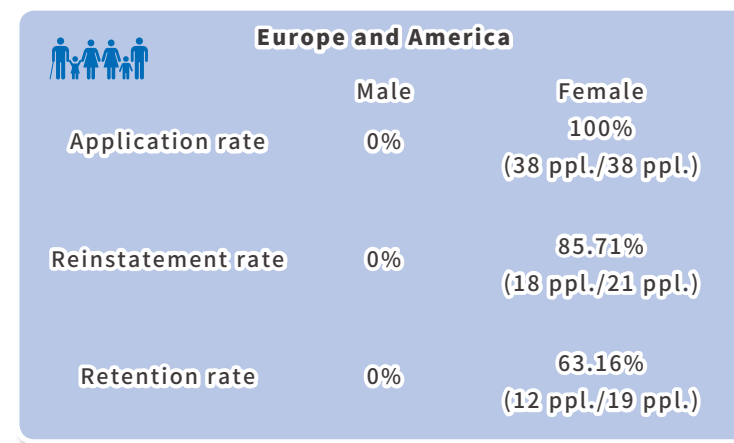
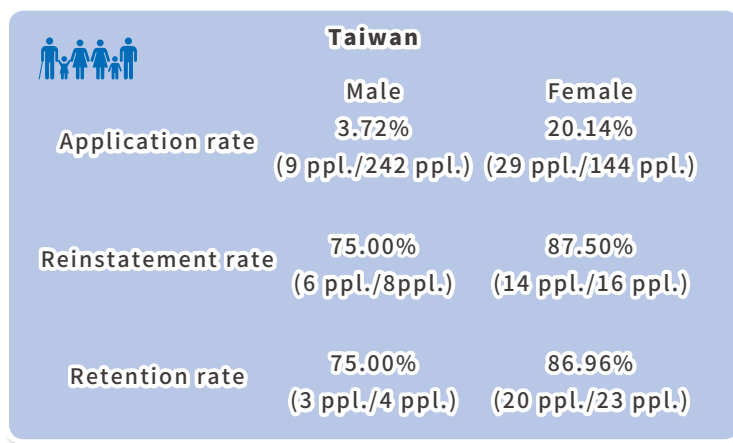
4.1.1 Talent Management



4.1.3 Talent Cultivation




4.2.2 Workplace Safety & Health



- The average training hours globally reached 38.7 hours per person mainly because in China, not only the training hours are higher in response to production operations, but also the females' average training hours (60.1 hours per woman) are higher than males' average training hours (55.4 hours per man).
- In Taiwan, to create the balance between work and family life, the application rate for parental leave is 3.72% for males and 20.14% for females.

## Vibrant Workplace Summarized Index

Employee work injury	Region	Gender	Total working hours (hours)	Work-related injuries (people)	Work-related injury rate	Near Misses (people)	Near miss frequency rate
		Taiwan	Male	6,631,768	0	0	1
Female			4,530,896	0	0	0	0
China		Male	13,722,000	10	0.15	0	0
		Female	8,940,000	9	0.20	0	0
Europe and America		Male	1,700,320	9	1.06	3	0.35
		Female	1,428,520	8	1.12	0	0

### 4.2.2 Workplace Safety & Health

- The annual occupational incidents includes 36 people accounting for 0.20% of the 18,378 total employees at the end of the year.
- In Taiwan, the work-related injury rate is 0 which is in line with the target, and the male near miss frequency rate is 0.03 which does not meet the target aiming for 0.
- In China, the work-related injury rate is 0.17 (caused by the minor injuries such as falls and sprains) which does not meet the target aiming for 0, and the near miss frequency rate is 0 which is in line with the target.
- In Europe and America, the work-related injury rate is 1.09 (caused by the minor injuries such as contusions) which does not meet the target aiming for 0, and the male near miss frequency rate is 0.35 which does not meet the target aiming for 0.

Please refer to p.95 for formula and definition





# 4.1 Talent Development

## 4.1.1 Talent Management

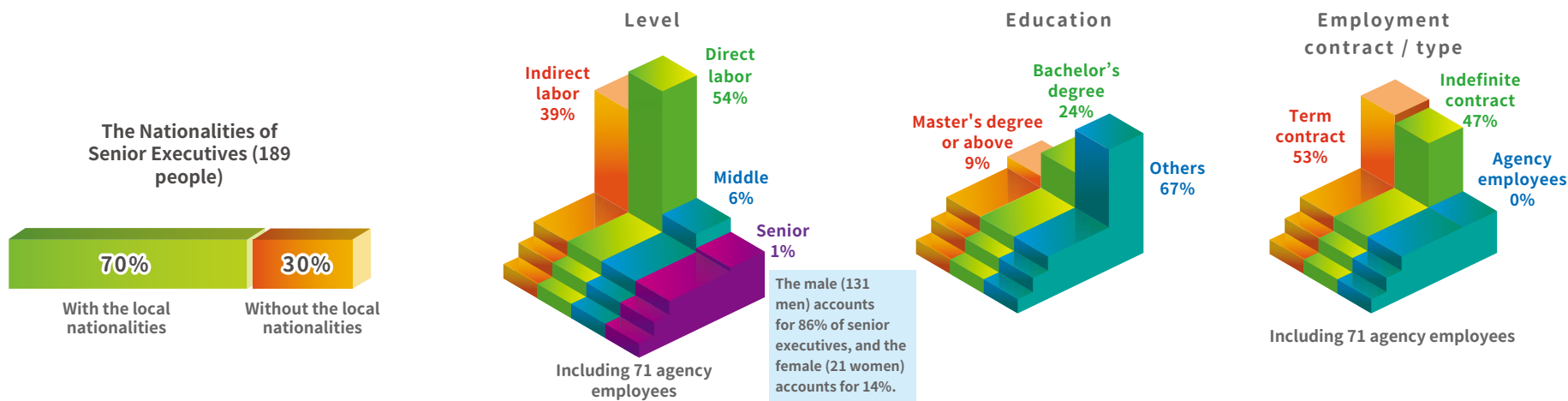
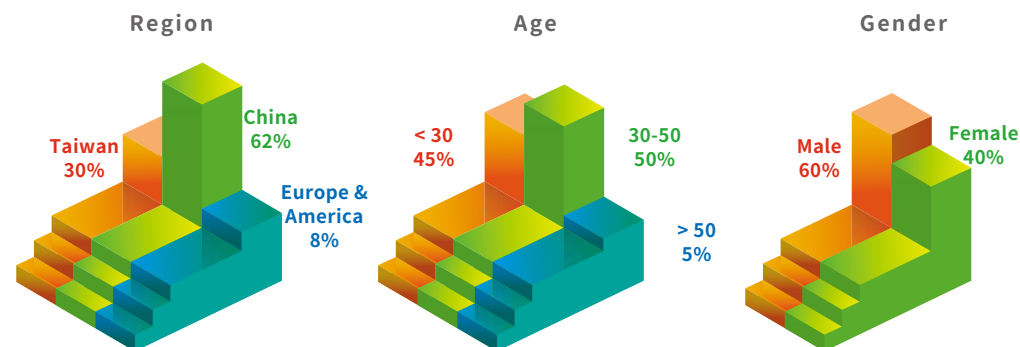
### Inventec Talent Management Policy

"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".

#### 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, 2021, is shown in the figure on this page.
- ◆ The analysis of the nationality of directors above the department level in 2021 is shown in the figure on this page.

Manpower statistics : 18,378 employees



# 4.1 Talent Development

## 4.1.2 Talent Acquisition

### Corporate Image and Community Management



- Manage LinkedIn and directly contact the professionals
- Diversified community management to enhance employer brand
- 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 (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
- Use the AI interview system to accurately grasp the suitability of talents



### 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
- Gloria Global Research & Industry Alliance



### Talent Selection



### Talent search system



### AI comparison system



### Mobile phone interview

- ◆ 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.



# 4.1 Talent Development

## 4.1.2 Talent Acquisition



Ming Chuan University internship recruitment briefing, and the interns participate in professional training courses.



The briefing session about outstanding talent scholarship in the College of Engineering, Tamkang University



### Internship Area

Inventec Group provides internships for a variety of positions for one semester to two years each year. Let the current students experience and practice before entering the workplace. Through practical participation in the operation of various departments, exclusive mentor guidance, and functional training systems, and solidly cultivating correct work attitude and understanding the company culture, improve your soft power and hard power. You with potential are welcome to join us to create a prosperous future together.

### 2022 Inventec Outstanding Talent Scholarship Program

In order to cultivate cutting-edge talents in the field of science and technology and reward outstanding students to focus on their academic and professional ability development, the "Outstanding Talent Scholarship Program" is specially established to implement the integration of industry and academia and cultivate talents with R&D potential.



2022 campus talent recruitment highlights (3/5 National Taiwan University; 3/24 National Taipei University of Technology; 3/25 National Taiwan University of Science and Technology)



Through the lively product introduction and the dialogue and interaction with the chairman, the students of National Taiwan University can learn more about Inventec

### Deeply Cultivate the Campus to Recruit Talents

In response to the Group's strategic development, in 2022, Inventec Group expects to recruit more than 1,000 outstanding R&D employees in innovative R&D, smart manufacturing, smart medical, big data analysis, automotive electronics and cloud computing. In March of 2022, we went to National Taiwan University/National Taipei University of Technology/National Taiwan University of Science and Technology for campus talent recruitment, hoping to attract more potential talents and link the industrial needs for talents.

### National Taiwan University Students Visit Inventec

Inventec Group held a corporate visit event on April 15, 2022. This event arranges a company introduction and product tour to let the students know more about Inventec. The chairman had a discussion with the National Taiwan University students about future outlook and generational dialogue and exchanges and expected to inspire the students' ideas on future career planning.



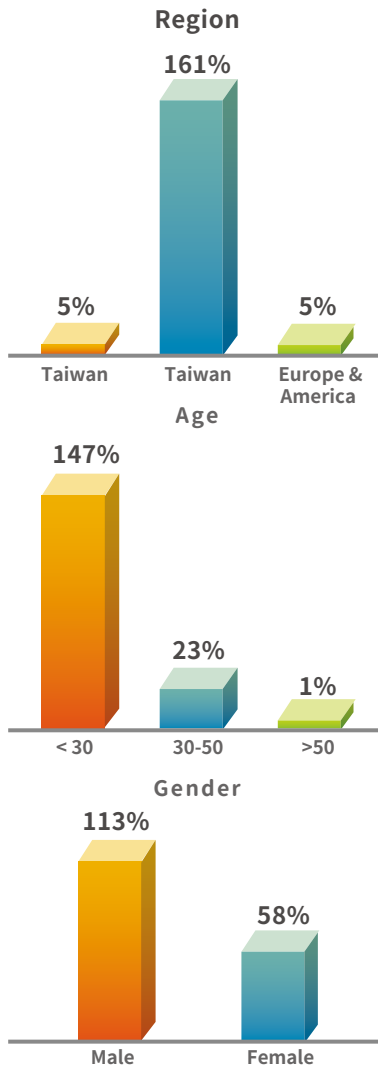
# 4.1 Talent Development

## 4.1.2 Talent Acquisition

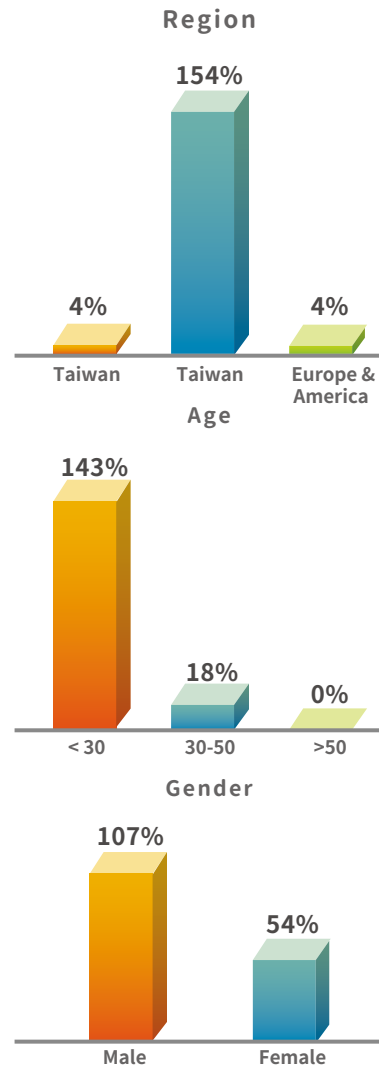
### The Analysis of New Hires and Staff Turnover

(Based on the total number of employees as of December 31, 2021)

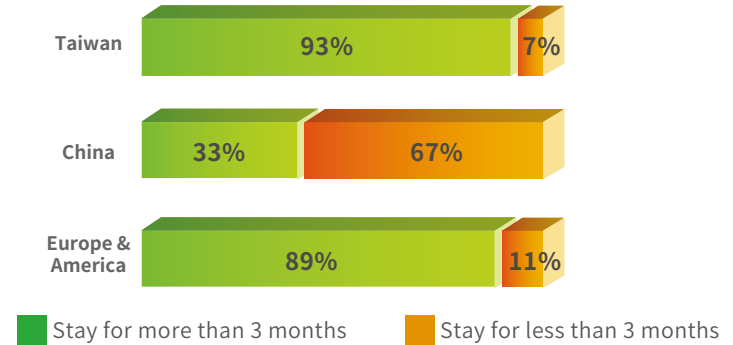
#### Employee turnover



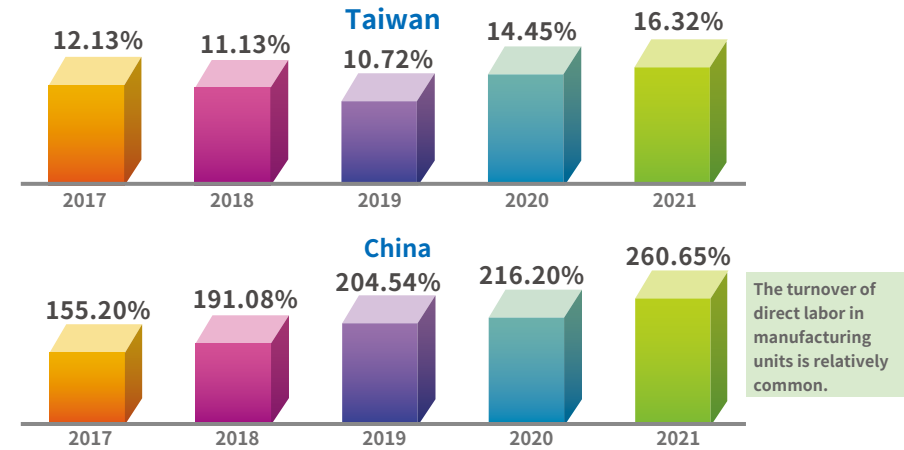
#### New employees



### New Hire Turnover within the First 3 Months



### The Turnover Rates of Taiwan and China over the Years



◆ To respond accordingly to the operational needs of local factories and create job opportunities, the eight factories around the world recruited 29,660 people in 2021. New hires and staff turnover in 2021 were analyzed according to region, gender, and age, and new hires and staff turnover within 3 months in 2021 were analyzed according to region alone. The turnover rates of Taiwan and China over the years are shown in the figure on this page. Based on the characteristics of the industry, Inventec's overall new hires and staff turnover rates are obviously affected by the direct labor in manufacturing units with a high proportion and frequent turnover.

# 4.1 Talent Development

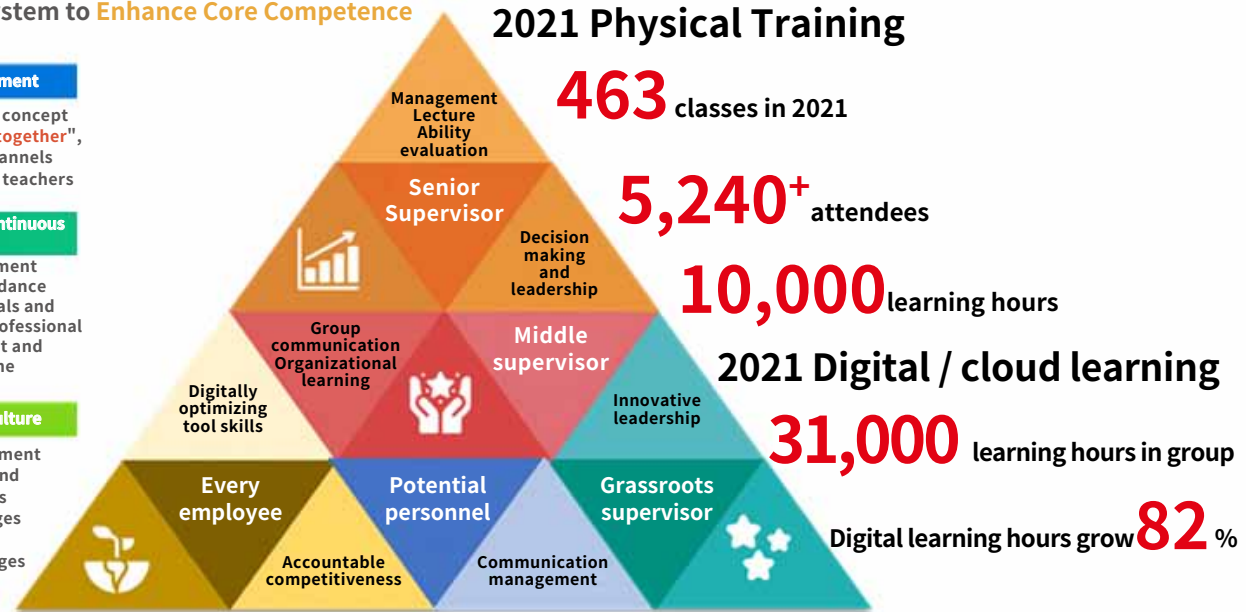
## 4.1.3 Talent Cultivation

### 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 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 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.



2021 Successor Cultivation One group management meeting Two executive meetings Ten senior management training courses

### Successor Cultivation

- ◆ The development contents for middle and top management levels include financial management, successor cultivation, strategic planning and layout, digital transformation and other diverse topics in all fields to cultivate their decision and leadership skills as well as communication management abilities. The physical taking of 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.



### 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.
- ◆ The training expenditures in Taiwan and China were NT\$ 16,928,257 in 2021.



# 4.1 Talent Development

## 4.1.3 Talent Cultivation

### Talent Retention

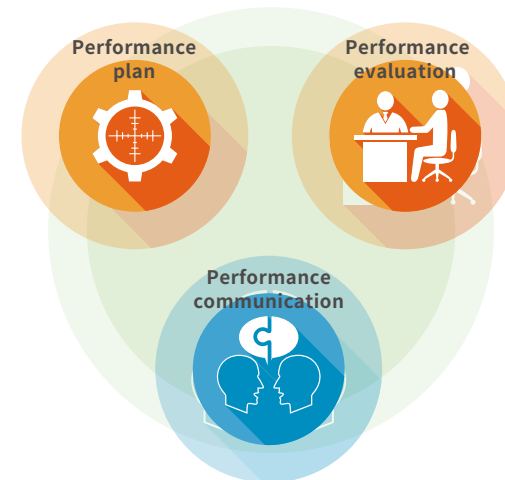
- ◆ Inventec aims to attract and retain outstanding talents through compensation and benefits, bonuses for retaining talents, friendly environment, humanized management, smooth internal rotation, training and development, etc.
- ◆ It promotes IDP, which is short for “Individual Development Plan,” to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

### 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 2021, 100% of employees on the permanent payroll from Inventec’s eight factories around the world had received performance appraisals.



### 100% of Inventec employees accept performance evaluation





# 4.1 Talent Development

## 4.1.3 Talent Cultivation

### 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 2021, the cumulative numbers of employees who have taken language proficiency tests are 3,084 for English and 708 for Japanese.



Talent Quality-management System - Silver Award

### 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!

- 2019 National Talent Development Award
- 2019 Exercise Enterprise Certification Award
- 2020 TCSA People Development Award
- 2020 SGS CSR Awards People Development Excellence Award
- 2016 & 2019 & 2021 TTQS Silver Award



Best Practice of Learning and Development in Greater China



Inventec SA8000 Zone

### 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 100% of the security personnel (including outsourced security) of the company receive human rights education and training. Inventec Social Responsibility Statement is shown on this page, and some factories have obtained the Social Accountability 8000 certificates.



