



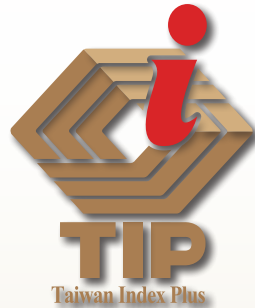
Inventec

Sustainability Report

2022



FTSE4Good
TIP Taiwan ESG Index



Inventec is selected as a constituent of the following indices :

- FTSE4Good TIP Taiwan ESG Index
- MSCI Taiwan Select ESG Sustainability High Yield Top 30 Index
- TWSE RA Taiwan Employment Creation 99 Index
- Top 10 constituent stocks of TIP Customized Environmental Sustainability Dividend+ Index
- Top 10 constituent stocks of TIP Taiwan Market Small/Mid-Cap Corporate Governance Index



Taiwan Top 100 Sustainable
Model Enterprise Award



Corporate Sustainability Report
Award - Platinum



CommonWealth Magazine 2023 Top 2000
Enterprises - No. 11 in Manufacturing



CommonWealth Magazine Excellence in
Corporate Social Responsibility Award



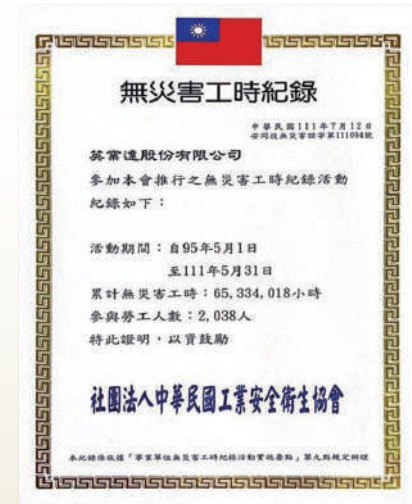
Responsible Business Alliance VAP Audit
Achieving Silver Status



Best Companies to Work for in Asia Award



Healthy Workplace Certification-Health Promotion Mark



No Accident Labor-hour Record Award



Supplier Climate Action Star ESG Award



Supplier Innovation Award



Partners in Recognition of Outstanding Support through Covid-19 Disruptions

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About the Sustainability Report

Since 2008, Inventec has issued the sustainability reports for 15 consecutive years, which transparently disclose the value and performance created by Inventec every year.

1. Compilation Basis

Inventec's 2022 "Sustainability Report" reveals the basis for the main sustainability topics, management approaches, related strategies, objectives, measures, and the results of various performance indicators:

- ◆ GRI Standards
- ◆ SASB Sustainability Accounting Standards
- ◆ ISAE 3000
- ◆ AA1000AP (2018)
- ◆ Integrated Reporting (IR)
- ◆ Task Force on Climate-related Financial Disclosures (TCFD)
- ◆ Sustainable Development Goals (SDGs)

2. Scope Boundary

The disclosure scope of this report:

- ◆ Inventec Corporation [IET, TAO, ITO], Inventec (Pudong) Technology Corp. [IPT], SQ Technology (Shanghai) Corporation [SQT], Inventec (Chongqing) Corp. [ICC], Inventec (Czech), s.r.o. [ICZ] and IEC Technologies, S. de R.L. de C.V. [IMX].
- ◆ Global scale and administration expenses for the maintenance of environmental sustainability include Inventec Corporation [IET, TAO, ITO], Inventec (Pudong) Technology Corp. [IPT], SQ Technology (Shanghai) Corporation [SQT], Inventec (Chongqing) Corp. [ICC], Inventec (Czech), s.r.o. [ICZ], IEC Technologies, S. de R.L. de C.V. [IMX], Inventec Appliances Corp. [IACT], Inventec Appliances (Pudong) Corp. [IACP], Inventec Appliances (Jiangning) Corp. [IACJ] and Inventec Appliances (Malaysia) SDN. BHD.[IACM].
- ◆ For consolidated operating revenue, consolidated operating profit, consolidated net income before tax, consolidated after-tax earnings per share, the scope of disclosure is the same as the consolidated financial statements in Inventec's annual report.

3. Report Quality

The relevant information of this report is provided by the sustainability contacts of the responsible units in Inventec and the group companies. The content of the information is reviewed by the chief of each unit and reported to the chairman of the Sustainability Committee.

- ◆ This report entrusts KPMG to perform ISAE 3000 limited assurance on 5 GRI indicators, 11 indicators of SASB EMS (Electronic Manufacturing Services) & ODM (Original Design Manufacturing) standards, and 8 sustainability disclosure indicators for "computer and peripheral equipment industry" required by Taiwan Stock Exchange.
- ◆ We engaged a third-party organization (AFNOR Asia) to conduct a substantive review and assurance operation of AA1000AS v3 Type 2 High Assurance Level for the content and data in this report, including TCFD (Task Force on Climate-related Financial Disclosures) and SASB.
- ◆ The data of financial statements in "Company Operations" and "Sustainability Management" are publicly available information published after obtaining certification from KPMG.
- ◆ The calculation basis and unit of data related to "Sustainable Environment", "Innovative Research and Development" and "LOHAS Enterprise" are derived from the government's open information and the verification 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.
- ◆ The calculations were made in the unit of New Taiwan dollar in the sustainability report.

4. Release Version

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

- ◆ Version of latest release: published in June 2023
- ◆ Report period: from January 1st, 2022, to December 31st, 2022
- ◆ Version of previous release: June 2022
- ◆ Version of next release: expected to be published in June 2024

Opinion Feedback

Should you have any suggestions about the report, please contact us as follows.