Inventec SA8000 Social Responsibility Statement



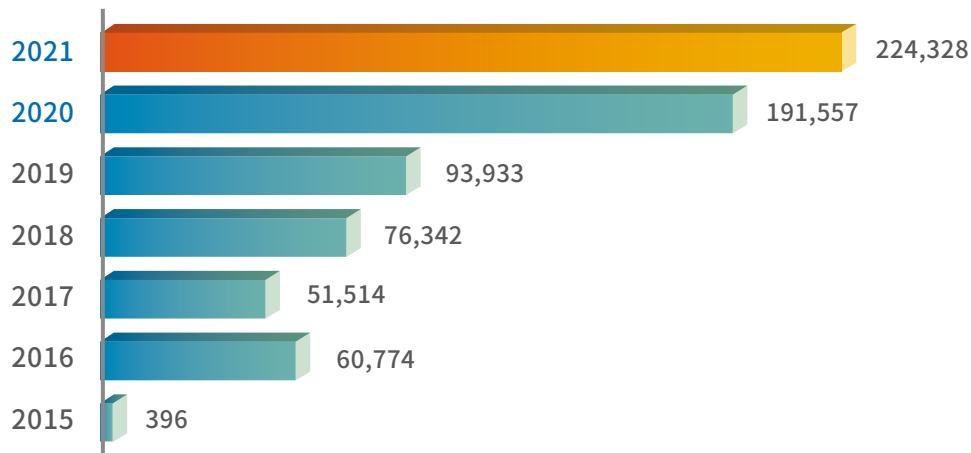


# 4.1 Talent Development

## 4.1.3 Talent Cultivation



Annual Comparison of the Numbers of E-Learning Users



### E-learning

◆ After the optimization and upgrade of the e-Learning platform and APP, the number of annual visits reached 220 thousand, an increase of 13% when compared to 2020. 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 2021, the cumulative number of learners was 698,844.

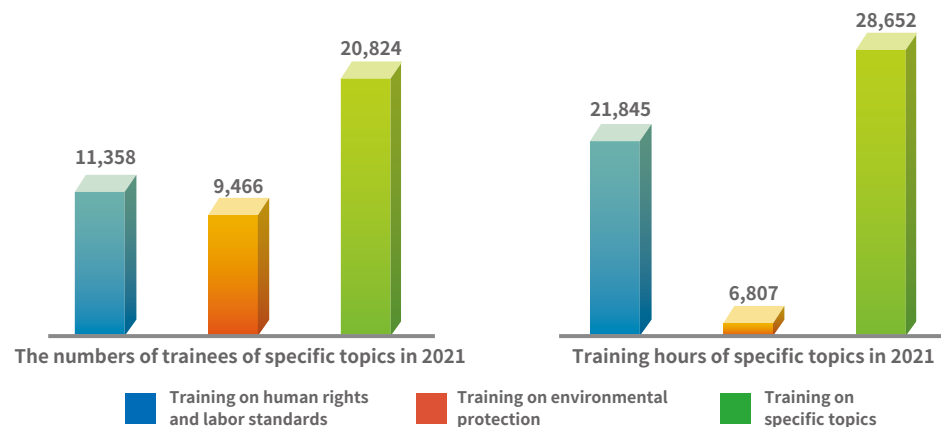
◆ Inventec encourages employees to make flexible use of its e-Learning platform to learn about dynamic industry trends and new technology knowledge for the purpose of promoting continuous innovation and development. In order to continue to push for an organizational learning climate and group resource sharing, the e-Learning platform system and curriculum diversification optimization project was implemented. 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 the Shilin headquarters, Taoyuan, Shanghai, Chongqing, and Tianjin.



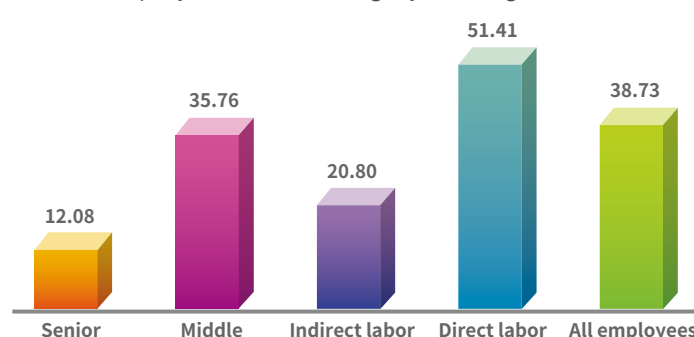
# 4.1 Talent Development

## 4.1.3 Talent Cultivation

The results of training on specific topics



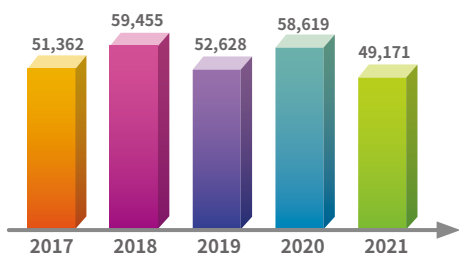
The average number of training hours per employee in each category (average hours)



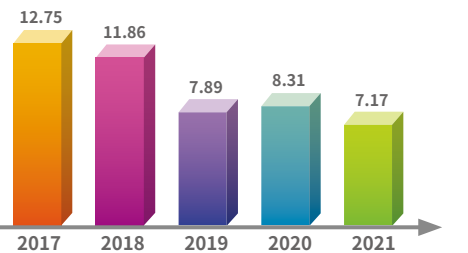
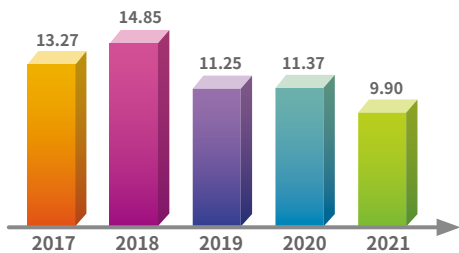
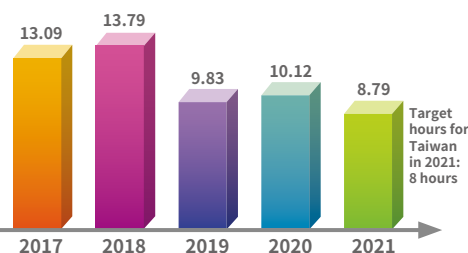
◆ The average number of training hours per employee in each category, the results of training on specific topics, and the total number of training hours and the number of training hours per person in Taiwan and China over the years are shown on this page.

### Taiwan

The total training hours over the years

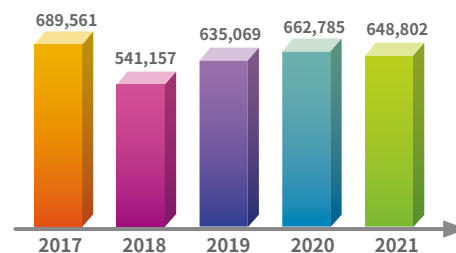


The training hours per person over the years

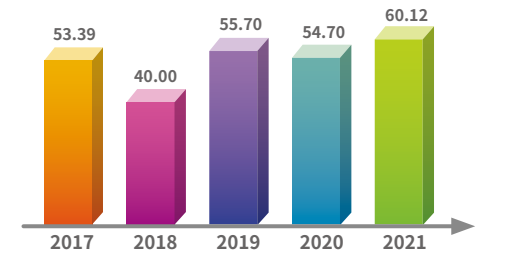
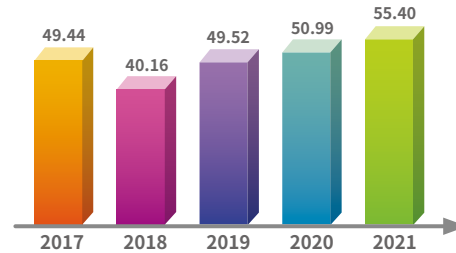
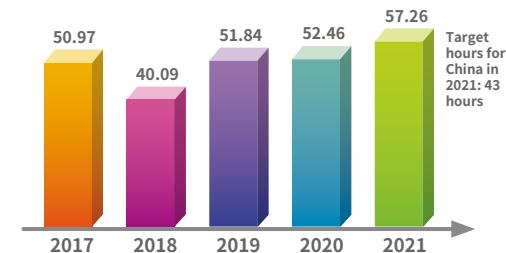


### China

The total training hours over the years



The training hours per person over the years



# 4.2 Health and LOHAS

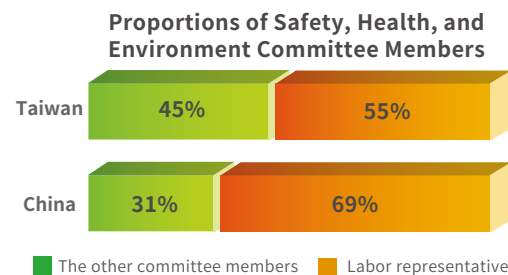
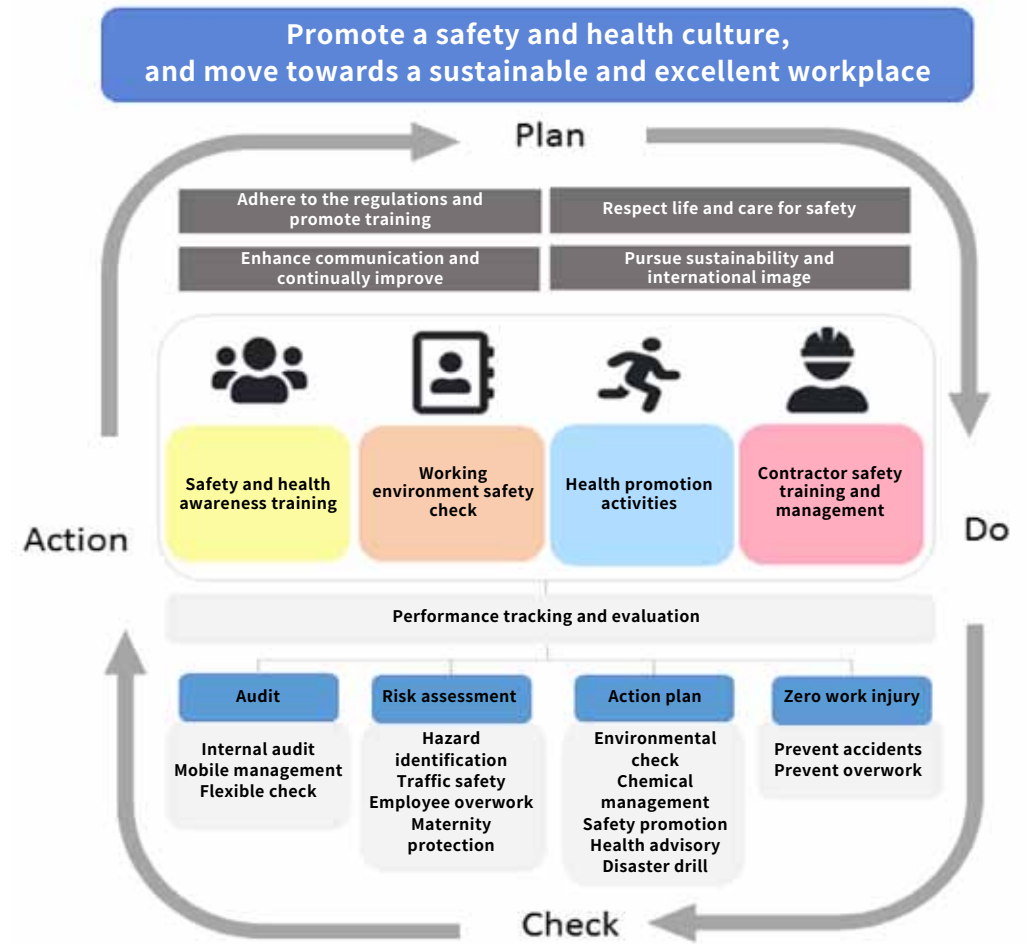
## 4.2.1 Occupational Safety and Health Management System

### 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 (CNS 45001). 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.

### 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 2021, only China, Europe, and America had a few cases of sprains, falls, and contusions 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. Please refer to Vibrant Workplace Summarized Index for the statistics of employees' work-related injuries in 2021. The out-factory disabling frequency rate (FSI) was 0.14 in 2021, which was below the FSI control limit of 0.55. 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.



- 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

## 4.2 Health and LOHAS

### 4.2.1 Occupational Safety and Health Management System



#### 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.



#### 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

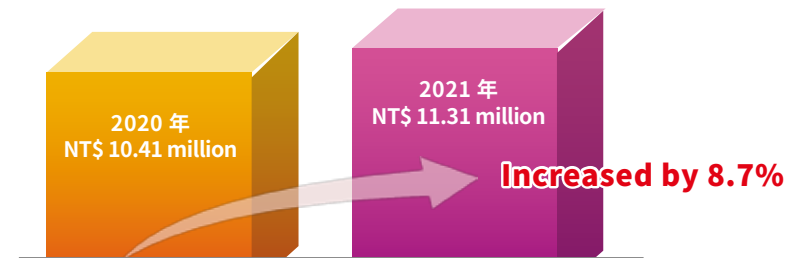
◆ In order to control the potential factors of high risks and high hazards on all factory floors, the seeded members of safety, health, and environment of all units are regularly convened every year to carry out risk assessment to identify significant environmental aspects aimed at all factories. The 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 2021 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.



#### 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 the Shilin headquarters in 2021 increased by 8.7% when compared with 2020. 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 management expenditure of occupational safety and health of the Shilin headquarters

## 4.2 Health and LOHAS

### 4.2.2 Workplace Safety & Health

#### 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 2021. Inventec cares about the health of employees and communicates from the perspective of employees. For example, the Shilin headquarters is beyond the legal requirements of special personnel work education and training and deepens the protection awareness of employees who are exposed to chemical solvents at work.

#### 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.
- ◆ All factories in Taiwan held two emergency response and disaster prevention safety exercises. 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.



Safety and health function training



The improvement of field emergency response



Field drill review for fire managers



Two emergency response drills per year

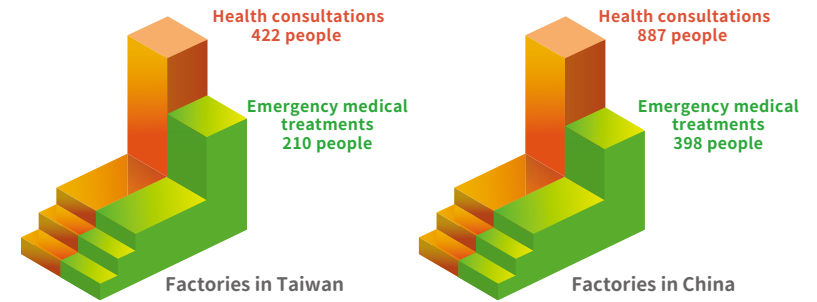
# 4.2 Health and LOHAS

## 4.2.2 Workplace Safety & Health

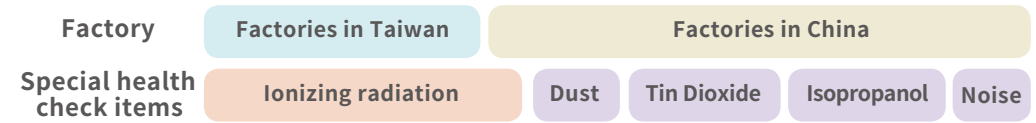
### Health Management

- ◆ 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 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 13 health talks (physical talks and E-learning) were held in 2021, with a total of 1,478 participants, and the average satisfaction degree of participants was 4.87 points (out of 5).
- ◆ In response to the Labor Department's promotion of hazard-free work schedules, in 2021, Inventec was honored by the Labor Department for hazard-free work hours of more than 63,050,266 hours which was accumulated steadily.

### Statistical Analysis of Employee Health Services



### Special Health Check Arranged for the Special Operations



### Honor and Affirmation



"Healthy Workplace Certification-Health Promotion Mark" by National Health Administration, Ministry of Health and Welfare



No Accident Labor-Hour Record Award of Ministry of Labor



Excellent Breastfeeding Room Certification of Taipei City



AED Location Certification



## 4.2 Health and LOHAS

### 4.2.2 Workplace Safety & Health

#### Safety and Health Management of Stationed Agents



##### 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 patrols, 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.**



##### Agency employee

◆ Regarding the Agency employee whose workplaces were controlled by Inventec in 2021, 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 2021, except for occupational injuries such as 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.



##### Contractors

◆ 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 2021, the contractors had no work-related injury case. 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.

◆ We regularly hold contractor briefing sessions to convey the various management regulations about safety and health, on-site hazards notification and precautions, etc. A total of 14 contractors (19 people) participated in the contractor briefing session held on December 30, 2021.



## 4.2 Health and LOHAS

### 4.2.2 Workplace Safety & Health

#### COVID-19 Preventive Mechanism

Since the outbreak of the COVID-19 pandemic, to protect the health and safety of employees and prevent the risk of suspension of operations that COVID-19 could potentially cause, through the risk management mechanism (BCP, Business Continuity Plan), Inventec has required 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 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.

##### 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.





## 4.2 Health and LOHAS

### 4.2.3 The Care of Employees

#### 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, funerals allowance, maternity allowance, three festivals gifts (gift certificates), employee travel grants, birthday gift certificates, paternity leave, maternity leave, parental leave, family care leave, and female menstrual leave have all been established.



Lucky draw event of lucky tiger with vigor welcomes the new year

#### Employee Activities during the Spring Festival

From “welcoming prosperity in the year of the ox” in 2021 to “lucky tiger with vigor welcomes the new year” in 2022, 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.

#### 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 10 intellectual soft lectures were held physically or online throughout 2021.

**Soft Forums and Lecture Courses**

According to the monthly theme, different types of lectures are held for colleagues of different groups to participate freely

**LOHAS School**

Life experience courses such as cooking, essential oils for stress relief, and wine tasting make life more colorful.



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 2021 reached 38.



LOHAS lectures on quality of life and relaxed balance



#### Welfare and Caring Measures

##### Group Insurance

The employees are the most important assets of the company. Through various insurances such as accident insurance, cancer insurance, business travel insurance, etc. in the group insurance, the health and safety of the employees are guaranteed.



##### Living Allowance

- Three festivals and birthday benefits.
- Various supplementary funds for marriage, childbirth, condolences for injuries and illnesses, etc., to take care of the employees' families and lives.



## 4.2 Health and LOHAS

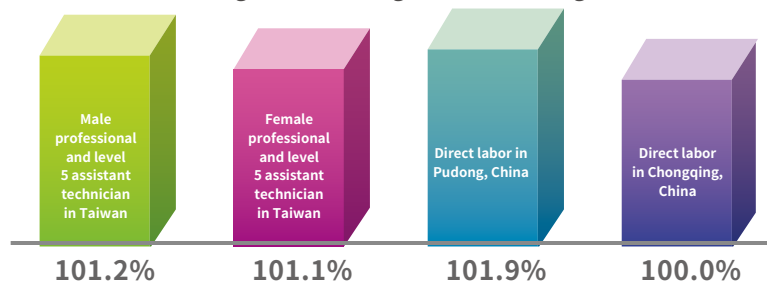
### 4.2.3 The Care of Employees

#### 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 2021 was 5,427, and the average compensation of such full-time employees was NT\$ 1.024 million, with a median of NT\$ 838 thousand. In 2020, the company had a total of 5,323 people, with an average of NT\$ 996 thousand and a median of NT\$ 809 thousand. The analysis of variance: In 2021, the number of employees increased by 104, while the average employee compensation increased by NT\$ 28 thousand, and the median increased by NT\$ 29 thousand.
- ◆ The compensation paid to the employees at the eight 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.



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



#### 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 two make-up workdays according to the calendar announced by the Directorate-General of Personnel Administration in 2021 were all adjusted to holidays by Inventec so that nobody has to work a makeup day, which was a great benefit for our employees.



#### Health Care

- ◆ In order to take care of the health of employees, there are sphygmomanometers, weight scales, beds and other equipment in the dispensary, and there are nursing staff to provide emergency treatment and health care consultation. Also, the on-site doctors provide health consultation and health guidance to the high-risk employees every week. We cooperate with the external clinics to arrange one-on-one psychological counseling services every month to assist employees in stress management, interpersonal communication, and other issues. In order to encourage employees to develop an attitude towards healthy living, we have sport incentive program accumulating jogging and power walking mileage/number of times through external exercise programs and participating in LOHAS-related activities to redeem rewards and create a sports culture in the workplace, so our employees can build good physical and mental health, together with the company's having better driving forces of advancement.



Sport Incentive Rewards

Sports for Cash

2021, a total of **179** employees redeemed the sport incentive rewards.



Gain Muscle and Lose Fat

Easy to Get Lean

From 2018 to 2021, the employees participating at the annual healthy weight loss competition lost **599.5** kg in total.



Asia Best Workplace Award affirms Inventec's workplace health management



Achievement Award for the Wellbeing of Supplier's Workers



## 4.2 Health and LOHAS

### 4.2.3 The Care of Employees



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 “Happy Baking Night” meetup, “I Make the Gift for Dad” parent-child activity, etc.