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Mr. Tsai of Talent and Management Center

Supplementary Information



Website

Email

Facebook

Annual Report

Sustainability Report Management

Report Management Process

The Corporate Governance Team, one of the functional teams, is responsible for the compilation of Inventec's sustainability report. The management process of releasing 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 stakeholders, the material topics, stakeholder communication channels, Inventec's response mechanism and implementation of risk management and integrity management reported to the Board of Directors every second quarter.



The Management Process of Inventec Issuing Sustainability Report



Message from the Top Management

Given the impact of persistent inflation, geopolitical factors and diversified production strategies, the global economic outlook remains conservative. However, the good news is that the borders of countries are gradually reopening and the cycle of interest rate hikes in the U.S. is expected to dwindle in the future, which makes the prospect of a soft landing for the global economy more promising.

Overview of the Business Plan for 2023:

- (1) Inventec will enhance digital resilience and digital management mechanisms through digital transformation action plans and collaborate with partners to create global business opportunities.
- (2) Inventec will focus on three key areas in its internal management to enhance profitability: 1. Establish an optimal inventory level to reduce the impact of interest rate spikes; 2. Strictly control operating expenses and saving costs; 3. Improve production efficiency and enhance automation at each plant.
- (3) The existing business groups will continue to maintain a stable market share: Laptop computers are expected to see an increase in both shipment volume and average unit price due to the addition of new gaming projects; Servers will continue to grow given the launch of new platform applications and the business expansion of CSP (major cloud service provider); For smart devices, the Vietnam plant is expected to acquire new customers successively and its shipment, revenue and profit contribution look forward to increase after mass production.
- (4) As for the new business groups established in 2022, after years of planning and deployment, Inventec has actively invested in the integration of 5G private network systems, automotive electronics with an emphasis on the field of electronic control, and smart medical-related healthcare markets, aiming to jointly drive the growth momentum for the Inventec group.

Inventec has established the "Sustainability Committee" (hereinafter referred to as the Committee) and set up the "Sustainability Office" as a dedicated unit to assist the Committee in performing various ESG sustainability initiatives. The Committee has also set up six functional teams, including corporate governance, green innovation, sustainable environment, sustainable supply chain, risk management and social inclusion, to develop strategies and implement various projects. Through the specialized division of functional teams and cross-departmental cooperation, the Committee will lead all colleagues to work together for sustainable development and contribute to environmental protection, corporate governance, and social participation at all levels. The goal is to internalize the spirit of sustainability into the DNA of the Company, realize the value of innovation with modesty and practice, and set a new benchmark for sustainable enterprises.

Inventec has achieved outstanding results in promoting sustainable development. In view of the rapid changes in the circular economy and technology, Inventec actively promotes various ESG governance indicators such as "Green Energy and Environmental Protection", "Smart Manufacturing", "5G Mobile Communication" and "Digital Transformation", so that customers, suppliers and Inventec can achieve a win-win situation for all parties. In terms of concrete results, Inventec has been highly recognized by all sectors, and has won honors such as "Best Companies to Work for in Asia 2022" in Taiwan, "Excellence in Corporate Social Responsibility" Award by Commonwealth Magazine, "Taiwan Top 100 Sustainable Model Enterprise Award" and "Corporate Sustainability Report Award - Platinum".

For a long time, Inventec has always adhered to the Company's core values of "Innovation, Quality, Open Mind and Execution" to adjust its business strategy in the face of changes within the industrial environment. In line with the United Nations Sustainable Development Goals (SDGs), Inventec continues to perform ESG sustainability-related action strategies, which include requiring suppliers to improve the production process and fulfill their environmental protection responsibilities, reducing the carbon footprint of the Group's production environment, providing a friendly workplace, and expanding participation in caring for the society. Looking into the future, it is expected that Inventec will be able to strengthen its long-term competitive advantages, expand the scale of its business operations, actively develop long-term strategic relationships with partners, and create higher corporate value and sustainable development for stakeholders.

Chairman

Tom Chio



Message from the Top Management

In the face of new challenges during the post-pandemic era, and global inflation upward pressure driven by soaring energy and raw material prices, along with the persistent impact of geopolitical risks, Inventec's management team continues to adopt effective contingency strategies, monitor market trends closely and adjust synchronous response plans to ensure normal operations at all plants and protect the health and safety of all employees during the coronavirus pandemic. In the meantime, Inventec has posted record annual operating revenue through providing competitive and high-quality products to our customers.

In 2022, Inventec's consolidated operating revenue reached NT\$541.7 billion, an increase of 4.24% from 2021 (the consolidated operating revenue of NT\$519.7 billion). Meanwhile, the consolidated net operating income reached NT\$6.6 billion, an increase of 41.16% from 2021. However, since non-operating income and expenses were affected by the slowdown in the revitalization pace of idle assets as well as the increase in operating costs due to the supply chain disruption, the consolidated profit before tax was NT\$7.1 billion, a decrease of 6.78% from 2021. As a result, the net profit after tax attributable to shareholders of the parent company was NT\$6.1 billion, a decrease of 6.26% from the previous year. Consolidated earnings per share after tax was NT\$1.71.

Although the demand for laptop computer products was affected by inventory adjustments of brand customers in the second half of 2022, Inventec's operating revenue from laptop computers only decreased slightly by 5% compared to the same period last year, primarily due to the boost of development of new models and the growth in gaming laptop computers. Despite supply chain disruptions, the operating revenue from server products still increased by nearly 18% year-on-year thanks to strong demand growth of large data centers. Smart device products have recovered from the slide last year and contributed NT\$35 billion in operating revenue, supported by new products.

In response to geopolitical risks, Inventec continues to expand its production capacity in Czech Republic in Europe and Mexico in the Americas, while the subsidiary Inventec Appliances Corp. is also expanding its deployment in Southeast Asia simultaneously to strengthen smart product manufacturing and meet customer needs.

In terms of new technology applications, Inventec, together with Intel and Microsoft, has launched 5G Next Lab to provide AI-integrated 5G connectivity solution built on world-class chips and industry-leading core network software, applicable to various smart scenarios such as smart factories, smart homes, smart healthcare and smart transportation to drive next-generation industrial innovation.

As for the development of emerging businesses, Inventec focuses on the application of in-vehicle products, the introduction of 5G-related integrated products, smart healthcare, cloud-based health management and precision medicine. At present, a number of products and solutions have been launched and successfully promoted into domestic and overseas markets.

President

Maurice Wu



1. Company Operations


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SDGs Index




Company Operating Performance




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




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



100% of the Board Members finish integrity management communication and training.



100% of the audit committee meetings were held as scheduled (5 times).



The number of anti-corruption trainees increased by **2.86%** (11,756 people).

- ◆ **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, shareholder / investor, media, etc.

1.1 About Inventec

1.1.1 Company Profile

- 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 Global Scale)
 - Chairman: Mr. Tom-Hwar Cho
 - President: Mr. Yung-Tsai Wu
 - Total employees: 19,639 (2022/12/31)
 - Revenue in 2022 : approximately NT\$ 541.7 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 2022 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 2023



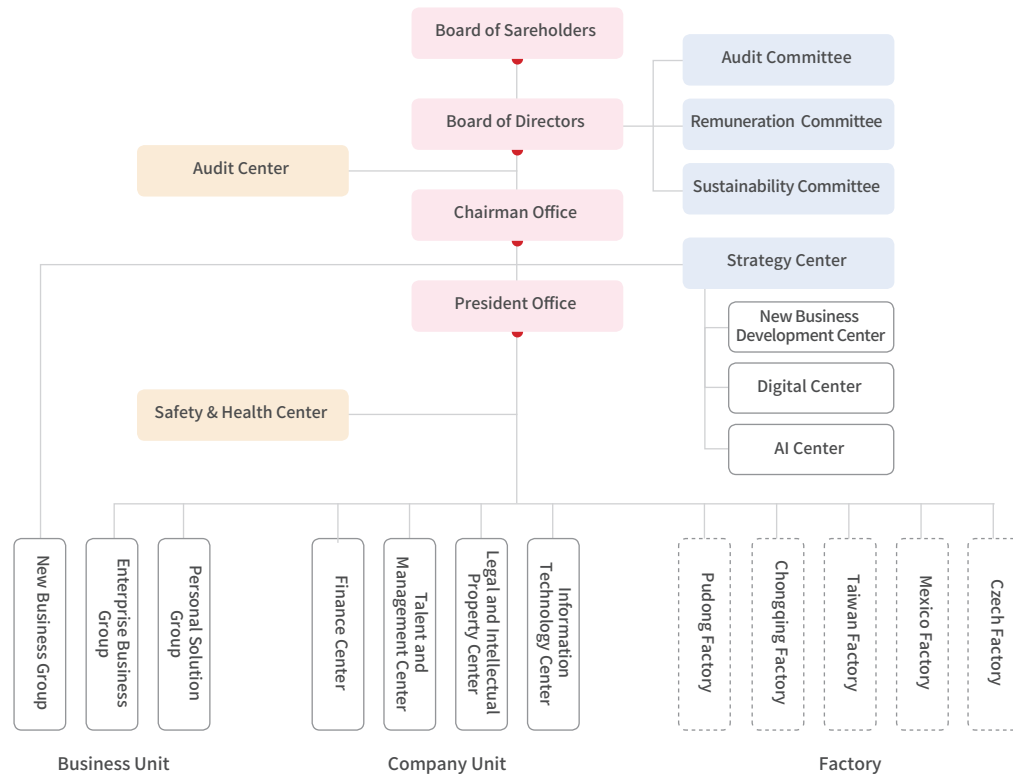
Taipei headquarters

1.1 About Inventec

1.1.2 Organization Structure

Inventec 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.



The Major Functions of Inventec Operation Team

| Major Department | Main Business |
|--|--|
| Audit Center | Overall planning businesses such as internal control system, internal audits, self-assessment, etc. of the Company. |
| Strategy Center | Coordinate 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, after-sales service, etc. |
| Personal Solution Group | Planning and management of portable computer design, development, manufacturing, production, marketing, after-sales service, etc. |
| New Business Group | Planning and management for design, development, manufacturing, and marketing of automotive electronics, 5G, and mobile intelligence. |
| 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, 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. |
| 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. |