Encourage employees to develop hobbies that improve the quality of life

#### Arts and Cultural Activities

We hold photography and children's painting competitions, so the employees can achieve a healthy balance between work and life, physically and mentally relax, and have the leisure life with happiness and quality after work.

#### 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.

#### Happy Festival



The activities in line with festivals include Halloween costumes and Christmas party.

#### Festivals and Activities

In line with festivals and popular topics, the related activities are held to enhance the employees' vitality.



Lively and diverse event themes



#### Easy Travel in Spring and Autumn

We have fun with colleagues, families, and friends. The participation in the holiday activities with them is a good choice for leisure and stress relief.



#### Staff Travel

We invite the families and friends to the annual domestic tours to mitigate the fatigue on weekdays and explore the beautiful scenery of Taiwan.



Create happy moments for the families

#### Family Fun



The families and the friends are welcome to the entire movie theaters reserved and the parent-child summer camps to achieve the balance between work and family life.

#### The Hiking Activity of Welfare Committee

2021 spring hiking activity was at the Hsinchu Zoo to create the happy moments for the employees and their families.

# 4.3 Communication Management

## 4.3.1 Workplace Partnership

The Six Communication Mechanisms of Inventec	
Mechanism	Mode
Two-way talks between entry-level employees and executives	· Team leader and workers' representation forum
Discussions on business strategy and operational development	· Director level meeting · Monthly meeting
Cross-functional communication	· Technical committee meeting, project meeting, and teams meeting
Labor-management communication and welfare policy and promotion	· Management and labor council · Welfare committee meeting
Problem response and information advisory	· iService, LINE, WeChat, and Facebook · HR and factory communication website · 24-hour care hotline · One-stop service contact · Suggestions
Entry-level employee care group	· 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.

### Use APP digital tools to facilitate the employees' work and life



### APP Digital Convenience Tool

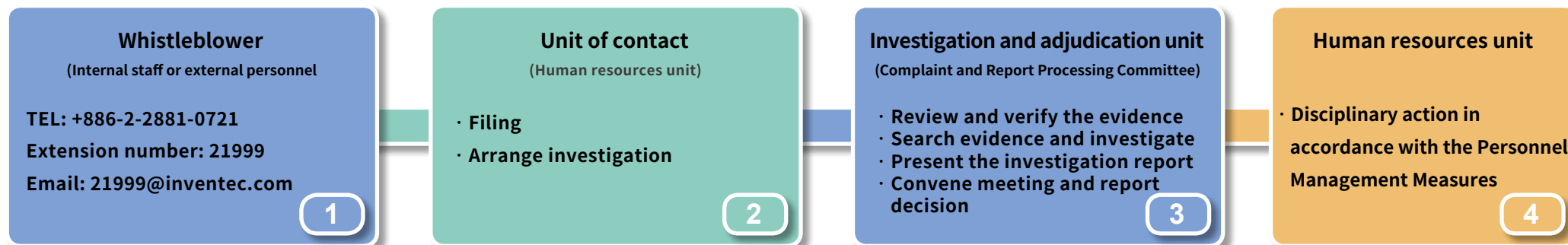
- ◆ Some Inventec factories have developed APP digital convenience tools for employees to use. Shilin headquarters provides the on-line version of iService APP including the functions such as mobile E-Library, point inquiry and exchange of LOHAS passport and study passport, etc. And according to the results of the employee opinion survey, it provides a conference room reservation function to respond to the work needs of employees. During the epidemic prevention period, the functions such as "body temperature report" and "epidemic prevention notification" were added to protect the health of employees, and the "online meal ordering" function was expanded for the free lunches and dinners in the factory to reduce clustering outside the factory. The i-HR APP in the China factory is an office platform for the employees' daily actions and integrates various functions such as attendance, salary, food, clothing, housing and transportation.



# 4.3 Communication Management

## 4.3.1 Workplace Partnership

### Inventec Internal and External Grievance Process



### 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 2021, the company has four labor complaint cases in China. Three cases were rejected and withdrawn by the court; one case was settled by the two parties. The main reason was poor communication on the issue of leave during the epidemic. The improvement measures were to strengthen communication training for grass-roots supervisors. No formal employee complaint was filed in Taiwan, Europe, and America in 2021. No complaints in relation to environmental damages, violations of human rights, use of child labor, discrimination disputes, and corruption and bribery were received in any of the factories around the world. No labor dispute caused work suspension in 2021.

### 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” when they arrive at their post. It is posted on the web portal, so all employees can browse it at any time, and sign and publicize on a regular basis.
- ◆ In Taiwan, two violations of Labor Standards Act were found according to the results of the labor inspection in 2021, with a fine of NT\$ 800 thousand adjudicated. In terms of extending working hours beyond the regulation and increasing wages, the advocacy is strengthened, and the supervisors are required to ensure proper work arrangements.



The Proportion of Taiwanese Employees Participating in the New and Old Retirement Systems



# Definitions in Vibrant Workplace

Data Definition and Formula Description  	Corresponding pages
<ul style="list-style-type: none"> <li>Statistics based on the numbers of employees by job grades</li> </ul>	
<ol style="list-style-type: none"> <li>According to the statistics of the employee numbers by job grades, it is an analysis of the employment form of the total labor force, including agency employees. The agency employees are DL in Taiwan and IDL in China.</li> <li>Senior supervisors (director level or above) and intermediate supervisors (manager level and section chief level) are the personnel having subordinates</li> </ol>	p. 72
<ul style="list-style-type: none"> <li>Total number of new employee hires and employee turnover.</li> </ul>	
<ol style="list-style-type: none"> <li>Rate of new employee hires: the number of new employee hires by region, age group, and gender / the total number of employees on 2021.12.31 * 100%</li> <li>Rate of employee turnover: the number of employee turnover by region, age group, and gender / the total number of employees on 2021.12.31 * 100%.</li> </ol>	p. 75
<ul style="list-style-type: none"> <li>Rates of total new employee hires and total employee turnover in each region</li> </ul>	
<ol style="list-style-type: none"> <li>Rate of new employee hires: the regional number of new employee hires / the total number of regional employees on 2021.12.31 * 100%</li> <li>Rate of total employee turnover: the regional number of employee turnover / the total number of regional employees on 2021.12.31 * 100%.</li> </ol>	p. 75
<ul style="list-style-type: none"> <li>Turnover for newly recruited employees within three months</li> </ul>	
<ol style="list-style-type: none"> <li>Turnover for newly recruited employees within three months = the number of turnovers within 3 months / the total number of new employees in 2021 * 100%.</li> <li>The total number of new employees hires in 2021 includes total number of employee turnover.</li> </ol>	p. 75
<ul style="list-style-type: none"> <li>Total number of employees that were entitled to parental leave</li> </ul>	
<p>Based on Taiwan Act of Gender Equality in Employment, parents are allowed to take parental leave before their children are 3 years old. Total number of employees that were entitled to parental leave shall include employees taking maternity leave or paternity leave within 3 years. The employee turnover is excluded.</p>	p. 70
<ul style="list-style-type: none"> <li>Training hours in each region</li> </ul>	
<ol style="list-style-type: none"> <li>The total number is the employees counted on 2021.12.31. The range of training hours is the personnel having training in 2021 among the employees counted on 2021.12.31. The employee turnover is excluded.</li> <li>According to the definition above, the total number of training hour is the sum of training hours that employees have undertaken by employee category, gender and region.</li> </ol>	p. 81
<ul style="list-style-type: none"> <li>The achievements of training on specific topics in each region</li> </ul>	
<ol style="list-style-type: none"> <li>Percentage of trained employees = a number of trainees by topic category and by region / the total number of regional employees on 2021.12.31 * 100%</li> <li>The scopes of the trainee numbers and training hours are the personnel having training in 2021 among the employees counted on 2021.12.31. The employee turnover is excluded.</li> <li>The training on specific topics is completed through new employee orientation</li> </ol>	p. 81



# Definitions in Vibrant Workplace



## 2021 Statistics

Corresponding pages

### The numbers of employees by employment contract / type

Region	Gender	Indefinite contract	Term contract	Agency employees
Taiwan	Male	3,215	100	10
	Female	1,503	776	8
China	Male	1,539	5,322	0
	Female	1,098	3,372	0
Europe and America	Male	692	93	29
	Female	600	68	24

p. 72

### New employee hires and employee turnover

Item	New employee hires	Employee turnover
Age	Under 30 years old	26,286
	30-50 years old	3,326
	Over 50 years old	48
Gender	Male	19,679
	Female	9,981
Region	Taiwan	721
	China	28,230
	Europe and America	709

p. 75

- Inventec pays long-term attention to labor rights and minimizes the number of agency employees supporting production needs.
- In the whole year, 29,660 people were recruited in 8 factories around the world to meet the operational needs of local factories and create employment opportunities.



# Definitions in Vibrant Workplace

## Data Definition and Formula Description

Corresponding pages

### • Safety and health indicator statistics

<p><b>Glossary</b></p>	<ol style="list-style-type: none"> <li>1. Total number of work-related injuries: Work-related injuries are not classified into minor or serious injuries. All the work-related injuries are included in the calculation according to the law, but commuting incidents are excluded.</li> <li>2. High-consequence work-related injury: an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.</li> <li>3. Total working hours = the total number of hours at the factory in each month of 2021. (IET: Employees' total working hours = Total number of employees at the end of each month*8*paid working days. Agency employees' total working hours = Agency employees' attendance hours. Contractors' total working hours = Contractors' attendance hours.)</li> <li>4. The total number of work-related injuries does not include near misses/red potions/minor injuries.</li> </ol>	<p>p. 71</p>
<p><b>Calculation instructions</b></p>	<ol style="list-style-type: none"> <li>1. Work-related injury rate (including deaths) = [Total number of work-related injuries (cases) / Total number of hours worked (hours)] x 200,000</li> <li>2. Rate of high consequence work-related injuries (excluding fatalities) = [Number of high consequence work-related injuries(cases) / Total number of hours worked (hours)] x 200,000</li> <li>3. Work-related injury death rate = [The number of work-related injury deaths (people) / Total number of hours worked (hours)] x 200,000.</li> <li>4. The coefficient of 200,000 is derived from 100 employees working for 1 year and each employee working for 2,000 hours per year.</li> <li>5. Near miss frequency rate = [Total number of near misses (cases) / Total number of hours worked (hours)] x 200,000</li> </ol>	<p>p. 71</p>
<p>Flexible Working Hours: The working hours are accumulated throughout the month, as long as the number of hours in the factory + the number of hours of leave in the month <math>\geq</math> the basic working hours of the month (the number of working days per month X 8 hours).</p>		<p>p. 89</p>



## 2021 Statistics

Corresponding pages

### The number of work-related injuries of agency employees and contractors

Region		Gender	The total number of working hours	Injuries	Work-related Injury rate	Near misses	Near miss frequency rate
Agency employees	Taiwan	Male	57,494	0	0	0	0
		Female	35,399	0	0	0	0
	China	Male	0	0	0	0	0
		Female	0	0	0	0	0
	Europe and America	Male	120,442	3	4.98	0	0
		Female	90,694	3	6.62	0	0
Contractors	Region	Gender	The total number of working hours	Injuries	Work-related Injury rate	Near misses	Near miss frequency rate
	Taiwan	Male	986,440	0	0	0	0
		Female	126,199	0	0	0	0
	China (The long-term on-site contractors)	Male	268,000	0	0	0	0
		Female	280,000	0	0	0	0
	Europe and America	Male	131,196	0	0	0	0
		Female	65,598	0	0	0	0

• Except for the agency employees in Europe and America having the male work-related injury rate as 4.98 and the female work-related injury rate as 6.62 (due to minor injuries such as contusions), the work-related injury rates and the near miss frequency rates of the agency employees and the contractors in all regions were 0 throughout the year.







# Environmental Sustainability Performance

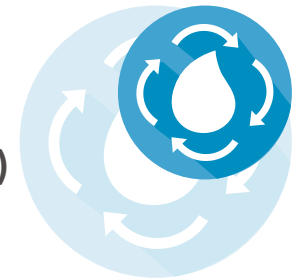
Environmental protection expenditure  
**NT\$ 0.13 bn.**



Renewable energy  
**17m kWh**  
increased by **215%**  
since 2020



Recycled water increased by  
**4.91%**  
(893 metric tons)



**267** environmental certifications for green products



Electricity saving  
**1.17m kWh**  
(Taiwan + China)



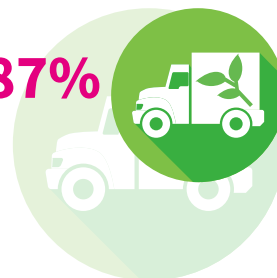
**1,043** safety certifications for green products



Medium and high risk suppliers audit  
**Finishing rate: 100%**  
**Closing rate: 100%**  
(46 suppliers)



Wastes decreased by **13.87%**  
since 2014



Scope 1 and Scope 2 decreased by  
**16.91%**  
in comparison with SBT



- ◆ Material topics : Climate change, energy management, renewable energy, waste management.
- ◆ Key practices : Establish systems based on PDCA , such as ISO 14064-1 greenhouse gas accounting and verification, ISO 50001 energy management system, and ISO 14001 environmental management system and obtain the 3rd party certificates. The practices related to climate change are made to try to join RE100 through TCFD practices and participation in SBTi and disclose through the platforms such as CDP and Market Observation Post System.
- ◆ Browse suggestions : Stockholders / investors, customers, communities, media, etc.
- ◆ SASB index: Water management TC-ES-140a.1 and waste management TC-ES-150a.1



# International Management System Certificates of Environmental Sustainability

ISO 14001 Environmental Management System



ISO 14064 Greenhouse Gas Management System



ISO 50001 Energy Management System



IECQ QC 080000 Hazardous Substance Process Management System



### The Numbers of Certified Factories

Taiwan	3
China	3
Europe and America	2

### The Numbers of Certified Factories

Taiwan	3
China	3
Europe and America	2

### The Numbers of Certified Factories

Taiwan	2
China	3
Europe and America	0

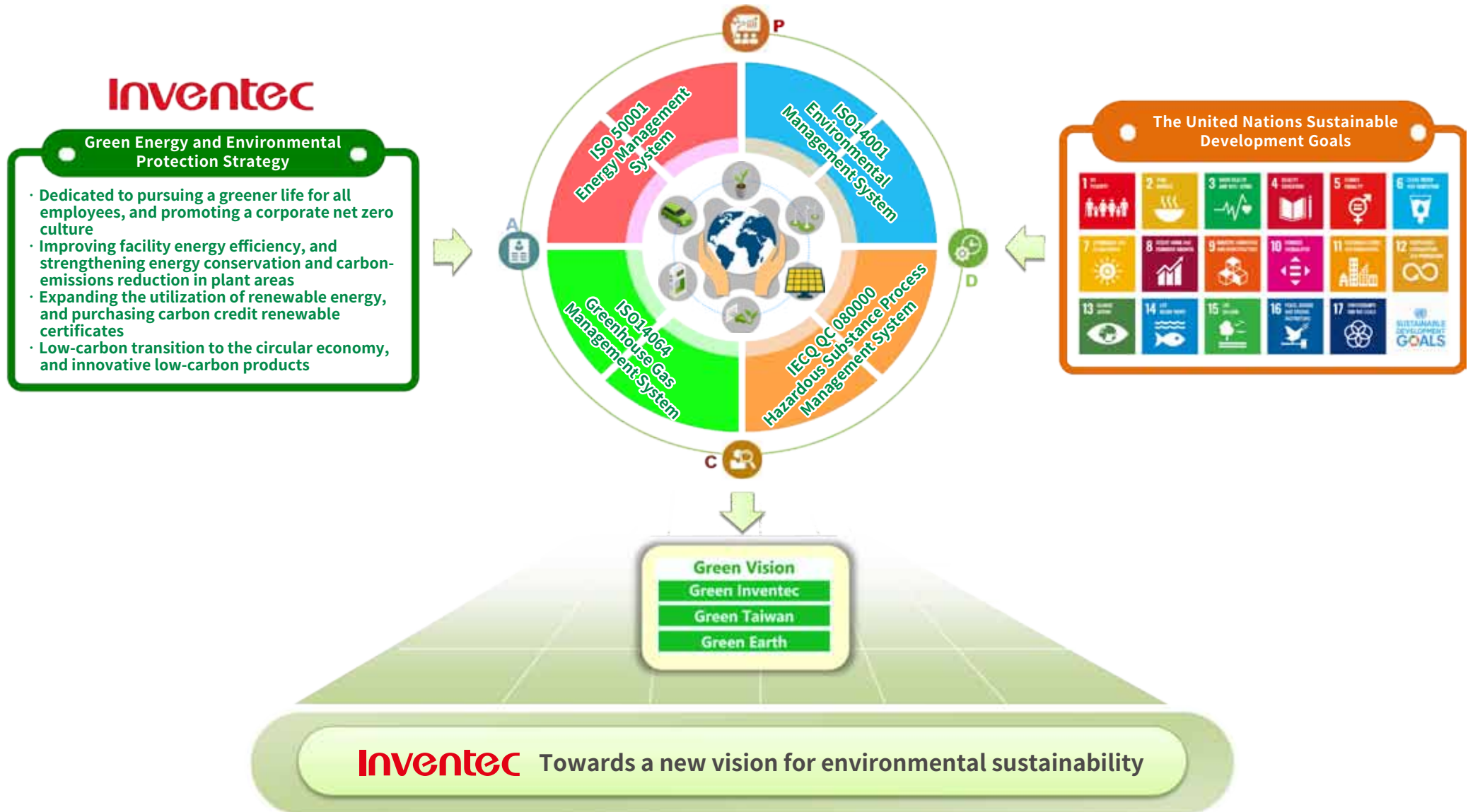
### The Numbers of Certified Factories

Taiwan	2
China	3
Europe and America	2



# 5.1 Climate Action

## 5.1.1 Climate Change Governance Structure



# 5.1 Climate Action

## 5.1.1 Climate Change Governance Structure

### Environmental Sustainability Strategy and Policy

In response to international net zero emissions and complying with the requirements of governments and customers, in pursuit of the sustainable development of our company, the active fulfillment of the responsibilities of a corporate citizen, the commitment to a green life for all employees, Inventec created green energy and environmental protection strategy and Inventec environmental sustainability policy towards **the Green Vision of Green Inventec, Green Taiwan and Green Earth**, which take into consideration the facets 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 not only created environmental sustainability policy that serves as the foundation for promotion but also set Inventec’s exclusive goals of “environmental sustainability” and integrated the related management system and mechanism of the company by following the Recommendations of the Task Force on Climate-related Financial Disclosures. The implementation plan and results are reported to the President and the Board of Directors on a regular basis every year through the team or relevant committees, and the assessment and management of climate-related issues were recently reported to the Board of Directors on May 11th, 2021, and May 13th, 2022.
- ◆ In response to the requirements of local government, customers, and international investment institutions to climate change, Inventec established a renewable energy team and a carbon inventory team to participate in the SBTi initiative and adopted the calculation tool (SBT Tool) of Science Based Target (SBT) to calculate the greenhouse gas reduction target. Assist all factory floors in carrying out green research and development, implementing green plants, driving energy saving, increasing the proportion of renewable energy, enhancing 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 climate change.



Renewable energy team and carbon inventory team

#### Green Energy and Environmental Protection Strategy

- ◆ Dedicated to pursuing a greener life for all employees, and promoting a corporate net zero culture
- ◆ Improving facility energy efficiency, and strengthening energy conservation and carbon-emissions reduction in plant areas
- ◆ Expanding the utilization of renewable energy, and purchasing carbon credit renewable certificates
- ◆ Low-carbon transition to the circular economy, and innovative low-carbon products

#### Environmental Sustainability Policy

- ◆ Implement policies and regulations: We request all individual employees to comply with international environmental protection directives, laws and regulations.
- ◆ Establish corporate benchmarks: We strive as a whole enterprise to drive best practices of environmental protection in the industry.
- ◆ Advance industrial integration: When it comes to the industrial supply chain, we try to promote sustainable activities of value chain integration.
- ◆ Pursue sustainable development: We continue to make contributions to the global environment and corporate development as part of our sustainability initiatives.

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



# 5.1 Climate Action

## 5.1.1 Climate Change Governance Structure

### Inventec TCFD Management 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. The 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”.



# 5.1 Climate Action

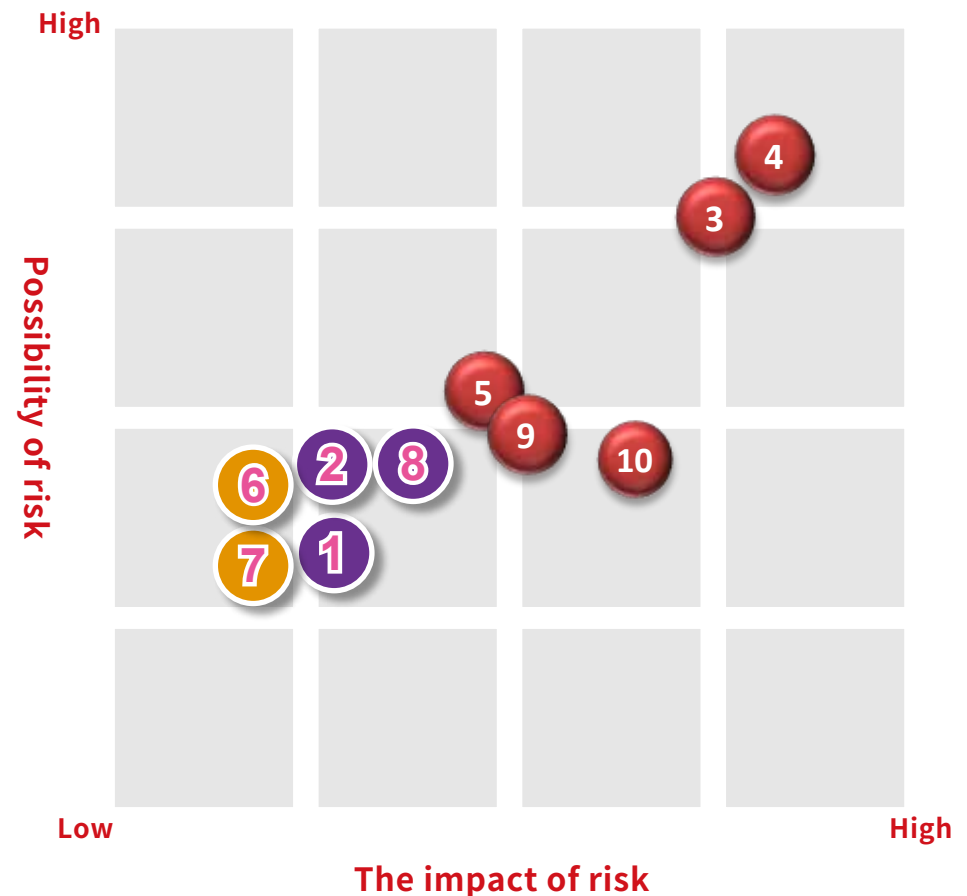
## 5.1.2 Climate Action Approach

In addition to referring to the information of TCFD and sustainability-related reports published by domestic and foreign advanced companies, Inventec carried out the 4 steps of the climate action method, identified 10 climate-related risk issues (listed in the figure below). Based on the risk occurrence after evaluating the levels of possibility and impact, Inventec determined the 5 major risk issues (in red) and carried out scenario simulation and identification of countermeasures and opportunities.



### 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 sustainable consumption awareness.
7. Increased cost of sustainable procurement.
8. Increased concern at stakeholder level.
9. Drastic changes in rainfall pattern and climate types (Extreme weather includes typhoon, rainstorm, flood, etc.)
10. Increased average temperature (heatwaves, water shortages, and increased electricity consumption) and rising sea level (floods).



# 5.1 Climate Action

## 5.1.2 Climate Action Approach

### Scenario Analysis

#### Physical Risks



In terms of physical risks, Inventec mainly adopts RCP (Representative Concentration Pathways, which stands for concentration scenario) scenario simulation.

#### Analyze by Geographic Boundaries:



→ The operating base is located in northern Taiwan, so the main reference is the "Taiwan Climate Change Projection and Information Platform, TCCIP"

#### Scenario Simulation Analysis:



- Timeline: between 2021 and 2100.
- Parameter assumptions: After online simulation of four scenarios of RCP (RCP2.6, RCP4.5, RCP6.0, and RCP8.5), we know that the RCP8.5 scenario has the greatest impact. Its annual average temperature increases by 1.66~4.94 degrees, and the daily average rainfall ranges from 52mm less to 101mm more.
- Under the RCP8.5 scenario, the temperature and rainfall will increase the most. The increase in temperature will increase the power consumption of equipment relating to air-conditioning. The increase in rainfall may cause extreme weather such as typhoons, floods, and sea level rise, which will affect the infrastructure and continuous operations. Therefore, Inventec has incorporated the above scenarios into the risk assessment of climate change.
- 3 operating locations in Taiwan may be at risk. The location with the highest risk of flooding is the Shilin headquarters in Taipei, and the locations with lower risks are the 2 factories in Taoyuan.

#### Countermeasures:



- In response to the above scenarios, all three Inventec factories have emergency response measures and continuing operations plan (BCP), and the drills are carried out every year according to the plan to reduce the impact of climate change.
- In 2016, Inventec headquarters established a "real-time energy management monitoring system", which monitors high-energy-consuming equipment through the information system, and gradually phased out the high-energy-consuming equipment (the ice water machine system was phased out in 2018), in order to improve the energy efficiency of equipment relating to air-conditioning.
- On the other hand, Inventec's energy-saving and carbon-reduction projects have been implemented for many years, and the carbon reduction performance has reached a certain limit. In addition, the expected increase in electricity prices in the future will impact the cost of energy use, and in order to reduce the temperature, the air-conditioning related equipment will increase the electricity consumption. Therefore, all operating sites have ISO 50001 energy management systems to promote various energy-saving and carbon-reduction solutions.
- In 2021, Inventec implemented energy-saving and carbon-reduction projects in its plants in Taiwan and China and saved about 1.17 million kWh (equivalent to a reduction of 624 metric tons of carbon dioxide equivalent), which can save about NT\$3.56 million in electricity bills.

#### Transition Risks



- Major products: NB and sever.
- Product sales area: mainly North America, Europe and China.

#### Risk Scenario Analysis:



- It is mainly based on the requirements of stakeholders and the requirements of laws and regulations in the product sales area as the scenario simulation.
- The COP26 in 2021 aims to hold the global warming threshold of 1.5 degrees Celsius, and the new Glasgow Climate Pact recognizes the need to significantly reduce greenhouse gas emissions during this decade, and "gradually reduce fossil fuel".
- The EU's announcement of the "Carbon Border Adjustment Mechanism" (CBAM) has attracted global attention. It is expected that the "carbon inventory" will be gradually implemented in 2023, and some imported goods will be required to purchase "carbon credits" in 2026, which will increase the costs associated with the purchase of carbon credits.
- In March 2022, the Financial Supervisory Commission released the "Roadmap for the Sustainable Development of Listed Companies". Inventec is regulated at the first stage and should disclose the information of direct greenhouse gas emissions (Scope 1) and indirect energy emissions (Scope 2) in stages to the same extent as the company's consolidated financial statements in 2023.

#### Countermeasures:



- Inventec's factories will cooperate with the customers to carry out the work related to the carbon footprint of products from the value chain.
- Cooperate with the customers to continuously increase the innovation and research and development of low-carbon and net-zero generation products.
- Continue to procure raw materials/products that meet the needs of a circular economy.
- Use the SBT tool to set the Scope 1 and 2 GHG reduction targets as "Taking global warming up to 1.5°C as the target and based on 2018, greenhouse gas emission under Scope 1 and Scope 2 in 2030 will be reduced by 50.4%." Inventec's greenhouse gas emissions in 2018 were 138,934 metric tons of carbon dioxide equivalent, and the 2030 SBT reduction target requires the annual greenhouse gas emissions to be reduced to 68,911 metric tons of carbon dioxide equivalent (a reduction of 70,023 metric tons of greenhouse gas emissions). If per metric ton of carbon credits costs EUR 90 (when 31.44 as TWD / EUR exchange rate), an estimated saving of TWD 198 million can occur.
- In response to the customers' RE 100 renewable energy requirements, Inventec expands to adopt and install renewable energy facilities to continuously increase the renewable energy proportion to 69% in 2030 and increased the ratio of renewable energy usage year by year to meet the customers' needs.
- Inventec established a carbon inventory team to plan the parent company's 2022 inventory and verification schedule for the information of direct greenhouse gas emissions (Scope 1) and indirect energy emissions (Scope 2) and report the implementation progress to the Board of Directors on a quarterly basis according to regulations.
- In terms of public disclosure, after obtaining the statement of third-party verification, it will be disclosed in the annual report of Inventec Corporation and the Inventec Sustainability Report.



# 5.1 Climate Action

## 5.1.2 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 Risks	Policy and Regulation	1. Increased carbon pricing and costs of carbon trading.	<ul style="list-style-type: none"> <li>Increased operating costs.</li> <li>Increased liability for insurance claims caused by climate-related impact.</li> </ul>
	Technology	2. Information communication products replaced by low-carbon innovative technologies.	<ul style="list-style-type: none"> <li>Increased R&amp;D expenditure.</li> </ul>
	Market	3. Increased global demand for renewable energy.	<ul style="list-style-type: none"> <li>Increased operating costs.</li> </ul>
Physical Risks	Long term	4. Drastic changes in rainfall pattern and climate types (Extreme weather includes typhoon, rainstorm, flood, etc.) 5. Increased average temperature (heatwaves, water shortages, increased electricity consumption) and rising sea level (floods).	<ul style="list-style-type: none"> <li>Increased liability for insurance claims caused by climate-related impact.</li> <li>Reduced revenue due to decreased productivity (such as supply chain disruption).</li> </ul>

### Projects that may generate opportunities:



Items of Opportunities That Can Be Generated by Inventec		Increase Opportunities for Future Financial Revenue
New Energy	<ul style="list-style-type: none"> <li>Take part in renewable energy and carbon trading markets.</li> </ul>	<ul style="list-style-type: none"> <li>Diversified operations and expanded new markets.</li> </ul>
Resource Efficiency	<ul style="list-style-type: none"> <li>Promote energy-saving measures to improve the efficiency of energy use.</li> <li>Implement resource recycling /reusing.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce operating costs and increase customer procurement ratios.</li> </ul>
Products / Services	<ul style="list-style-type: none"> <li>Develop low-carbon and net-zero generation products.</li> </ul>	<ul style="list-style-type: none"> <li>Improve performance to increase revenue and operating profit margin.</li> </ul>
Market	<ul style="list-style-type: none"> <li>Participate in incentive measures and programs launched by government agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain incentives and subsidies to increase the chance of entry.</li> </ul>





# 5.1 Climate Action

## 5.1.2 Climate Action Approach

### Inventec TCFD implementation status

Inventec's mitigation and adaptation practices in response to climate-related risks and opportunities are as follows.

Major Risk Issues Identification			Inventec's Way of Mitigation/Adjustment  
Transition Risks	Policy and Regulation	<ul style="list-style-type: none"> <li>Increased carbon pricing and costs of carbon trading.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously optimize ISO 14064-1 greenhouse gas inventory management operations to gradually expand the scope of carbon inventory to the upstream/downstream value chain.</li> <li>Cooperate with customers to carry out product carbon footprint related operations from the value chain.</li> <li>Inventec use ISO 50001 as a framework to implement carbon-saving projects with the aim of lowering the cost of carbon transaction.</li> <li>Continue to promote energy saving and emission reduction plans and achieve the SBT reduction target.</li> <li>Issue company annual reports and sustainability reports to respond to the needs of stakeholders for information disclosure.</li> <li>Participate in the CDP questionnaire to respond to the carbon emissions and carbon management information for the customers and stakeholders.</li> <li>Respond to the stakeholders' environmental management and greenhouse gas management information through the RBA environmental survey.</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Information communication products replaced by low-carbon innovative technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Actively assist customers to apply for various energy efficiency marks / product carbon labels.</li> <li>Continue to increase innovation and research and development of low-carbon and net-zero generation products, and continue to purchase raw materials/products that meet the needs of the circular economy.</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Increased global demand for renewable energy.</li> </ul>	<ul style="list-style-type: none"> <li>Expand to adopt and install renewable energy facilities to continuously increase the renewable energy proportion to 69% in 2030.</li> </ul>
Physical Risks	Long term	<ul style="list-style-type: none"> <li>Drastic changes in rainfall pattern and climate types (Extreme weather includes typhoon, rainstorm, flood, etc.)</li> <li>Increased average temperature (heatwaves, water shortages, increased electricity consumption) and rising sea level (floods).</li> </ul>	<ul style="list-style-type: none"> <li>The business units plan BCP risk management mechanism; the plant management units build the emergency response mechanism to improve disaster resilience and to ensure the Company's continuous operation.</li> <li>Evaluate supplier risk levels and continuously find the back-up raw material supplier to ensure the continuous production operation and the smooth shipment.</li> <li>Continuously hold the activities about sustainable supply chain practice to raise the management awareness of carbon management and water management in the supply chain.</li> <li>The management unit evaluates the potential impact of extreme weather on the plant area every year and plans mitigation/adaptation plans in advance to ensure that the infrastructure reduces the impact of extreme weather on the plant area.</li> </ul>

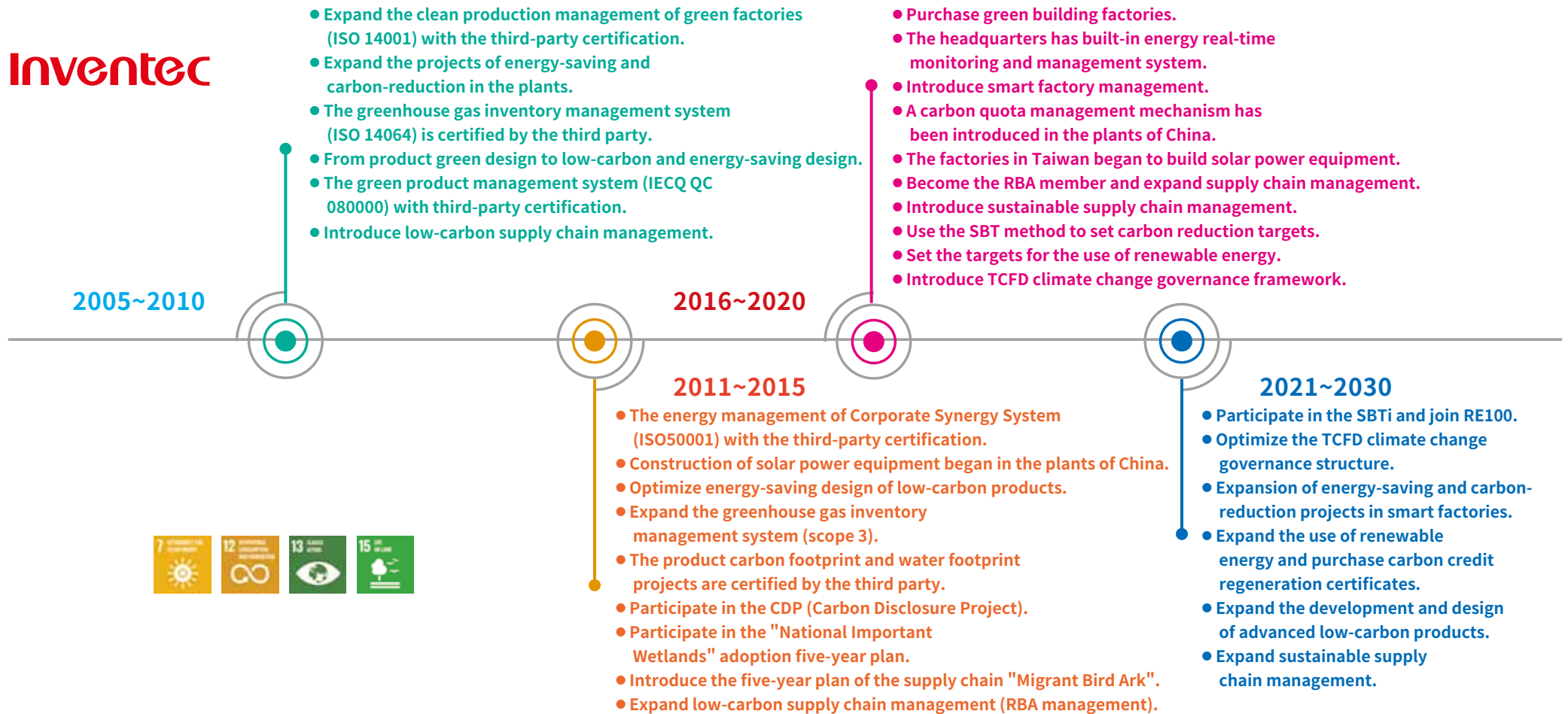
Items of Opportunities That May Be Generated		Inventec's Mitigation/Adaptation Practices 
Energy Source	<ul style="list-style-type: none"> <li>Engage in renewable energy and carbon trading market.</li> </ul>	<ul style="list-style-type: none"> <li>Expand to adopt and install renewable energy facilities to continuously increase the renewable energy proportion to 69% in 2030.</li> <li>Continue to seek internationally recognized opportunities for purchasing renewable energy certificates.</li> </ul>
Resource Efficiency	<ul style="list-style-type: none"> <li>Promote energy conservation measures and improve energy efficiency.</li> <li>Recycle and reuse resources.</li> </ul>	<ul style="list-style-type: none"> <li>In 2016, Inventec Shilin headquarters established the energy management monitoring system which monitors high-energy-consuming equipment through the information system, and gradually phased out the high-energy-consuming equipment, in order to improve the energy efficiency of equipment relating to air-conditioning.</li> <li>The plants continue to promote energy-saving, carbon-reducing, water-saving, and waste-reducing management plans to reduce resource consumption.</li> </ul>
Products / Services	<ul style="list-style-type: none"> <li>Develop low carbon and net-zero generation products.</li> </ul>	<ul style="list-style-type: none"> <li>Continually upgrade the product energy efficacy with R&amp;D design.</li> <li>Product recycling rate is better than WEEE regulations; packaging material recycling rate meets the customers' sustainable procurement standards.</li> <li>Connect with circular economy, reward circular design, strengthen value chain partnership, develop new-generation and net-zero products, and use low-carbon, low-energy-consumption, and low-toxicity raw materials to reduce the impact on the environment.</li> </ul>
Markets	<ul style="list-style-type: none"> <li>Participate in the incentive measures of government.</li> </ul>	<ul style="list-style-type: none"> <li>Actively seek subsidies from government units</li> </ul>



# 5.1 Climate Action

## 5.1.2 Climate Action Approach

In response to international net-zero greenhouse gas emissions, Inventec meets the requirements of governments and customers of various countries and actively fulfills its responsibilities as a corporate citizen in the pursuit of sustainable development. The main mitigation and adaption measures over the years are as follows:



# 5.1 Climate Action

## 5.1.3 Greenhouse Gas Emission Management

### Greenhouse Gas Emission Intensity

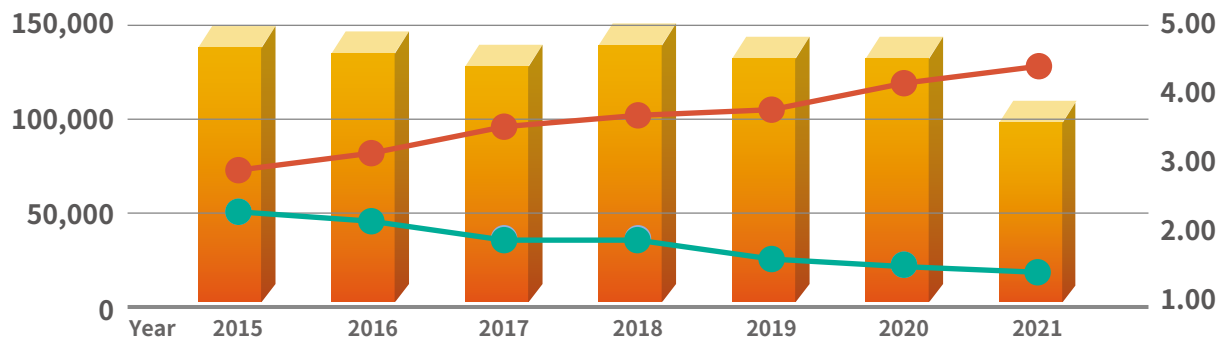
- ◆ Greenhouse gas emissions intensity (Scope 1 emissions and Scope 2 emissions) of Inventec in 2021 was 22,881 metric tons of carbon dioxide equivalent / NT\$ 100 billion, which is 29.94% less than in 2020 (32,659 metric tons of carbon dioxide equivalent / NT\$100 billion). Compared with the carbon reduction base year of 2018 (39,832 metric tons of carbon dioxide equivalent / NT\$ 100 billion), 2021 saw a decrease (42.56% reduction).
- ◆ According to the analysis, Inventec’s greenhouse gas emission intensity from 2018 to 2021 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.