1.1 About Inventec

1.1.3 Global Scale

Inventec Group Global Deployment

Headquarters
Taiwan



Production Site

Taiwan



Brno



Juarez



Shanghai



Chongqing



Nanjing



Penang



Nanchang



Hanoi



Regional Office Beijing Tianjin Xian Tokyo Silicon Valley Austin Houston

1.1 About Inventec

1.1.4 Product Development

Notebook PC



· Enterprise-Class



· Laptop Computer



· Gaming Laptop

Desktop /AIO



· Entertainment AIO



· Retail AIO

Thin Client



· Small-Form-Factor (SFF)
· Business Desktop



· Thin Client
· Cloud Computer

Intelligent Driving

· Autonomous Driving System



Secure Connectivity

· Ethernet Switch
· Central Gateway
· 5G CPE /Edge Box



In-Cabin Experience

· e-Cockpit System
· Dual Charge WCM
· UWB application
· AVAS



Server

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



Storage

· Hot /Cold /Warm Storage
· RAID card

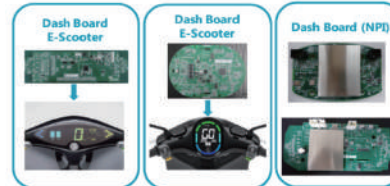


Switch

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



Smart Dash Board



Turnkey ORAN Telecom Device

· 5G Infrastructure
· 5G Edge Device
· Network MGMT System



5G Private Network E2E Solutions

· AI Vision
· AIoT
· Digital Twins



AI Solution

· Nvidia /AMD GPU
· FPGA



Rack Solutions

· Open specs
· RSD Infrastructure



Network Solution

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



Industrial Tablet



· eNote

· Tablet

· Color ePaper Digital Signage

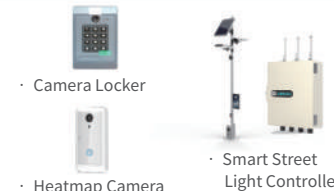
Industrial/Medical PC



· Medical PC

· Box PC
· Industrial PC

Smart Camera /Smart Street Light Controller



· Camera Locker

· Heatmap Camera

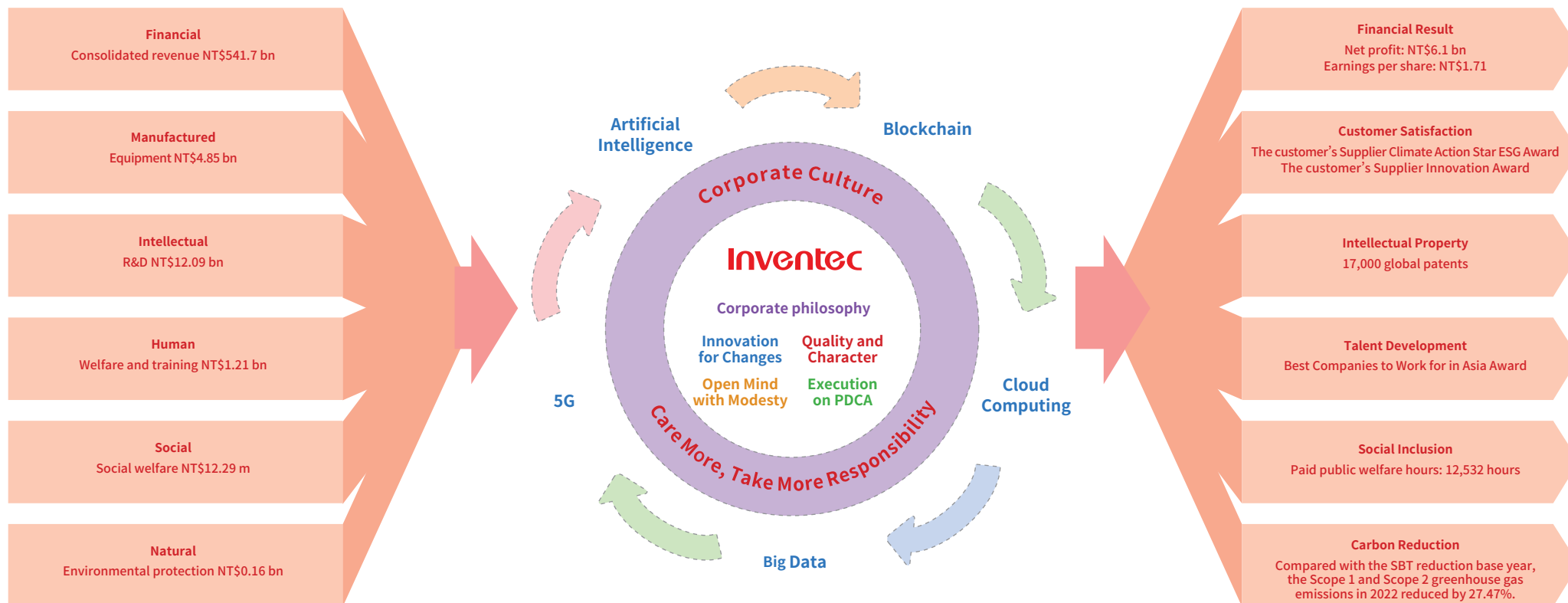
· Smart Street Light Controller

Fleet Management



· In Vehicle

1.2 Business Performance



- ◆ **Material Topic** : Cyber security, risk management, financial performance, and investment strategy.
- ◆ **Key Practices** : The risk management operations are regularly reported to the Board of Directors every year to strengthen the implementation of the risk management system. The ISO 27001 Information Security Management System is established in Inventec’s 7 global plants and is certified by an external third party. Actively formulate short, medium, and long-term business plans, establish a technology center, and explore new business opportunities, while regularly reviewing their implementation performance.
- ◆ **Browse Suggestions** : Employee, customer, supplier, shareholder / investor, research institute, media, government agency, etc.
- ◆ **SASB index** : Labor practices TC-ES-310a.1 and labor conditions TC -ES-320a.2 and TC-ES-320a.3

1.2 Business Performance

1.2.1 Financial Performance

Business Performance

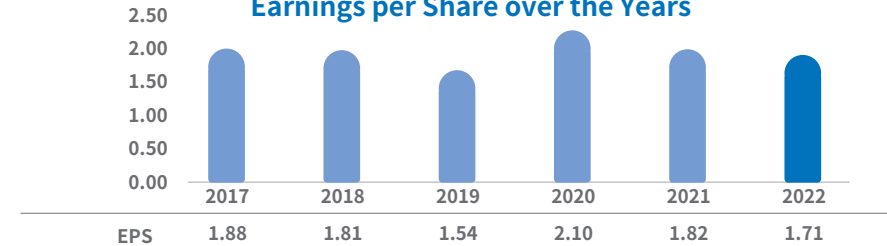
◆ Inventec’s business performance is detailed in the company’s annual report information issued by Inventec in 2023, and the financial performance information corresponds to the annual report sections.