### Carbon Information Disclosure

In order to meet the carbon information disclosure needs of Inventec stakeholder groups (including customers, shareholders/investors, and government agencies), Inventec has implemented greenhouse gas inventory operations since 2007. In addition to disclosing carbon inventory information in this report, Inventec has participated in the evaluation of the non-profit organization Carbon Disclosure Project (CDP) since 2010 and discloses information relating to greenhouse gas emissions and reduction every year.

Also, Inventec proactively discloses the information on greenhouse gas emissions and reduction in the environmental survey of the RBA (Responsible Business Alliance) information platform and provides carbon emissions-related data to help customers to establish the basis for calculating the carbon footprint of their products.

Inventec’s Greenhouse Gas Emission Intensity Over the Years  
Unit (tCO2e / NT\$ 100 bn.)



Inventec's 2021 CDP climate change questionnaire received B which is better than the industry's average B-

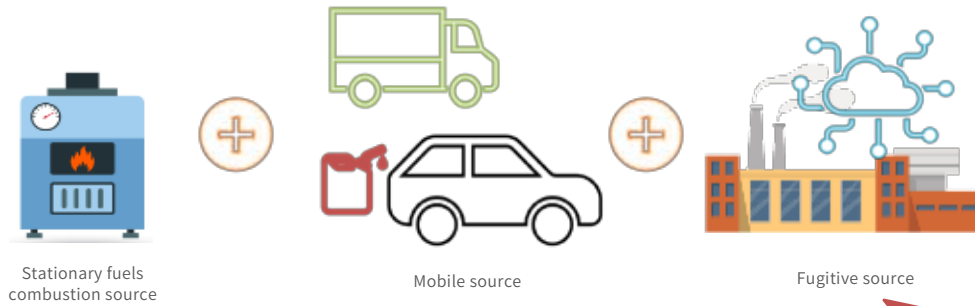


# 5.1 Climate Action

## 5.1.3 Greenhouse Gas Emission Management

Inventec's Greenhouse Gas Emissions of Scope 1 over the Years

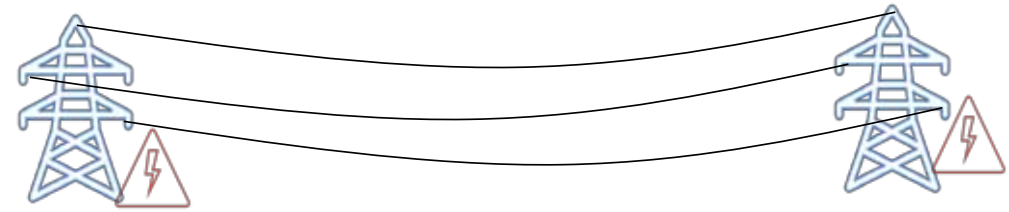
Unit (tCO2e)



Greenhouse Gas Emissions of Scope 1	9,168	8,324	7,296	7,878	7,912	7,122	7,142
Year	2015	2016	2017	2018	2019	2020	2021

Inventec's Greenhouse Gas Emissions of Scope 2 over the Years

Unit (tCO2e)



Greenhouse Gas Emissions of Scope 2	129,627	128,526	121,702	131,056	124,202	125,799	93,758
Year	2015	2016	2017	2018	2019	2020	2021

### Greenhouse Gas Emissions of Scope 1 Emissions and Scope 2 Emissions

- Inventec's total greenhouse gas emissions in 2021 were 100,900 metric tons of carbon dioxide equivalent, among which the direct GHG emissions (Scope 1 emissions) were 7,142 metric tons of carbon dioxide equivalent (accounting for 7.08% of total emissions), and the indirect GHG emissions from energy (Scope 2 emissions) were 93,758 metric tons of carbon dioxide equivalent (accounting for 92.92% of total emissions).
- The main source of Inventec's greenhouse gas emissions in 2021 was the China factories (accounting for 71.10% of the total emissions). Among the greenhouse gas emissions of Inventec's eight factories, ICC's greenhouse gas emissions which were 38,748 metric tons of carbon dioxide equivalent were the highest (accounting for 38.40% of the total emissions), followed by IPT with 28,901 metric tons of carbon dioxide equivalent (accounting for 28.64% of the total emissions), and TAO greenhouse gas emissions were 15,092 metric tons of carbon dioxide equivalent (accounting for 14.96% of the total emissions). The main reason is related to capacity adjustment/transfer.

### 2020 and 2021 Greenhouse Gas Emissions Analysis

- Compared with 2020 (The emission was 132,920 metric tons of carbon dioxide equivalent), Inventec reduced 32,020 metric tons of carbon dioxide equivalent (a decrease of 24.09%) in 2021, mainly due to the COVID-19 pandemic, factory production capacity adjustment, and the reduction of power factors in China, Europe, and America.

### Analysis of 2021 and 2018 SBT Greenhouse Gas Reduction Targets

- Based on Inventec's Scope 1 and Scope 2 greenhouse gas reduction target, "Taking global warming up to 1.5 °C as the target and based on 2018, greenhouse gas emission under Scope 1 and Scope 2 in 2030 will be reduced by 50.4%," the greenhouse gas emissions in 2021 were reduced by 38,034 metric tons of carbon dioxide equivalent (a decrease of 27.38%) compared to 2018, the SBT reduction base year (138,934 metric tons of carbon dioxide equivalent), were reduced by 16.91% compared to the SBT target (the 2021 SBT target is 121,428 metric tons of carbon dioxide equivalent), and achieved the target for the year.



# 5.1 Climate Action

## 5.1.3 Greenhouse Gas Emission Management

### 2021 Greenhouse Gas Emissions of Scope 3 Emissions























Scope 3 greenhouse gas emissions of Inventec in 2021 was 664,446 metric tons of carbon dioxide equivalent.

Through the hot spot analysis, the Scope 3 emissions in 2021 cover 9 categories including (1) purchased goods and services, (2) use of sold products, (3) downstream transportation and distribution, (4) investments, (5) downstream leased assets, (6) employee commuting, (7) the transportation and disposal of waste generated in operations, (8) upstream transportation and distribution, and (9) business travel.

### Analysis of 2021 and 2020 SBT Greenhouse Gas Reduction Targets

The basis is Inventec's Scope 3 greenhouse gas reduction target, "Taking global warming up to 1.5°C as the target and based on 2020, greenhouse gas emission under Scope 3 in 2030 will be reduced by 42%."

The greenhouse gas emissions in 2021 increased by 81,081 metric tons of carbon dioxide equivalent compared to 2020 (583,365 metric tons of carbon dioxide equivalent) and increased by 105,582 metric tons of carbon dioxide equivalent compared to the SBT target (the 2021 SBT target is 558,864 metric tons of carbon dioxide equivalent). The reasons are mainly related to the range of quantification for scope 3 and the changes in production capacity.

The Categories of Scope 3	2021	2020	Analysis	Inventory and Calculation of Indirect Emission Items in 2021
 Purchased goods and services	195,876	137,658		(NB) The indirect GHG emissions of power for raw materials manufactured by 20 suppliers: 151,045 tCO2e. (Sever) The indirect GHG emissions of power for raw materials manufactured by 3 suppliers: 44,831 tCO2e.
 Use of sold products	364,671	293,723		(NB) Indirect GHG emissions from electricity use (energy consumption) after sale: 69,296 tCO2e. (Sever) Indirect GHG emissions from electricity use (energy consumption) after sale: 295,375 tCO2e.
 Downstream transportation and distribution	55,991	64,525		(NB) Indirect GHG emissions of product shipments and transportation : 55,991 tCO2e.
 Investments	36,611	79,530		Indirect GHG emissions of the invested companies purchasing power. Range: Inventec Appliances.
 Downstream leased assets	4,249	0		Indirect GHG emissions of the downstream lease companies.
 Employee commuting	2,636	2,305		Indirect GHG emissions of employee commuting (automobile and scooter) Range: IET, TAO, ICC, IPT, and SQT.
 Disposal of waste generated in operations	1,695	1,880		Consignment of waste disposal. Range: IET, TAO, ITO, ICC, IPT, SQT, ICZ, and IMX.
 Transportation of waste generated in operations	464	201		Consignment of waste removal (transportation). Range: IET, TAO, ITO, ICC, IPT, SQT, ICZ, and IMX.
 Upstream transportation and distribution	2,029	3,364		(NB) The indirect GHG emissions of raw materials transported from 20 suppliers: 1,921 tCO2e. (Sever) The indirect GHG emissions of raw materials transported from 3 suppliers: 108 tCO2e.
 Business travel	226	179		Indirect GHG emissions of employee business travel and aviation. Range: factory floors in Taiwan (IET, TAO, and ITO) and China (ICC, IPT, and SQT).
 Total	664,446	583,365		The reason for the increase is the expanded range of the inventory.

# 5.1 Climate Action

## 5.1.4 Energy Management

### Energy Consumption and Energy Intensity

To fulfill its corporate social responsibility and sustainable operation goals, Inventec continues 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.

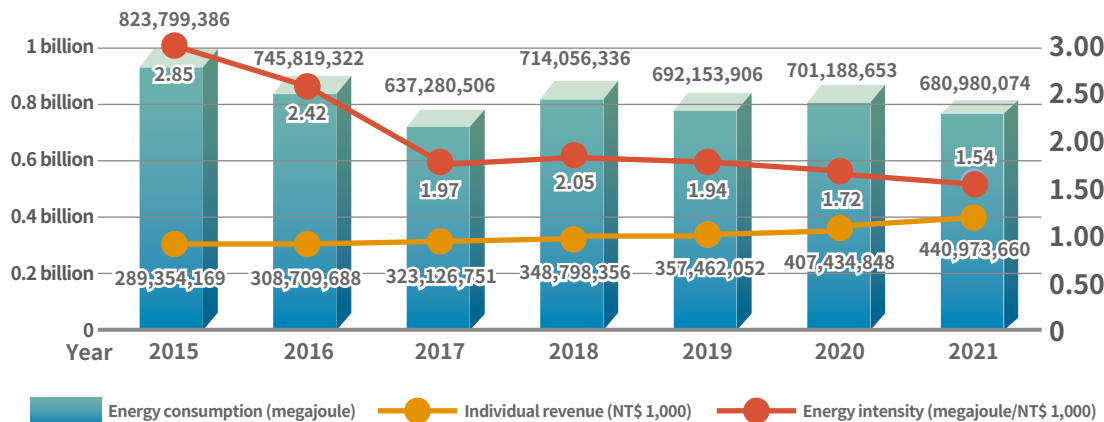


Energy consumption: Inventec's usage of energy in 2021 was 680,980,074 megajoule (purchased power, natural gas, petrol, and diesel), which is a decrease of 2.88% compared to the 701,188,653 megajoule of energy (purchased power and natural gas) in 2020.

Energy intensity: the energy intensity of Inventec is 1.54 megajoule / NT\$ one thousand in 2021, which is a decrease of 10.27% compared to 2020 (1.72 megajoule / NT\$ one thousand).

According to the analysis of energy intensity from 2015 to 2021, 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 Group's Energy Consumption and Energy Intensity over the Years



### Renewable Energy

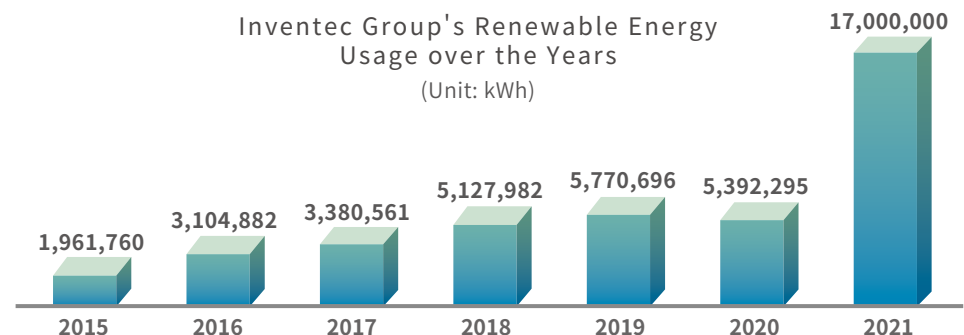
In order to respond to the international net-zero greenhouse gas emissions and meet the requirements of governments and customers of various countries, Inventec established a renewable energy team to expand the use of renewable energy, evaluate the purchase of carbon credits and renewable energy certificates. The consumption of renewable energy (China) in 2021 was 17,000,000 kWh (61,200,000 megajoule). Inventec group's renewable energy consumption in 2021 increased by 11,610,000 kWh compared to the 5,390,000 kWh (19,412,261 megajoule) in 2020, which shows Inventec's determination to attach importance to "green energy and environmental protection".

In 2021, the proportion of renewable energy in the 7 factories worldwide is 9%, and the target in 2022 is 25% (including solar power, hydropower, and renewable energy certificates). In the future, according to the needs of local and regional governments and customers, we will expand to adopt and install renewable energy facilities to continuously increase the renewable energy proportion to 69% in 2030 and move towards net-zero greenhouse gas emissions.



**Renewable energy target:**  
Expand to adopt and install renewable energy facilities to continuously increase the renewable energy proportion to 69% in 2030.

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



# 5.1 Climate Action

## 5.1.4 Energy Management

### 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

Ten major energy saving projects were promoted in 2021, and 1,170,000 kWh (4,206,170.08 megajoule) were saved, which is equal to the carbon emissions reduced by 624 metric tons of carbon dioxide equivalent. The power saved increased by 100,000 kWh compared with 2020 (an increase of 9.76%), but the carbon reduction decreased by 113 metric tons of carbon dioxide equivalent compared with 2020. The reason is related to the reduction of the Shanghai plant's power factor. In 2021, the ten energy saving projects saved a total of NT\$ 3,557,325 in electricity bills.

- Energy saving for information center's sever room (PUE)
  - ⇒ IET: PUE in 2021 was 1.62 which decreased by 0.20% compared with 2020 (PUE=1.61) and decreased by 6.21% compared with the base year 2019 (PUE=1.72).
  - ⇒ ITO: PUE in 2021 was 1.47 which decreased by 46.74% compared with 2020 (PUE=2.76) and decreased by 48.96% compared with the base year 2019 (PUE=2.88).
  - ⇒ TAO: PUE in 2021 was 1.64 which increased by 7.89% compared with 2020 (PUE=1.52) and decreased by 12.3% compared with the base year 2019 (PUE=1.87).
  - ⇒ ICC: PUE in 2021 (PUE= 1.45) was the same as 2020 and the base year 2019.
  - ⇒ IPT & SQT: PUE in 2021 was 1.51 which increased by 2.72% compared with the base year 2020 (PUE=1.47).
- Energy saving in HQ (EUI) : EUI of IET in 2021 decreased by 21.33% to 125.68 MWh/1000 m<sup>2</sup> compared to 153.7 MWh/1000 m<sup>2</sup> in 2014 (base year).
- Energy saving in factories (EI): 2021 EI in China sites decreased by 32.26% to 0.317 (kWh / NT\$ thousands revenue) compared to 0.468 (kWh / NT\$ thousands revenue) in 2018.

Energy saving project \ Year	2020			2021		
	Numbers of projects	Energy saved (kWh)	Carbon reduced(tCO2e)	Numbers of projects	Energy saved (kWh)	Carbon reduced(tCO2e)
Air compressor system	1	221,280	160	0	0	0
Air conditioning exhaust system	4	748,702	511	5	1,149,500	611
Lighting system	1	10,736	5	5	18,881	13
Process improvement	1	83,736	61	0	0	0
Project (including management)	0	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>1,064,454</b>	<b>737</b>	<b>10</b>	<b>1,168,381</b>	<b>624</b>

Factory: Shilin, Taoyuan, Pudong, Chongqing.

## 5.1.5 Future Outlook

- ◆ Inventec continuously identifies climate change risks in accordance with the TCFD framework to draft and implement mitigative and adaptative measures in a timely manner:
  1. Implement a greenhouse gas inventory and verification works.
  2. Make an inventory and replace energy-intensive equipment in the plant area, continue to focus on energy-saving and emission-reducing management, and complete the declaration of electricity-saving rates.
  3. Expand the conversion and installation of renewable energy facilities and continue to increase the proportion of renewable energy.
  4. Purchase carbon credits from carbon trading platforms according to demand.
  5. Advance BCP business continuity planning.
  6. Encourage circular design through incentive programs, strengthen value-chain partnerships, and develop net-zero new generation products.
  7. Continue to purchase raw materials/products that meet the needs of the circular economy to ensure that the infrastructure and base station can reduce the impact of extreme weather on the factory area and the environment.



Factory \ Year	2019	2020	2021	Difference from the previous year	Difference from the base year
IET	1.72	1.61	1.62	0.20%	-6.21%
ITO	2.88	2.76	1.47	-46.74%	-48.96%
TAO	1.87	1.52	1.64	7.89%	-12.30%
ICC	1.45	1.45	1.45	0.00%	0.00%
IPT&SQT	/	1.47	1.51	2.72%	2.72%

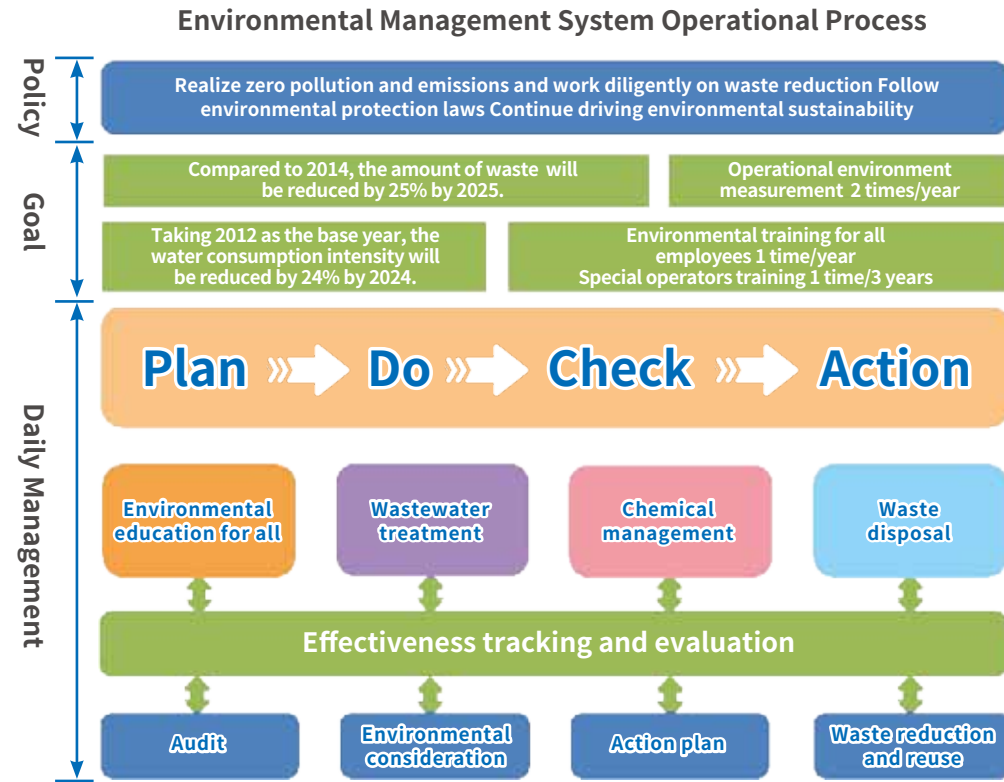
Due to the relocation of IPT&SQT sever room in 2019, their base year is 2020, while the other factories' base year is 2019.





# 5.2 Environmental Responsibility

## 5.2.1 Approach to Environmental Responsibility



### 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 2021.



### 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 an 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.
- ◆ Through the implementation of the ISO 14001 environmental management system, Inventec systematically manages environmental-related issues, and Inventec had zero pollution leakage and zero environmental complaints and penalties in 2021.



# 5.2 Environmental Responsibility

## 5.2.2 Waste Management

### 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

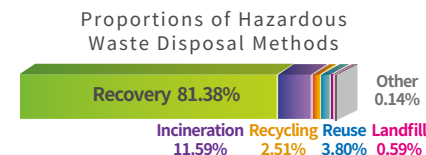
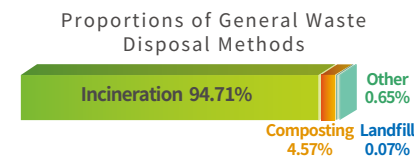
- Taking 2014 as the base year, waste will be reduced by 25% by 2025.
- Ensure that waste disposal and removal methods comply with local regulations and standards.
- Implement waste management, classification, recycling, and reduction.