| | |
|---------------------------------|--|
| Laptop computer products | Laptop computer products was affected by inventory adjustments of brand customers in the second half of 2022, Inventec’s operating revenue from laptop computers only decreased slightly by 5% compared to the same period last year, primarily due to the boost of development of new models and the growth in gaming laptop computers. |
| Server products | Despite supply chain disruptions, the operating revenue from server products still increased by nearly 18% year-on-year thanks to strong demand growth of large data centers. |
| Smart device products | Smart device products have recovered from the slide last year and contributed NT\$35 billion in operating revenue, supported by new products. |

Inventec Receives Government Subsidies

- ◆ Inventec received a major government financial subsidy of NT\$329 million in 2022.
 - Taiwan: NT\$28.6 million
 - China: NT\$300.5 million

Earnings per Share over the Years



Honor and Affirmation

- ◆ FTSE4Good TIP Taiwan ESG Index
- ◆ MSCI Taiwan Select ESG Sustainability High Yield Top 30 Index
- ◆ TWSE RA Taiwan Employment Creation 99 Index
- ◆ Top 10 constituent stocks of TIP Customized Environmental Sustainability Dividend+ Index
- ◆ Top 10 constituent stocks of TIP Taiwan Market Small/Mid-Cap Corporate Governance Index



Correspondence Between 2022 Financial Performance Information and Company Annual Report

| Financial Performance (NT\$) | | Annual Report Issued by Inventec in 2023 |
|---|---|---|
| Consolidated revenue | ◆ In 2022, the consolidated operating revenue reached more than NT\$541.7 billion, an increase of 4.23% from 2021 (consolidated revenue of more than NT\$519.7 billion) | ◆ 5. Financial Information → 5.1 Five Year Financial Summary → 5.1.2 Five Year Financial Summary – Consolidated Statement of Comprehensive Income |
| Net profit | ◆ The consolidated net profit before tax was more than NT\$7.1 billion, a decrease of 6.78% from 2021. ◆ The net profit after tax attributable to shareholders of the parent company surpassed NT\$6.1 billion, a decrease of 6.26% from 2021. | |
| Earnings per share | ◆ Consolidated earnings per share after tax was NT\$1.71, a slight decrease from NT\$1.82 in 2021. | |
| Employee benefits and training expenses | ◆ Employee benefits expenses (including salary, labor and health insurance, pension, and others) were about NT\$1.202 billion. | ◆ 5. Financial Information → 5.4 Individual Financial Statements → Inventec Corporation Notes to the Parent Company Only Financial Statements → (12) Other |
| | ◆ Employee training expense was NT\$15,741,678 in 2022. | ◆ 4. Operational Highlights → 4.5 Labor Relations |
| R&D cost | ◆ The amount of research and development invested in 2022 was about NT\$12 billion, and it is estimated to invest about NT\$10.9 billion in 2023. | ◆ 4. Operational Highlights → 4.1 Business Activities → 4.1.3 Overview of Technology and Research and Development |

Note: The exchange rate of RMB against New Taiwan Dollar used in this report is NT\$4.473 for the closing price of Bank of Taiwan on 2022/12/31.

1.2 Business Performance

1.2.2 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 rapid development of the cloud computing industry and the fast growth of big data has created endless business opportunities for cloud storage, computing, software, and Internet of Things applications. The Group has become a leading player in the server OEM industry. Through hardware technology and application software development, it assists enterprises in digital transformation and provides complete cloud solutions, solidifying its 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 realize automated and intelligent production, improve production efficiency, and reduce costs to move towards building a global smart manufacturing factory.



Establishment of a global logistics supply chain system.

The Group integrates global supply chain and logistics resources to maximize efficiency and implement efficient production and distribution of products. 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 is affected by the global operation and the exchange rate change.

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.

1.2 Business Performance

1.2.3 Long-term and Short-term Business Development Plans

Short-Term Business Development Plans

- ◆ The Group focuses on sustainable operation, sustainable growth, and new business development, and aims at growth in both turnover and profit, with the top priority being net zero carbon emission.
- ◆ The core competitiveness of ABCD5 (AI, Blockchain, Cloud Computing, Data Science and 5G) are the main development directions; from research and development, design, production, and distribution to technical support, alignment with customer demand, and, based on the market trend, to expand the depth and breadth of product development.
- ◆ Starting with "innovation", "quality", "open mind" and "execution" management ideas, the Company's operation technology and management tools are integrated to improve business performance. By product diversification, strategic alliances, and supply chain integration, we will expand our operation scale and build long-term competitive advantages to become the best system, software, and service provider.
- ◆ 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 and provide customers with holistic solutions.

Long-term Business Development Plans

- ◆ To continuously deploy AI, Industry 4.0 and 5G to build three technology development centers (Shilin Headquarters-the AI Research Center, Tianjin-the Industry 4.0 Software Design Center, and the Shanghai-5G Communication Technology Center).
- ◆ Combine industry trends, continue the transformation of laptops, and continue to develop four major areas (servers, industrial Internet of Things, smart devices, and smart homes).
- ◆ To actively develop new business opportunities, namely in 5G, automotive electronics and intelligent medical care.
- ◆ Under omni-directional thinking, carry out enterprise innovation and strategic layout to achieve the goal of sustainable growth, protect employees' rights and interests, and implement corporate sustainability.
- ◆ To implement environmental responsibility, introduce the concept of the green design into the manufacturing process, utilize the selection of environmentally friendly raw materials and the design of products that are easy to disassemble, reduce the environmental impact of products, enhance the competitive advantages of products, and conform to international environmental trends.



1.3 Corporate Governance

1.3.1 Board Diversity and Operations

The Goals of Strengthening the Responsibilities of the Board

- ◆ Enhance the Responsibilities of the Board and the Functional Committees
 1. Set up a Sustainability Committee under the Board on December 5th, 2022.
 2. Deepen corporate management: Formulate Corporate Governance Best Practice Principles and rules governing financial and business matters between this corporation and its affiliated enterprises.
 3. Enhance risk management supervision.
 4. Implement the Board's responsibility for sustainable development.
- ◆ Protect the Shareholders' Rights

Equal treatment of shareholders: properly handle shareholders' suggestions and queries and increase interaction with investors.
- ◆ Increase Information Transparency
 1. Improve the timeliness of disclosure of information contained in financial statements.
 2. Enhance non-financial and ESG information disclosure.

1.3.2 Responsibilities of Board Members

Directors' Duties

- ◆ The regular shareholders' meeting elected nine Directors (including three independent Directors). Please refer to the information of Board meeting operation in annual report for the information about the tenure of Directors.
- ◆ The Directors timely receive continuing education organized by various professional institutions. Inventec has bought relevant liability insurance for the Directors. With respect to the major issues in 2022, please refer to the major information release record of Market Observation Post System.
- ◆ The reports regularly arranged for the Board of Directors in the second quarter of each year 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 2022.
- ◆ The amendment of the Corporate Governance Best Practice Principles, the Code of Integrity Operations, and the Code of Practice for Corporate Sustainability was approved in 2022.

Supplementary Information



Annual report



Rules of Procedure for Board of Directors Meetings



Corporate governance page on Inventec official website

The Correspondence between the 2022 Information of Inventec's Board of Directors and the Company's Annual Report

| Information of Board of Directors | | Annual Report Issued by Inventec in 2023 |
|---|--|---|
| Occurrence of the Board of Directors' meeting | ◆ The Board of Directors' meetings are held every month. In 2022, 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 |
| The Director's avoidance of conflict of interest | ◆ The Director's avoidance of proposal with a conflict of interest was implemented 7 times in 2022. | |
| 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. | 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" |
| Performance assessment for the Board of Directors | ◆ Inventec's Board of Directors performance assessment method stipulates that the assessment must be carried out at least every three years by an external professional independent agency or external team of experts and scholars. ◆ In 2022, the results of self-evaluation for the Board of Directors, the functional committees, and the members of the Board of Directors were all "excellent". The Company will actively practice sustainable development and strengthen the supervision of the implementation of sustainable development in the future. | |

1.3 Corporate Governance

1.3.3 Board Members


| 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: 9 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 |

1.3.4 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, and with “talent development” as its basis of sustainable operations, incorporated with strategic goals of the Company, management functions and core values, the Company is able to set up a sound succession plan. The Board of Directors reviews the development and implementation of management succession plan in the second quarter of each year 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”

II . Corporate Governance Report
 → 2.3 Corporate Governance Practices
 → 2.3.1 Information of Board Meeting Operation
 → 2.3.1.3 The Director's Avoidance of Proposal with a Conflict of Interest

1.3 Corporate Governance

1.3.5 Functional Committees

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 5 meetings of the audit committee were held in 2022, and the average attendance rate of all members was 100%.

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 2022, and the average attendance rate of all members was 100%.

Sustainability Committee

- ◆ the Company’s Board of Directors resolved to establish the “Sustainability Committee” directly under the Board of Directors on December 5, 2022. There are 6 members in the Sustainability Committee, including 3 independent directors, 2 directors and the President. The main responsibilities of the committee are to formulate sustainable development vision and strategies, review the implementation effectiveness in specific promotion plan of various sustainable development projects, and report to the Board of Directors at least twice a year.
- ◆ A total of 2 meetings of the sustainability committee were held in 2022. 5 committee members’ attendance rate was 100%, and 1 committee member’s attendance rate was 50%.

1.3.6 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 2022 is NT\$516,363,664, and the remuneration of Directors in 2022 is NT\$68,342,250.



1.3.7 Performance Evaluation Indicators of Managers

- ◆ Company performance:
 - Financial indicator: Earnings per share.
 - Non-financial indicator: Greenhouse gas reduction/proportion of renewable energy/energy efficiency.
- ◆ Unit performance:
 - Financial indicator: After-tax profit/Revenue (results of budget achievement)/operating cash flow/dynamic items.
 - Non-financial indicator: Engagement in sustainable development (indicators such as electricity consumption reduction, waste reduction, water intensity, etc.).
- ◆ Individual performance: Individual appraisal result.

The Correspondence between the 2022 Information of Inventec's Committees and the Company's Annual Report

| Committee Information | | Annual Report Issued by Inventec in 2023 |
|--|--|--|
| Employee remuneration | ◆ Reasonable salary welfare policies and the operational performance or results will be reflected in the employee’s compensation as appropriate. | II . Corporate Governance Report → 2.3 Corporate Governance Practices → 2.3.6 Corporate Sustainability and Deviations from “The Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” |
| Remuneration paid to Directors, President, and Vice Presidents | ◆ Submit to the Board of Directors for resolutions made by the remuneration committee’s recommendations. | II . Corporate Governance Report → 2.2 Directors, Supervisors and Managers’ Information → 2.2.3.5 |

Supplementary Information



Remuneration Committee Charter

1.4 Business Ethics

1.4.1 Anti-corruption and Integrity Management

Whistleblower Protection and Reporting Systems

Integrity Management - Our 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.



Procedures for Integrity Management

- ◆ 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.