### Practice

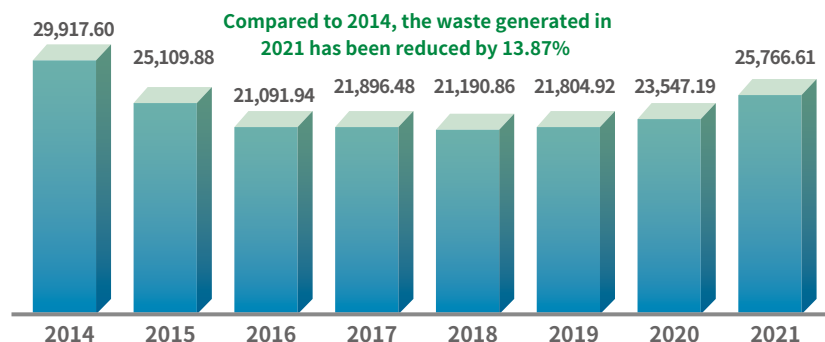
- Select a qualified waste disposal company from which a specially assigned person is responsible for monitoring the transportation of waste and treatment method at any time and taking note of the weights .
- A designated waste area where specially assigned personnel will give assistance for the recovery 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.

### Waste Analysis Management

- 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 2021 was 25,766.61 metric tons, with recyclable waste accounting for the highest proportion (87.61%), followed by general waste (9.59%) and hazardous waste (2.81%).
- 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 2021, the volume of waste generated in operation has seen a downward trend over the past eight years. Compared to 2014, the volume of waste generated in operation in 2021 has been reduced by 13.87%, demonstrating Inventec’s efforts in reducing environmental load.
- Inventec’s waste removal and treatment companies did not breach contract or violate laws in 2021.
- In 2021, the waste intensity is 5,843.12 metric tons / NT\$100 billion in revenue.



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



Customer award affirms Inventec's waste reduction effectiveness.

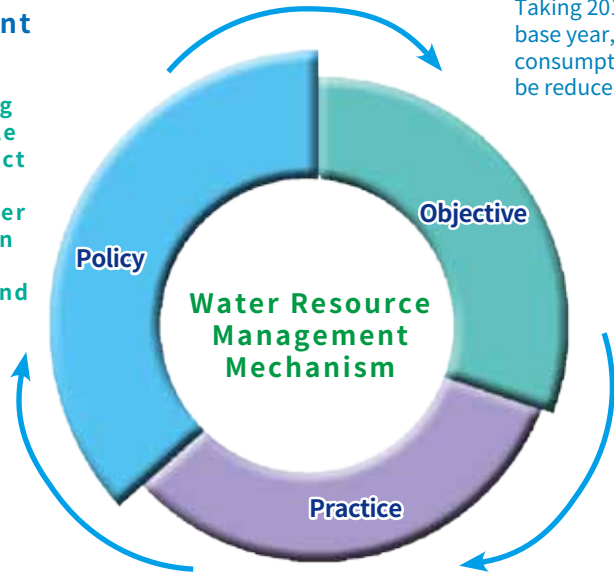


# 5.2 Environmental Responsibility

## 5.2.3 Water Resource Management

### Water Management Policy

Water saving for all people  
Change the act  
Efficient water consumption  
Circulation and recycling



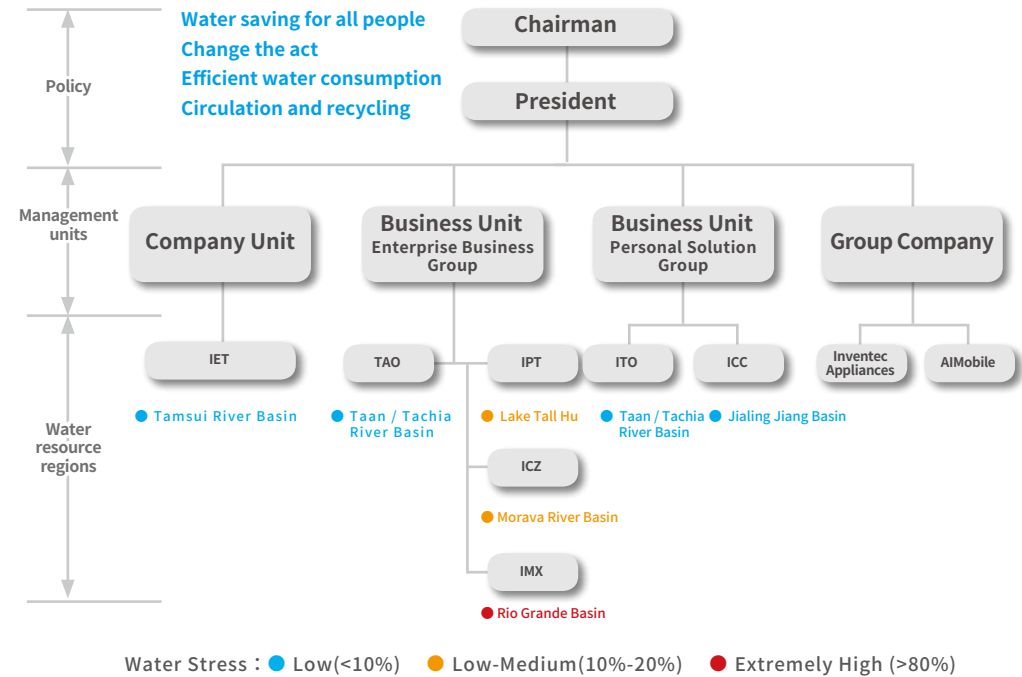
Taking 2012 as the base year, the water consumption intensity will be reduced by 24% by 2024.

- ◆ 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.

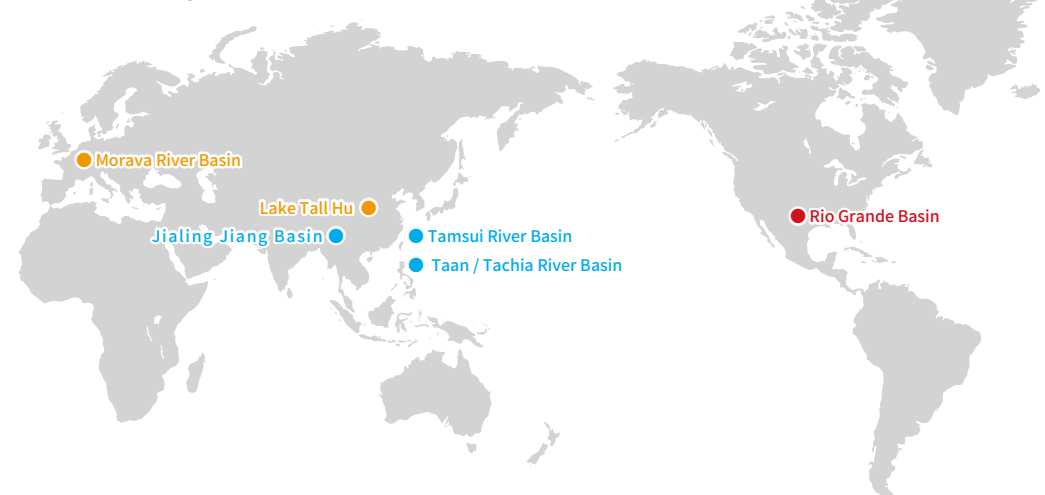
### Water Resource Management Operations

- ◆ 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



## 5.2 Environmental Responsibility

### 5.2.3 Water Resource Management

#### Water Risk Assessment

◆ In order to grasp the water resources risks of various factories around the world, Inventec relies on the water risk assessment tool of the World Resources Institute (WRI) to identify the water risks in the areas where the factories are located. Among Inventec's global plants, only the location of IMX faces higher water stress. IMX's water withdrawn and water consumed accounts for about 1% in Inventec.

The Assessment and Analysis of Water Resource Risk					
Risk level	Low	Low-Medium	Medium-High	High	Extremely High
Number of factories	4	3	0	0	1

#### 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 2021 was 1.0816 million tons. Compared with 1.3071 million tons in 2020, water consumption in 2021 was reduced by 225.5 thousand tons; a decrease of nearly 17.25%. The annual water consumption per person was 58.85 tons in 2021, which was reduced by 6.24 tons (a decrease of nearly 9.59%) compared to 65.10 tons in 2020. Compared with 2012, the water consumption per person was reduced by 16.43% in 2021.

#### Water Resource Management Effectiveness

Water Resource Statistics (metric ton)		
Water withdrawal (Tap water accounts for all)	Water discharge	Water consumption
1.0816 million	814.7 thousand	266.9 thousand
Water Usage Intensity (metric ton / NT\$100 billion in revenue)		
245,273		

Effectiveness of Water-saving Programs		
Estimation of water saving	Water saving as a percentage of total water withdrawal	Saved cost of water
19,071 metric tons	1.76%	NT\$ 389,613

#### Measures of Water Resource 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. Since 2021, Inventec has promoted the establishment of an Intelligent Digital Platform for Environmental Sustainability (iESS) to improve the efficiency of collecting and querying water consumption data.

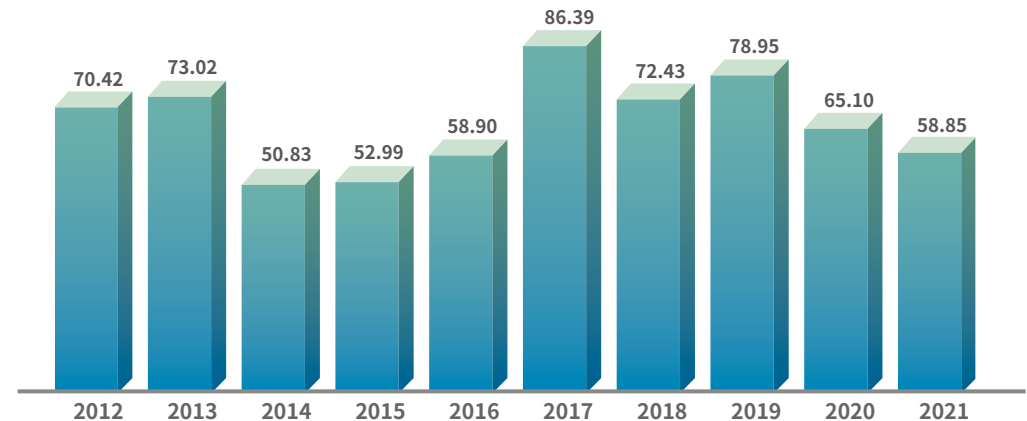
#### Effectiveness of Water Saving

◆ Inventec promotes water resource management programs by means of reduction, reuse, recycling, etc. In 2021, Inventec implemented three water-saving programs including concentrated water recovery and reuse of pure water equipment, air-conditioning condensate recovery and reuse, and rainwater recovery and reuse.

◆ In 2021, with a total volume of 19,071 tons of water (accounting for 1.76% of total water consumption) recovered, a total of NT\$ 389,613 in water bills were saved. Compared with 2020 (the volume of water recovered was 18,178 tons), an increase of 4.91% (the volume of water recovered increased by 893 tons) was achieved. Looking forward to the future, Inventec will plan to reduce water consumption at the source.

#### Inventec's Water Consumption per Person over the Years

(Unit: metric ton / person)



# 5.2 Environmental Responsibility

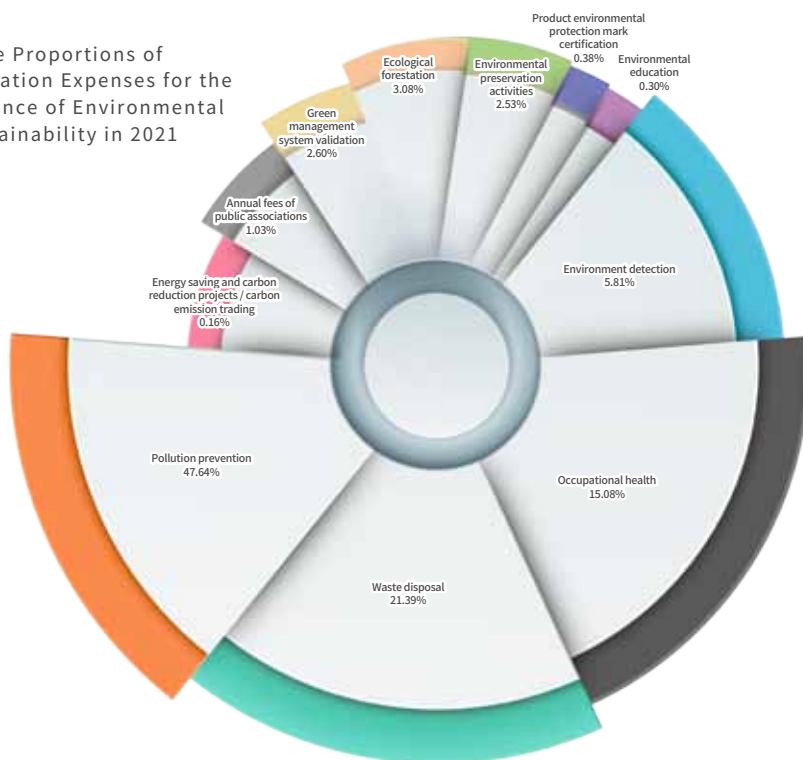
## 5.2.4 Environmental Management Accounting

### Administration Expenses for the Maintenance of Environmental Sustainability

- ◆ Inventec takes environmental accounting as the framework to grasp the environmental expenditure information and the basis for evaluating the effectiveness of environmental expenditures and discloses relevant information to stakeholders.
- ◆ Administration expenses for the maintenance of environmental sustainability of Inventec in 2021 was NT\$ 138,142,259; respectively NT\$70,285,278 for environmental capital expenditures and NT\$67,856,981 for environmental expenses.
- ◆ If the administration expenses for the maintenance of environmental sustainability as a percentage of the 2021 total revenue which was more than NT\$ 519.7 billion, it is 0.03%.
- ◆ The proportions of Inventec's various items of expenditure in 2021 and variations in expenses of each item from 2020 to 2021 are as shown in the figure.

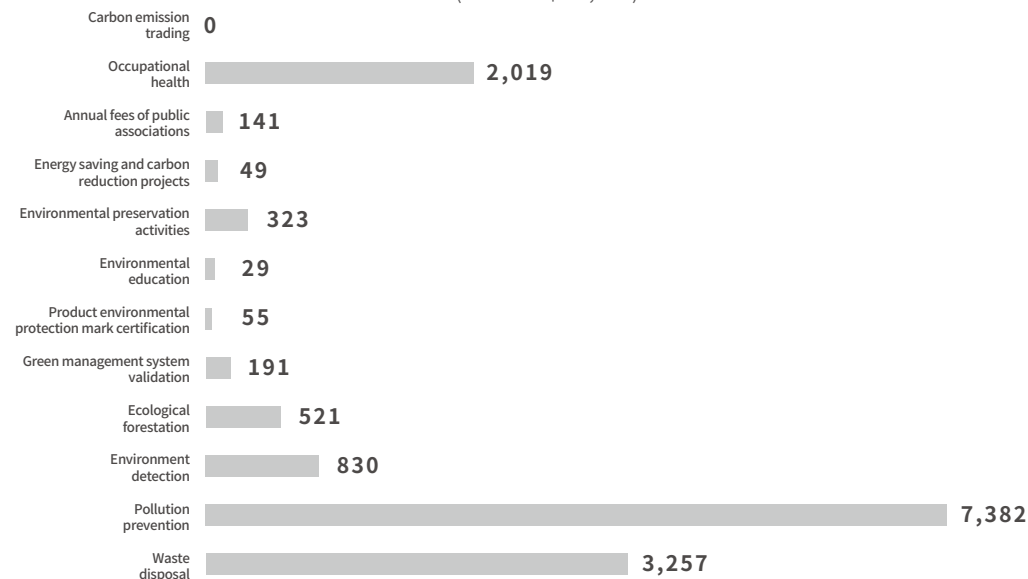


The Proportions of Administration Expenses for the Maintenance of Environmental Sustainability in 2021



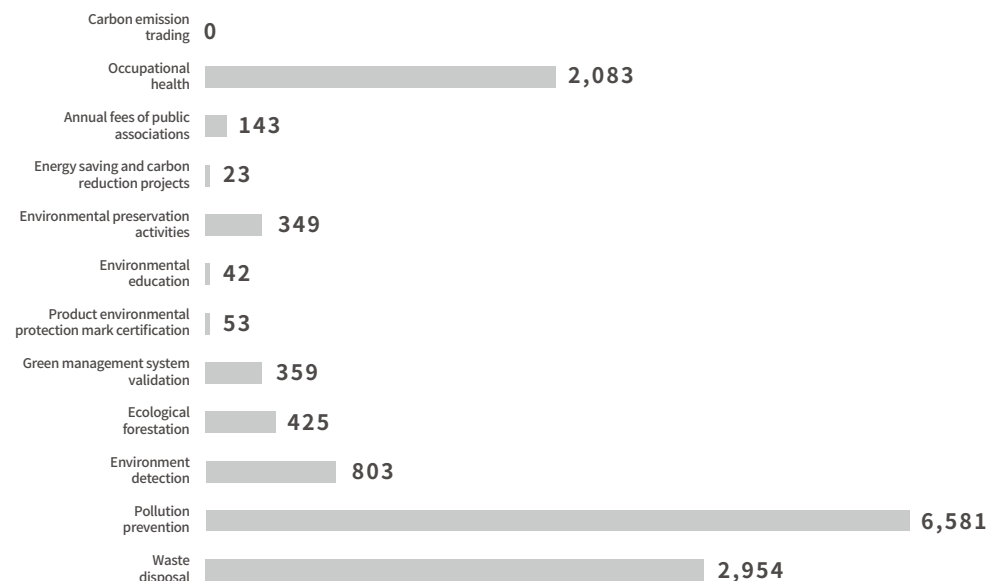
## 2020 Cost Analysis

(Unit: NT\$ 10,000)



## 2021 Cost Analysis

(Unit: NT\$ 10,000)



# 5.3 Ecological Sustainability

## 5.3.1 ESG Practice of Sustainable Supply Chain

### The Exchange Forum of Sustainable Supply Chain Partner Day

- ◆ "2021 Exchange Forum of Inventec Sustainable Supply Chain Partner Day" is Inventec's second annual Sustainable Supply Chain Partner Day event held consecutively in response to the "United Nations Sustainable Development Goals" with the suppliers. A total of 59 representatives from 28 suppliers participated online.
- ◆ By promoting the latest version of "Inventec Group Sustainable Supply Chain Management Policy", Inventec emphasizes the promotion of the Responsible Business Alliance (RBA) Code of Conduct, commits to recycling water and net-zero greenhouse gas emissions, responds to the United Nations Sustainable Development Goals, and carries out the safe and sustainable sourcing supply chain. Therefore, through the mechanism of RBA environmental survey, we intend to encourage supply chain partners to observe the setting of environmental goals and discuss the effectiveness of actual implementation with respect to the environmental management issues such as greenhouse gases, energy conservation, renewable energy, water resources, and waste.
- ◆ "Climate action" is one of the priorities of the "United Nations Sustainable Development Goals". In order to deepen the level of greenhouse gas management, Inventec explained in detail the supplier's greenhouse gas inventory specifications in the exchange forum for the further operation of inventory implementation.
- ◆ Under the trend of moving towards a sustainable world, Inventec looks forward to playing a critical role in the industry with the key suppliers and contributing to the future of a greener earth.



The Exchange Forum of Inventec Sustainable Supply Chain Partner Day was held in an online and interactive way.

# 5.3 Ecological Sustainability

## 5.3.1 ESG Practice of Sustainable Supply Chain

### 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.
- ◆ 59 supplier representatives participated in the online "2021 Exchange Forum of Sustainable Supply Chain Partner Day." The "2021 Inventec Group Sustainable Supply Chain Forum" held in Taipei was attended by 139 supplier representatives. 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.



Convey Inventec Group Sustainable Supply Chain Management Policy to the fellow suppliers



2021 Sustainable Supply Chain Forum

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

# 5.3 Ecological Sustainability

## 5.3.1 ESG Practice of Sustainable Supply Chain

### Results of 2021 Inventec Group Sustainable Supply Chain Activities

Dates	Location	Participating Suppliers	Main Agenda
11/10	Online	59 people	<b>2021 Exchange Forum of Inventec Sustainable Supply Chain Partner Day</b> <ul style="list-style-type: none"> <li>◆ 2021 RBA environmental survey and SDGs trend analysis</li> <li>◆ Specifications for Inventec supplier greenhouse gas inventory</li> </ul>
12/17	Taipei	139 people	<b>2021 Inventec Group Sustainable Supply Chain Forum</b> <ul style="list-style-type: none"> <li>◆ Inventec sustainable supply chain management (CSR, RBA, integrity management, and ecological sustainability)</li> <li>◆ Introduction to Inventec supplier component management and evaluation</li> <li>◆ Product liability of Inventec sustainable supply chain (HSF, responsible minerals, and laws and regulations)</li> <li>◆ Introduction to Inventec supply chain security (AEO) requirements</li> </ul>

RBA : Responsible Business Alliance



Collaborating with Guandu Nature Park, the first certified environmental education field in Taiwan, we explained the product liability of Inventec sustainable supply chain to the fellow suppliers.