Reporting Systems

- ◆ 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 2022, 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.
- ◆ Under the "Employee Complaints and External Reporting Management Specifications", Inventec has designated a dedicated complaint acceptor and complaint and reporting hotline: (02)2881-0721 ext. 21999 E-mail: 21999 @inventec.com, and according to the treatment principle, Inventec will ensure that reporters are protected from discriminations, threats, job transfers, and other unfavorable actions.

1.4 Business Ethics

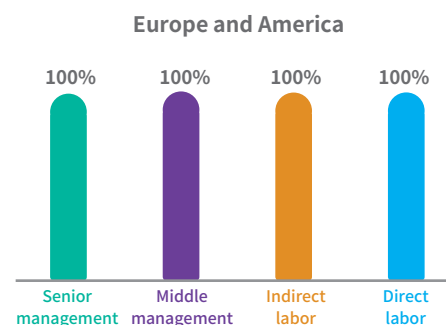
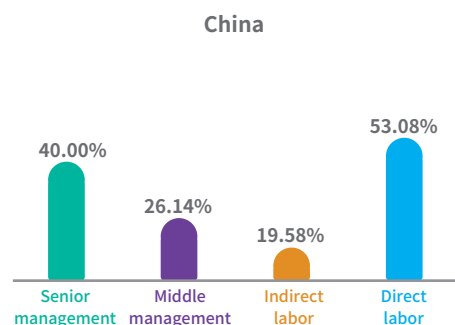
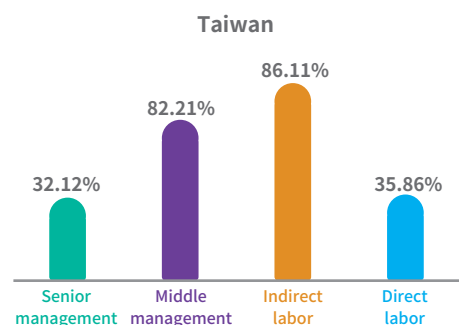
1.4.1 Anti-corruption and Integrity Management Implementation Result

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", through the cooperation of various units, after the unit risk is assessed for the definition of improper benefits, Finance Center, Legal & Intellectual Property Center, Talent and Management Center, Supply Chain Business Unit, Quality Assurance Customer Service Center, etc. complete the self-assessment on a regular basis. Based on their respective responsibilities, the good ethics practice and legal compliance culture within the Company are strengthened in diversified ways. 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 2022, a total of 11,756 people from Taiwan, China, and Europe and America received integrity management training. The integrity management training hours were 11,498 hours. The training completion rates are shown on this page. 100% of the Board Members finish integrity management communication and training.</p> |
| Acceptance of Accusations and Investigation Results | <p>The personnel handling the reported case transferred all cases to the specific internal authorities. In 2022, no act without good faith was filed.</p> |

2022 Employee Integrity Management Training Completion Rates

- Note: 1. Percentage of trained employees = the number of trained employees by region and employee category / the total number of employees by region and employee category on 2022.12.31 * 100%
 2. The training headcount and hours range is based on the in-service employees as of December 31st, 2022, and includes only those who received training in 2022. This figure does not include the employees who left the company.
 3. The anti-corruption training for Inventec employees is completed through new employee orientation and RBA internal training.



100% of the Board Members finish integrity management communication and training.

Supplementary Information

Stakeholder zone

Annual report

Statistics on the number of employees participated in integrity management training in 2022

| Region | Level | The number of people | The number of people who have completed integrity management training |
|--------------------|---|----------------------|---|
| Taiwan | Senior Management (Directors) | 137 | 44 |
| | Middle Management(Managers, Section Managers) | 652 | 536 |
| | Indirect Labor | 4,168 | 3,589 |
| | Director Labor | 1,545 | 554 |
| China | Senior Management (Directors) | 20 | 8 |
| | Middle Management(Managers, Section Managers) | 440 | 115 |
| | Indirect Labor | 3,167 | 620 |
| | Director Labor | 8,116 | 4,308 |
| Europe and America | Senior Management (Directors) | 5 | 5 |
| | Middle Management(Managers, Section Managers) | 51 | 51 |
| | Indirect Labor | 1,034 | 1,034 |
| | Director Labor | 892 | 892 |

100% of employees signed Employee Code of Conduct

| The number of employees signing Employee Code of Conduct | Taiwan | China | Europe and America |
|--|--------|--------|--------------------|
| Employee category | | | |
| Senior Management (Directors) | 137 | 20 | 5 |
| Middle Management(Managers, Section Managers) | 652 | 440 | 51 |
| Indirect Labor | 4,168 | 3,167 | 1,034 |
| Director Labor | 998 | 8,116 | 851 |
| Total | 5,955 | 11,743 | 1,941 |

1.5 Risk Management

1.5.1 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 groundwork 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 479 preventive (risk control) internal control system procedure documents; a total of 37 subsidiaries have issued 1,326 preventive (risk control) internal control system procedure documents. As of now, a total of 1,805 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.