### The Supplier Survey Results of 2021 Sustainable Supply Chain Forum



Inventec has adopted the national important wetland in Guandu Nature Park for 10 consecutive years, and through the sustainable supply chain forum, we conveyed the importance of ecological conservation.



# 5.3 Ecological Sustainability

## 5.3.2 Sustainable Ecology Education

### Adoption of National Important Wetland for Ten Years

- ◆ 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 ten consecutive years by adopting the national important wetland, Guandu Nature Park. In the year of 2021, the ecological experience of a total of 73,704 people who visited Guandu Nature Park was improved.
- ◆ In order to commemorate the 10-year milestone of Inventec's adoption of Guandu Nature Park's wetland, a brand-new explanation board was designed by the artist, Wu Bo-Chun, from Taiwan Curio Art Association to reflect the beautiful state of harmonious coexistence between human and nature.



Inventec has adopted the national important wetland for 10 consecutive years, so the brand-new explanation board is designed with the concept incorporating nature.



### Innovative Outdoor Ecological Value Chain Exchange Program

- ◆ Since 2015, Inventec has been promoting the "Migratory Birds' Ark, Ecological Sustainability Program." In order to enhance the concept of green life education and link the direction of the United Nations Sustainable Development Goals, the "2021 Inventec Group Sustainable Supply Chain Forum" was held on December 17th, 2021. The ecological experience activities on that day were arranged in a way that highlights the significance of sustainability, including:
  - ✓ The event location was Guandu Nature Park which is rated as an environmental education facility. Through the 6 stages of outdoor tours, 139 representatives from 118 suppliers experienced the meaning of "environmental sustainability" and appreciated the "installation art" of 2021 Guandu International Nature Art Festival.
  - ✓ We cherish Earth through responding to the EPA's promotion of "vegetarian activities" and ordering the vegetarian meals from Tsz-Yu Sheltered Workshop.
  - ✓ 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.
  - ✓ We gave the environmentally friendly thermo hygrometers to encourage healthy management of temperature and humidity, facilitate energy-saving adjustment of air conditioners, and deepen green life.
  - ✓ The artist, Wu Bo-Chun, from Taiwan Curio Art Association personally explained his creative process for the 2021 Guandu International Nature Art Festival to Inventec's sustainable supply chain partners.


<p><b>Environmental education facility</b></p> <p>關渡自然公園 GUANDU NATURE PARK 社團法人台北市野鳥學會</p>	<p><b>Environmentally friendly thermo hygrometer</b></p> <ul style="list-style-type: none"> <li>• Healthy management of temperature and humidity</li> <li>• Facilitate energy-saving adjustment of air conditioner</li> <li>• Deepen green life</li> </ul>	<p><b>Environmentally friendly packaged water</b></p> <ul style="list-style-type: none"> <li>• 43% reduction in plastics</li> <li>• 55g reduction in carbon dioxide emissions per bottle</li> <li>• Increase of recycling space by more than 70%</li> </ul>
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Respond to 6 SDGs through venue, gifts, drinking water, etc.



# Definitions in Environmental Sustainability

Data Definition and Formula Description	Corresponding pages
<p><b>Supplementary Explanation of Scope 1 / Scope 2 Greenhouse Gas Information:</b></p> <ol style="list-style-type: none"> <li>1.GWP value reference version: IPCC 2013 AR5.</li> <li>2.Emissions of biomass fuels: None.</li> <li>3. Inventec greenhouse gas base year and its emission information are listed in the table</li> </ol> <p style="text-align: right;">For the contents of the third-party verification statement of Inventec Group's greenhouse gas, please refer to the external disclosure webpage :</p> 	p.108
<p><b>Supplementary Explanation of Scope 3 (Category 3 ~ Category 5) Greenhouse Gas:</b></p> <ol style="list-style-type: none"> <li>1. Methodologies used to calculate carbon emissions from business travel (Category 3) : (1) ICAO calculator; (2) For those who cannot find airport code information on ICAO calculator, use the Greenhouse Gas Protocol calculation tool, "Mobile Combustion GHG Emissions Calculation Tool (Version 2.6)," to calculate the carbon emissions of the straight distance between 2 airports</li> <li>2. Transportation of waste generated in operations (Category 3) and disposal of waste generated in operations (Category 4):             <ol style="list-style-type: none"> <li>(1) Transportation of waste generated in operations: Adopt the annual total weight of waste transportation x waste transportation distance x the emission factor. Only calculate the distance from the factory to the disposal site.</li> <li>(2) Disposal of waste generated in operations: Adopt the annual total weight of waste disposal x the emission factor of transportation vehicles. (Approaches to recycled wastes are excluded due to uncertainties.)</li> </ol> </li> <li>3. Products transportation (Category 3): The total annual production and shipment weight of the specific product (the representative of the current year's shipment volume) x product transportation distance x emission factor.</li> <li>4. Transportation of raw materials (Category 3) \ purchased goods and services (Category 4):             <ol style="list-style-type: none"> <li>(1) Category of raw materials: NB products use 10 categories of raw materials (PCB, metal shell, packaging material, hardware materials, plastic computer cases, accessories, hinge, thermal, KB and cable). Server products use 3 categories of raw materials (PCB, cases, power supply).</li> <li>(2) Transportation of raw materials: the total annual material transportation weight (based on the percentage of shipment) x transportation distance x emission factor.</li> <li>(3) Purchased goods and services (raw material): (1) allocated electricity of manufacturing of raw materials x emission factor, or (2) allocation of annual energy indirect (Scope 2) GHG emissions result from suppliers.</li> </ol> </li> <li>5. Employee commuting (Category 3): Use emissions related to the transportation of employees from the administrative region (such as each district office in Taiwan) of their homes to their workplaces by car and motorcycle. ( the number of employees commuting x transportation distance x emission factor); The total number of employees commuting comes from the total number of days worked per year minus a minimum of the basic calendar days of annual leave.</li> <li>6. Use of sold products (energy consumption) (Category 5): Use the annual product shipment x product lifetime x annual electricity consumption per product x emission factor. (Note: the product lifetime of NB and servers is typically 4 years.)</li> <li>7. Investments (Category 5): The allocated electricity consumption of investee (allocated by the investor's proportional share of equity in the investee) x emission factor.</li> <li>8. Downstream leased assets (Category 5): The electricity consumption of lease company x emission factor.</li> <li>9. For emission factors for each category of Scopes 3, please refer to Inventec GHG Verification Statement.</li> </ol>	p.109
<p><b>Supplementary notes on energy saving and carbon reduction information:</b></p> <ol style="list-style-type: none"> <li>1. Calculation of energy saving (KWh): Energy saving performance calculation method is mainly calculated by multiplying the difference in power consumption before and after improvement by the operating time.</li> <li>2. For the power emission factor changing energy-saving performance into carbon reduction effectiveness, please refer to the contents of the Inventec Group's Third-party Verification Statement for Greenhouse Gas.</li> </ol>	p.111

# Definitions in Environmental Sustainability

Greenhouse Gas Base Years and Emissions of Scope 1 & 2



Company	Base year	GHG inventory categories	Greenhouse gas emissions (Metric tons of carbon dioxide equivalent / year)		Corresponding pages
Inventec Corporation - Shilin site (IET)	2018	Category 1	342.7505	3,075.5162	p.108
		Category 2	2,732.7657		
Inventec Corporation - Taoyuan site (TAO)	2019	Category 1	1,272.0579	11,464.7571	
		Category 2	10,192.6992		
Inventec Corporation - Taoyuan site (ITO)	2017	Category 1	35.8346	2,735.5649	
		Category 2	2,699.7303		
Inventec (Chongqing) Corporation (ICC)	2018	Category 1	2,813.9894	42,242.5721	
		Category 2	39,428.5827		
Inventec (Pudong) Technology Corporation (IPT)	2021	Category 1	986.4053	28,901.2227	
		Category 2	27,914.8174		
SQ Technology (Shanghai) Corporation (SQT)	2021	Category 1	172.3364	4,089.5958	
		Category 2	3,917.2594		
Inventec (Czech) S.R.O. (ICZ)	2021	Category 1	395.3870	3,870.2961	
		Category 2	3,474.9091		
IEC Technologies, S. de R.L. de C.V. (IMX)	2019	Category 1	355.1193	3,988.6441	
		Category 2	3,633.5248		

Greenhouse Gas Base Years and Emissions of Scope 3

GHG inventory categories	Subcategories	Scopes	Base year	Greenhouse gas emissions (Metric tons of carbon dioxide equivalent / year)	Corresponding pages
Category 3	Business travel	Taiwan : IET/ITO 、 TAO China : ICC 、 IPT	2015	1,927.0000	p.109
	Treatments of solid waste and wastewater (transportation)	Taiwan : IET/ITO 、 TAO China : ICC 、 IPT Others : ICZ 、 IMX	2019	165.3550	
	Employee commuting	Taiwan : IET 、 TAO China : ICC 、 IPT	2020	2,305.4392	
	Downstream transportation and distribution (products transportation)	NB product	2018	40,275.2043	
	Upstream transportation and distribution (Transportation of raw materials)	Raw material of NB	2019	2,035.0100	
Raw material of server		2021	108.1843		
Category 4	Treatments of solid waste and wastewater	Taiwan : IET/ITO 、 TAO China : ICC 、 IPT Others : ICZ 、 IMX	2020	1,879.9752	
	Purchased goods and services (electricity consumed for raw materials manufacturing)	Raw material of NB	2020	117,401.7227	
		Raw material of server	2021	44,830.7268	
Category 5	Use of sold products (energy consumption)	NB product	2020	91,789.4216	
	Investments (electricity consumption of investee)	Subsidiary: Inventec Appliances Corp. (IAC)	2021	36,610.5753	
	Downstream leased assets (office / dormitory / laboratory)	Plants in Taiwan (IET 、 TAO 、 ITO)	2021	4,248.9132	



# Definitions in Environmental Sustainability

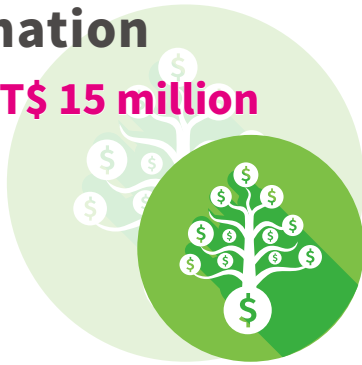
Data Definition and Formula Description  	Corresponding pages
A tool to identify facilities in water stressed river basins: The Aqueduct Water Risk Atlas of World Resources Institute	
The water consumption per person over the years: The number of people on December 31st of the reporting year is used as the basis of water consumption per person.	
TAO and ITO use water meters to record the water discharge, and the rest of the factories use the estimation formula: water discharge = water withdrawal x 80%.	p.114-115
Water consumption = water withdrawal - water discharge	
Recycled water volume: The information on recycled water is drawn from water meters.	
Quantity of waste: Weighing is each plant's major way of quantifying waste. According to Inventec's industrial attributes, the main waste categories are as follows. Hazardous waste: PCB scrap; recyclable waste: packaging material, PET foam sheet, and plastic pallet; general waste: domestic waste.	p.113



# Social Inclusion Performance

## Social donation

More than **NT\$ 15 million**



## Park adoption over the years

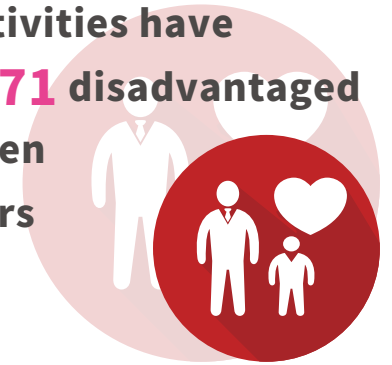
**42 thousand** hours of service

Labor cost

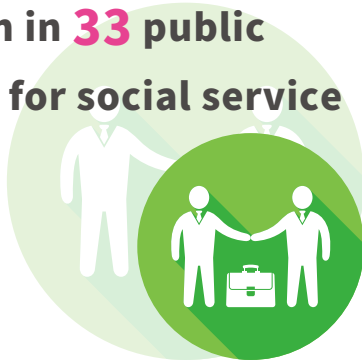
**NT\$ 9 million**



Donation activities have supported **771** disadvantaged schoolchildren over the years



Participation in **33** public associations for social service

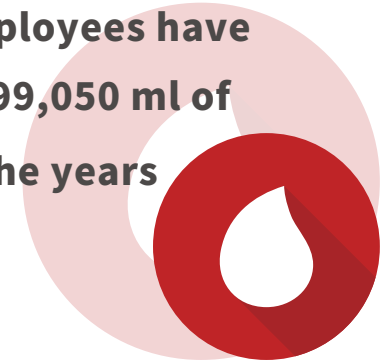


## Volunteer team served for

**12 thousand** hours



**13,258** employees have donated 5,199,050 ml of blood over the years



- ◆ Strategy : Inventec adheres to the spirit of “care more, take more responsibility” 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.

# 6.1 Foundation

◆ Inventec shoulders the responsibility of a corporate social citizen. Established in January 2010 by Inventec Group, the “Inventec Group Charity Foundation” integrates the internal and external resources of Inventec Group with the corporate colleagues’ participation and operation, delivers Inventec’s warm “love” to the disadvantaged groups in need, and 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.

## Inventec Group Charity 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

**Care more, take more responsibility.**



# 6.1 Foundation

- ◆ The Inventec Group Charity Foundation assists and supports charitable organizations in different domains to engage in social welfare work, evaluates fundraising projects of public welfare organizations in different domains, and selects excellent social welfare organizations for charitable donations. In 2021 the Foundation interacted with 56 public welfare organizations, focusing on environmental conservation, art and culture, social welfare such as the elderly, physical and mental disability, children, adolescents, women, etc.
- ◆ The Inventec Group Charity Foundation pays close attention to the development of children in remote areas, maintains the daily needs of economically disadvantaged families, helps people with disabilities develop their potential and maintain the healthy quality of life, and supports the materials needed by firefighting units to improve public safety.

## The Inventec Group Charity Foundation supports many charitable actions

The Welfare of Physically and Mentally Disabled People



## Improve Medical Quality

- ◆ Donate Chiline blood glucose / total cholesterol / uric acid monitoring system to National Taiwan University Hospital Yunlin Branch to assist the medical team to remotely grasp the physiological data.



## A Decade of Success in Supporting Ecological Conservation

- ◆ Guandu Nature Park, as the first certified environmental education site in Taiwan, is a milestone in Taiwan's ecological conservation. The Inventec Group Charity Foundation cares about the local environment and fulfills its responsibilities as a global citizen. Since 2012, Inventec has sponsored Guandu Nature Park to protect the precious wetland environment for 10 consecutive years, promoted the education for the disadvantaged in rural areas, and participated in the seasonal farming and environmental education activities to create a high-quality environment for the public to get close to the nature and learn about ecology.
- ◆ In 2021, we sponsored 7 sessions of wetland environmental education programs for schools in remote areas. A total of 67 sessions were held from 2013 to 2021, with a cumulative number of 1,769 participants to truly appreciate the beauty of wetlands.



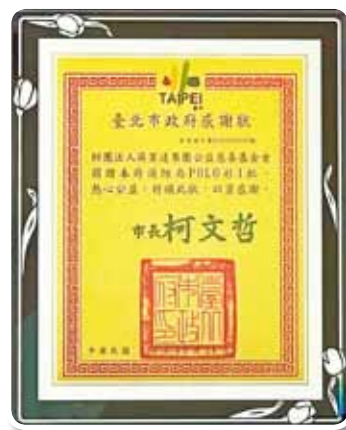
Commemorative video for a decade of success in ecological conservation partnership



Children Development



Public Safety





# 6.1 Foundation

- ◆ In response to the changes in the epidemic situation, in order to support the epidemic prevention efforts, we donated medical supplies such as inspection vehicles, ventilators, bag valve masks, and isolation gowns to medical institutions and medical teams to help the medical staffs. We received certificates of appreciation from the governmental departments, medical institutions, medical teams and other units for the joint efforts in epidemic prevention.
- ◆ In response to schools at all levels following epidemic prevention measures and adopting distance education, we donated Bluetooth headsets to enable low-income students to study at home and brought benefit to the poor students in remote areas.
- ◆ We published public service announcements for epidemic prevention in well-known media, paying tribute and gratitude to the front-line epidemic prevention personnel who defended the people's health.

## Receive the certificates of appreciation for supporting epidemic prevention



## Long-term Promotion of Blood Donation

- ◆ Inventec fulfills its corporate social responsibility and addresses the blood shortage: It has been responding to blood donation activities for 28 years. Nowadays, it regularly organizes 4 blood donation activities every year, serving as a stable blood supply cooperative unit of the blood center. All colleagues responded positively, accumulating 13,258 blood donors, and the total blood donation amounted to 5,199,050 ml.



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



Donate high-level intensive care ventilators to Shin Kong Wu Ho-Su Memorial Hospital.



Donate the domestic Mobile Epidemic Prevention and Inspection Station.

# 6.2 Employees' Social Impact

## 6.2.1 Social Good

◆ Since 2013, Inventec has been supporting World Vision Taiwan to hold "30 Hour Famine." The warm action in 2021 was not detracted by the epidemic but gathered love through the "Personal 12 Hour Famine."



Online group sharing session of 30 Hour Famine in 2021



Inventec actively maintains the community environment's quality.

◆ Inventec attaches great importance to the environmental construction of its operating sites and participates in neighborhood cleaning activities and community environmental protection maintenance. Inventec has adopted Shilin Qiangang Park for the past 21 years, with a total investment of 42,168 hours in environmental maintenance services and NT\$ 8,996,400 in labor costs.



◆ Sponsor Saint Joseph Social Welfare Foundation in Hsinchu City to hold "Art Creation Exhibition of Painting and Pottery by Physically and Mentally Disabled People."



Support the development of the physically and mentally disabled people's potential.

"Donation Activity" encourages the disadvantaged students.



◆ 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 2021, a cumulative total of 771 gifts were given to the schoolchildren from disadvantaged families.



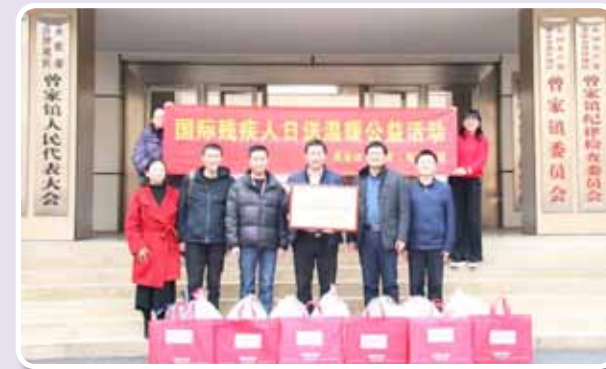
Care more, take more responsibility.

Shoulder the responsibility for those in need.

◆ Inventec displays its multi-faceted efforts for social welfare participation by showing care and concern for Earth Day environmental protection, low-income students, disabled people, community, etc. in mainland China.



On the eve of Children's Day, the factory supervisor encouraged the low-income schoolchildren with gifts on behalf of the caring company.



Visit 100 physically and mentally disabled people and give gifts to keep warm in winter.

# 6.3 Inclusive Growth

## 6.3.1 Long-term Focus and Donation

◆ Inventec and the "Inventec Group Charity Foundation" have spared no effort in charitable support, social care and major disaster relief for many years. Upholding the charity concept that "love" is shouldering the responsibility for social need, we shoulder the responsibility of corporate social citizens.



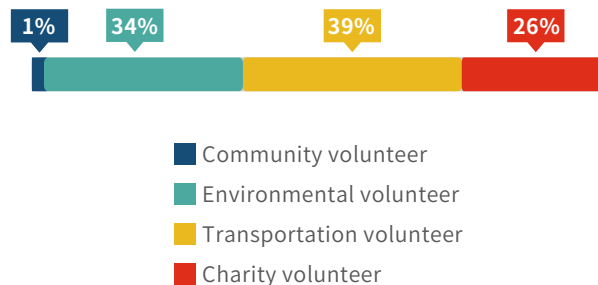
### Inventec's Long-term Focus



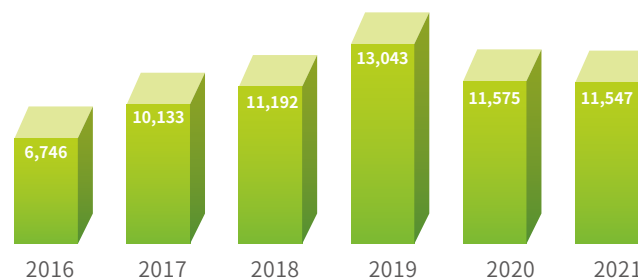
◆ Inventec actively encourages the employees to volunteer for the beneficial social activities. The total number of volunteer hours in 2021 reached 11,547 hours. The types of services and the numbers of volunteer hours over the years are shown in the table on this page.



### Inventec Volunteer Hours in 2021



### Volunteer Hours over the Years



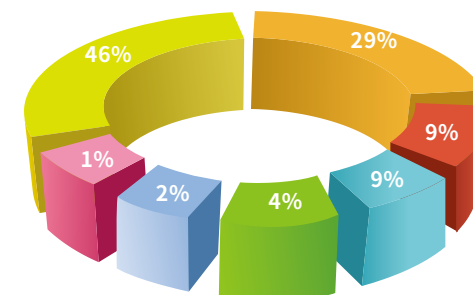
Volunteer hours in 2021 increased by 71% compared to 2016.

◆ In 2021, the social donations of Inventec and the Inventec Group Charity Foundation reached a total of

**NT\$ 15,225,400**



### Social Donation Ratios



- Medical public welfare
- Charitable Assistance
- Academic Education
- Government Agencies
- Ecological Conservation
- Industrial Economic Development
- Art and Culture





# 7. Appendix

- 7.1 GRI/SASB Index.....133
- 7.2 SDGs Reference Table of Chapter Titles.....138
- 7.3 AA1000 Assurance Statement .....139



# 7.1 GRI/SASB Index

## 7.1.1 GRI Index

GRI 102 : General Disclosures (GRI 2: General Disclosures)			
Disclosure	Chapter/ Explanation	Page	
1. Organizational profile			
102-1 (2-1)	Name of the organization	1.2.2 About Inventec	8
102-2 (2-25)	Activities, brands, products, and services	1.2.5 Product Development	11
102-3 (2-1)	Location of headquarters	1.2.2 About Inventec	8
102-4 (2-1)	Location of operations	1.2.4 Global Scale	10
102-5 (2-1)	Ownership and legal form	1.2.2 About Inventec	8
102-6 (2-6)	Markets served	1.2.2 About Inventec	8
102-7	Scale of the organization	1.2.2 About Inventec	8
		3.1.2 Financial Performance	49
102-8 (2-7,8)	Information on employees and other workers	4.1.1 Talent Management	72
102-9 (2-6)	Supply chain	3.3 Sustainable Supply Chain	62-66
102-10	Significant changes to the organization and its supply chain	3.3 Sustainable Supply Chain	62-66
102-11	Precautionary Principle or approach	5.1.2 Climate Action Approach	102-106
102-12	External initiatives	No external initiatives signed in 2021	-
102-13 (2-28)	Membership of associations	6.3.2 Participation in Industry Associations	131
2. Strategy			
102-14 (2-22)	Statement from senior decision-maker	1.1 Message from the Management	5-6
102-15	Key impacts, risks, and opportunities	3.1.3 Trend Analysis and Strategy	50
3. Ethics and integrity			
102-16 (2-23、24)	Values, principles, standards, and norms of behavior	2.2.1 Whistleblower Protection and Open Reporting Channels	35
		4.3.1 Workplace Partnership	91-92
102-17	Mechanisms for advice and concerns about ethics	2.2.1 Whistleblower Protection and Open Reporting Channels 4.3.1 Workplace Partnership	35 91-92

GRI 102 : General Disclosures (GRI 2: General Disclosures)			
Disclosure	Chapter/ Explanation	Page	
4. Governance			
102-18 (2-9)	Governance structure	1.2.3 Management Team 2.1 Corporate Governance	9 32-34
102-19 (2-13)	Delegating authority	1.2.7 The Unit Executing Sustainable Development Policies 2.1 Corporate Governance 2.2.1 Whistleblower Protection and Open Reporting Channels	13 32-34 35
102-20 (2-13)	Executive-level responsibility for economic, environmental, and social topics	1.2.7 The Unit Executing Sustainable Development Policies 2.1 Corporate Governance 2.2.1 Whistleblower Protection and Open Reporting Channels	13 32-34 35
102-22 (2-9)	Composition of the highest governance body and its committees	2.1 Corporate Governance	32-34
102-23 (2-11)	Chair of the highest governance body	2.1 Corporate Governance	32-34
102-24 (2-10)	Nominating and selecting the highest governance body	2.1 Corporate Governance	32-34
Omission : Currently the nomination and selection of Board members does not consider the environmental and social professional and experience.			
102-25 (2-15)	Conflicts of interest	2.2.1 Whistleblower Protection and Open Reporting Channels (Please refer to the "Rules of the Board of Directors Meeting" for the interest conflict prevention policy)	35
102-26 (2-12)	Role of highest governance body in setting purpose, values, and strategy	2.1 Corporate Governance	32-34
102-27 (2-17)	Collective knowledge of highest governance body	2.1 Corporate Governance	32-34
102-28 (2-18)	Evaluating the highest governance body's performance	2.1 Corporate Governance	32-34
Omission : The current performance evaluation of the Board of Directors does not yet include environmental and social performance.			
102-30 (2-25)	Effectiveness of risk management processes	3.1.1 Risk Management and Countermeasures	45-48
102-31 (2-12)	Review of economic, environmental, and social topics	3.1.1 Risk Management and Countermeasures	45-48
102-32 (2-14)	Highest governance body's role in sustainability reporting	1.3.6 Report Response	28
102-33	Communicating critical concerns	11.3.6 Report Response	28
		2.1 Corporate Governance	32-34

# 7.1 GRI/SASB Index

## 7.1.1 GRI Index

GRI 102 : General Disclosures (GRI 2: General Disclosures)			
Disclosure		Chapter/ Explanation	Page
102-34 (2-16)	Nature and total number of critical concern	2.1 Corporate Governance	32-34
102-35 (2-19)	Remuneration policies	2.1.7 Remuneration of Employees and Directors	34
Omission : Currently the remuneration policy and distribution principle of the Board of Directors do not include environmental and social performance.			
5. Stakeholder engagement			
102-40 (2-29)	List of stakeholder groups	1.3 About this Report	14-29
102-41 (2-30)	Collective bargaining agreements	No collective bargaining agreement signed because of no union	-
102-42 (2-29)	Identifying and selecting stakeholders	1.3 About this Report	14-29
102-43 (2-29)	Approach to stakeholder engagement	1.3 About this Report	14-29
102-44	Key topics and concerns raised	1.3 About this Report	14-29
6. Reporting practice			
102-45 (2-2)	Entities included in the consolidated financial statements	1.2.1 Introduction to the Report	7
102-46	Defining report content and topic Boundaries	1.3 About this Report	14-29
102-47 (3-2)	List of material topics	1.3 About this Report	14-29
102-48 (2-4)	Restatements of information	The evaluation methods used in 2021 sustainability report have no impact on 2020 CSR report.	-
102-49	Changes in reporting	1.2.1 Introduction to the Report	7
102-50 (2-3)	Reporting period	1.2.1 Introduction to the Report	7
102-51	Date of most recent report	1.2.1 Introduction to the Report	7
102-52 (2-3)	Reporting cycle	1.2.1 Introduction to the Report	7
102-53 (2-3)	Contact point for questions regarding the report	1.2.1 Introduction to the Report	7
102-54	Claims of reporting in accordance with the GRI Standards	1.2.1 Introduction to the Report	7
102-55	GRI content index	7.1.1 GRI Index	133-135
102-56 (2-5)	External assurance	7.3 AA1000 Assurance Statement	139

GRI 103: Management Approach (GRI 3: Material Topics)			
Disclosure		Chapter/ Explanation	Page
103-1 (3-1)	Explanation of the material topic and its Boundary	1.3.5 Response to Material Topic	24-27
103-2 (3-3) 103-3 (3-3)	The management approach and its components Evaluation of the management approach	2. Sustainable Governance 3. Operational Development 4. Vibrant Workplace 5. Environmental Sustainability	31 42 68 97

GRI 201: Economic Performance, GRI 204: Procurement Practices, GRI 205: Anti-corruption			
Disclosure		Chapter/ Explanation	Page
201-1	Direct economic value generated and distributed	3.1.2 Financial Performance 6.3.1 Long-term Focus and Donation	49 130
201-4	Financial assistance received from government	3.1.2 Financial Performance	49
204-1	Proportion of spending on local suppliers	3.3.3 Sustainable Supply Chain Communication	66
205-1	Operations assessed for risks related to corruption	2.2.2 Implementation Result	36
205-2	Communication and training about anti-corruption policies and procedures	2.2 Integrity Management	35-39
205-3	Confirmed incidents of corruption and actions taken	2.2.2 Implementation Result	36

# 7.1 GRI/SASB Index

## 7.1.1 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	5.1.4 Energy Management	110
302-3	Energy intensity	5.1.4 Energy Management	110
302-4	Reduction of energy consumption	5.1.4 Energy Management	111
305-1	Direct (Scope 1) GHG emissions	5.1.3 Greenhouse Gas Emission Management	108
305-2	Energy indirect (Scope 2) GHG emissions	5.1.3 Greenhouse Gas Emission Management	108
305-3	Other indirect (Scope 3) GHG emissions	5.1.3 Greenhouse Gas Emission Management	109
305-4	GHG emissions intensity	5.1.3 Greenhouse Gas Emission Management	107
305-5	Reduction of GHG emissions	5.1.4 Energy Management	111
306-1	Waste generation and significant waste-related impacts	5.2.2 Waste Management	113
306-2	Management of significant waste-related impacts	5.2.2 Waste Management	113
306-3	Waste generated	5.2.2 Waste Management	113
308-1	New suppliers that were screened using environmental criteria	3.3 Sustainable Supply Chain	62-66
308-2	Negative environmental impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain	62-66

**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	4.1.2 Talent Acquisition	73-75
403-1	Occupational health and safety management system	4.2.1 Occupational Safety and Health Management System	82-83
403-2	Hazard identification, risk assessment, and incident investigation	4.2.1 Occupational Safety and Health Management System 4.2.2 Workplace Safety & Health	82-87
403-3	Occupational health services	4.2.2 Workplace Safety & Health	84-87
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2.1 Occupational Safety and Health Management System	82-83
403-5	Worker training on occupational health and safety	4.2.2 Workplace Safety & Health	84-87
403-6	Promotion of worker health	4.2.2 Workplace Safety & Health	84-87
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2.2 Workplace Safety & Health	84-87
403-9	Work-related injuries	4. Vibrant Workplace	71 - 95
404-1	Average hours of training per year per employee	4.1.3 Talent Cultivation	76-81
404-2	Programs for upgrading employee skills and transition assistance programs	4.1.3 Talent Cultivation	76-81
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.3 Talent Cultivation	76-81
414-1	New suppliers that were screened using social criteria	3.3 Sustainable Supply Chain	62-66
414-2	Negative social impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain	62-66
416-1	Assessment of the health and safety impacts of product and service categories	3.2.2 Circular and Innovative Product	58-60
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.2.2 Circular and Innovative Product	58-60
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1.6 Cyber Security Management System	54-56



# 7.1 GRI/SASB Index

## 7.1.1 GRI 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	8 facilities	1.2.1
TC-ES-000.B	Area of manufacturing facilities	5,861,881.59 ft <sup>2</sup>	1.2.2
TC-ES-000.C	Number of employees	18,378 people	1.2.2

### 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		5.2.3		
			2019		2020	2021
		Total water withdrawn (m3)	1,498,211		1,307,056	1,081,588
		Total water consumed (m3)	1,158,877		697,601	266,907
		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.				
			2019		2020	2021
		Percentage of water withdrawn	0.91%		0.84%	1.69%
Percentage of water consumed	0.24%	0.32%	1.37%			
TC-ES-150a.1	Waste management	Amount of hazardous waste and percentage recycled		5.2.2		
			2019		2020	2021
		Amount of hazardous waste (mt)	534.42		602.85	723.17
		Percentage recycled	2.92%		11.21%	6.31%

# 7.1 GRI/SASB Index

## 7.1.2 SASB Index

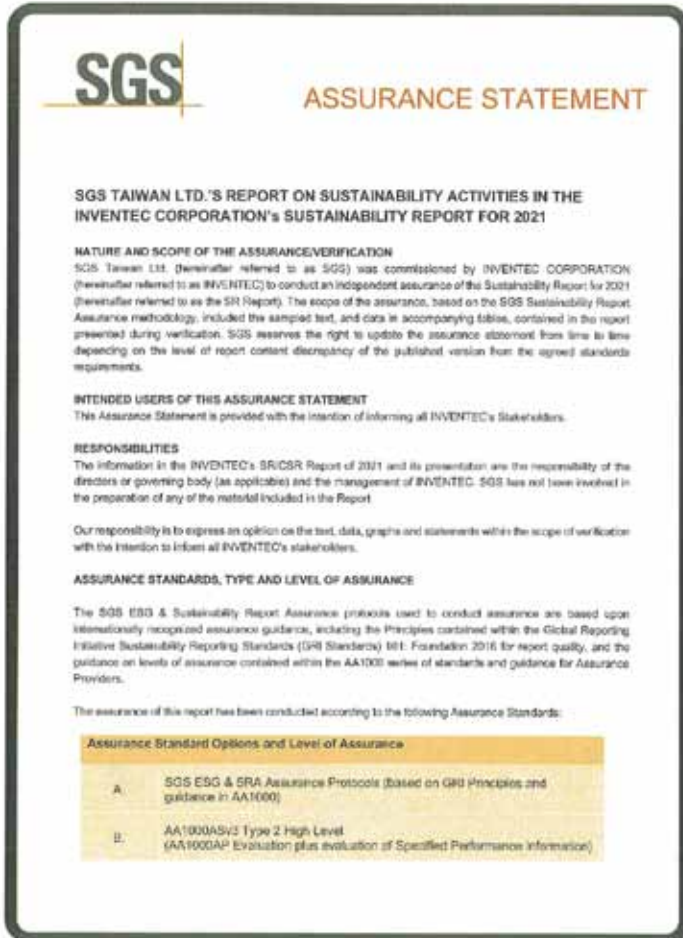
SASB Sustainability Disclosure Topics & Accounting Metrics Index								
SASB Code	Topic	Content				Chapter		
TC-ES-310a.1	Labor practices	Number of work stoppages and total days idle due to serious labor disputes				4.3.1		
			2019	2020	2021			
		Number of serious labor disputes		0	0		0	
		Number of work stoppage days		0	0		0	
TC-ES-320a.1	Labor conditions	Total recordable incident rate				4.2.1 4.2.2		
		Direct employees		Contract employees				
		2019	2020	2021	2019		2020	2021
		0.21	0.20	0.19	0.78		2.06	3.95
		2021 Near miss frequency rate						
		Direct employees		Contract employees				
0.02		0						
TC-ES-320a.2	Labor conditions	Company	Facility	2021 RBA Validated Audit Process (VAP) audit rates		3.3.2		
		Inventec	All facilities	71%				
			High-risk facilities	No high-risk facility in 2021				
		Tier 1 supplier	All facilities	5%				
High-risk facilities	50%							
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	3.80	42%			
		Tier 1 supplier	Priority nonconformances	0.16	33%			
Other non-conformances	5.00		6%					
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.				3.3.2		

## 7.2 SDGs Reference Table of Chapter Titles

A mapping of Inventec’s disclosure aligns with Sustainable Development Goals (SDGs)	Chapter	Page
 <b>Goal 1.</b> End poverty in all its forms everywhere. (Indirect)	4.1.2	73-75
 <b>Goal 2.</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture. (Indirect)	4.2.3 6.2.1	88-90 129
 <b>Goal 3.</b> Goal 3. Ensure healthy lives and promote well-being for all at all ages. (Direct)	4.2.1 4.2.2	82-87
<b>Goal 4.</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		
 <b>Goal 4.4.</b> 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)	4.1.3	76-81
 <b>Goal 5.</b> Achieve gender equality and empower all women and girls. (Direct)	4.1.1 4.2.3	72 88-90
<b>Goal 6.</b> Ensure availability and sustainable management of water and sanitation for all.		
 <b>Goal 6.3.</b> 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.	5.2.3	114-115
<b>Goal 6.4.</b> 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)		
 <b>Goal 7.</b> Ensure access to affordable, reliable, sustainable and modern energy for all. (Direct)	5.1.4	110-111
<b>Goal 8.</b> . Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		
 <b>Goal 8. 2.</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.	3	42-66
<b>Goal 8.5.</b> 在 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	68-95

A mapping of Inventec’s disclosure aligns with Sustainable Development Goals (SDGs)	Chapter	Page
 <b>Goal 8.7.</b> 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.	4.1.2 4.2.1 4.2.2	73-75 82-83 84-87
<b>Goal 8.8.</b> ..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)		
 <b>Goal 9.</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. (Direct)	1.2.5 3.2.1	11 57
 <b>Goal 10.</b> Reduce inequality within and among countries(Indirect)	4.1.1	72
 <b>Goal 11.</b> Make cities and human settlements inclusive, safe, resilient and sustainable. (Indirect)	5.2	112-116
<b>Goal 12.</b> Ensure sustainable consumption and production patterns.		
 <b>Goal 12.5.</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	1.3 3.2.2 3.3 5.2.2	14-29 58-60 62-66 113
<b>Goal 12.6.</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. (Direct)		
 <b>Goal 13.</b> Take urgent action to combat climate change and its impacts.		
<b>Goal 13.3.</b> .. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. (Direct)	5.1	99-111
 <b>Goal 14.</b> Conserve and sustainably use the oceans, seas and marine resources for sustainable development. (Indirect)	5.3.2	120
 <b>Goal 15.</b> 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)	5.3.2	120
 <b>Goal 16.</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.		
<b>Goal 16.5.</b> .. Substantially reduce corruption and bribery in all their forms. (Direct)	2.2	35-39
 <b>Goal 17.</b> Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. (Direct)	1.2.6	12

# 7.3 AA1000 Assurance Statement



**SGS ASSURANCE STATEMENT**

**SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE INVENTEC CORPORATION'S SUSTAINABILITY REPORT FOR 2021**

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

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

**RESPONSIBILITIES**  
 The information in the INVENTEC's SR/CSR Report of 2021 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of INVENTEC. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all INVENTEC's stakeholders.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 601: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

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

Assurance Standard Options and Level of Assurance	
A.	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B.	AA1000ASv3 Type 2 High Level (AA1000AP Evaluation plus evaluation of Specified Performance Information)

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

Select specific reporting criteria included in the contract

**Reporting Criteria Options**

- GRI Standards (Cont)
- AA1000 Accountability Principles (2018)

- evaluation of content veracity of the sustainability performance information based on the materiality determination at a high level of scrutiny for INVENTEC and Inventec Appliances and evidence level of scrutiny for applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018); and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

**ASSURANCE METHODOLOGY**  
 The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. In response to COVID-19 pandemic situation the assurance process for INVENTEC was conducted via Teams.

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

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

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

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

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

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

**Integrity**  
 INVENTEC has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. Processes are in place to prioritize the stakeholder groups and descriptions of the relationships with the identified stakeholder groups are well defined. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

**Materiality**  
 INVENTEC has established effective processes for determining issues that fairly address the needs and concerns of stakeholders, societal norms, financial considerations, peer-based norms and policy-based performance to understand its sustainability context. The materiality determination processes have resulted in a comprehensive and balanced understanding and prioritization of its material sustainability issues.

**Responsiveness**  
 INVENTEC has established policy and strategy statements in the report which respond to the material issues and to its stakeholders in a timely and transparent manner.

**Impact**  
 INVENTEC has performed formal processes to understand, measure, evaluate and manage the organization's impacts that are applied across the organization. The processes are credible, clear and understandable. Disclosures in relation to the sustainability performance were reported following the processes and appropriately revealed INVENTEC's efforts to ESG management.

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

The report, INVENTEC's SR Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. The management approach for each material topic was reported appropriately aligned with GRI 103 requirements with internal processes to ascertain the reliability of the performance. It can be concluded that the reported information within this report are sufficiently accurate for stakeholders to assess the reporting organization's performance.

Signed:  
 For and on behalf of SGS Taiwan Ltd.



David Huang  
 Senior Director  
 Taipei, Taiwan  
 24 May, 2022  
[www.sgs.com](http://www.sgs.com)



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**Inventec**