1.5 Risk Management

1.5.2 Preventive (Risk Control) Internal Audit

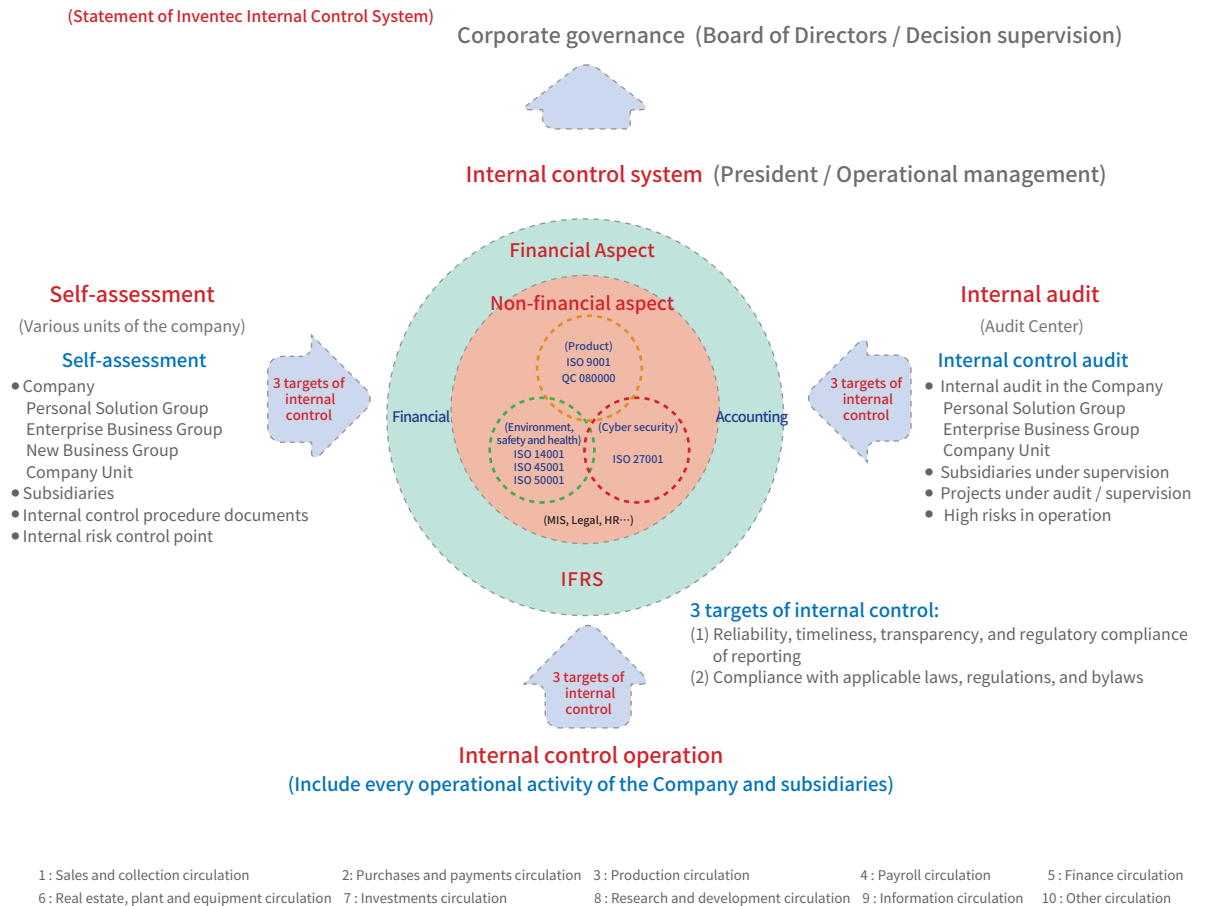
Preventive (risk control) internal audit plan is formulated based on the high-risk audit policy approved by the Board of Directors, the "Code of Integrity Operation" and operational risk assessments. It includes the development of non-routine audit indicators, compliance audit indicators, and key areas of indicator verification for internal audits. In accordance with the "Code of Integrity Operation," business groups and subsidiaries identified as high-risk are subject to audits to assess compliance with the operational procedures, dissemination, and education / training programs specified in the "Operation Procedures and Behavioral Guidelines for Honest Operations" aimed at preventing dishonest conduct.

Preventive (risk control) internal audit plan: The preventive (risk control) internal audit plan approved by the Board of Directors covers: the Company includes Company Unit, Personal Solution Group, Enterprise Business Group and New Business Group; the subsidiaries include PSG Group, EBG Group, the other Group and Inventec Appliances Group. 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 improvement 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

The Operating System of Inventec Group Internal Control System



Legal basis: Governing Establishment Regulations of Internal Control Systems by Public Companies

1.5 Risk Management

1.5.3 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. 201 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 were conducted for the Company (3 business groups and Company Unit) and 8 subsidiaries (including: 5 on-site trainings and 11 Teams trainings about the internal control self-assessment for a total of 201 people).

Inventec completed self-assessment on 376 units, identified 1,076 duties, 2,079 targets, and 2,569 risk items affecting target achievement. Meanwhile, the Company has prepared 4,214 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 579 departments from 36 subsidiaries was completed, identifying 2,361 duties, 4,445 targets, and 5,684 risk items affecting target achievement. Meanwhile, the Company has prepared 9,420 control points to reduce the occurrence of such risks in order to achieve those targets.

1.5.4 Internal Control System Statement

"2022 Inventec Corporation Statement of Internal Control System" has been approved by the Board of Directors in their meeting held on Mar. 14th, 2023, 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>

Inventec Corporation Statement of Internal Control System

Mar. 14, 2023

Based on the findings of self-assessment, the Company states the following with regard to its internal control system in 2022:

1. The Company is fully aware that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management. The aim of the internal control system is to provide reasonable assurance to effectiveness and efficiency of operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency, and regulatory compliance of reporting and compliance with applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the aforementioned three objectives. Moreover, the effectiveness of an internal control system may be subject to changes of environmental or circumstances. Nevertheless, the internal control system of the Company contains self-monitoring mechanism and the Company takes corrective actions whenever a deficiency is identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that, as of December 31, 2022, its internal control system (including its supervision and management of subsidiaries), as well as its internal controls to monitor the achievement of its objectives concerning effectiveness and efficiency of operations, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will be integral part of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors in their meeting held on Mar. 14, 2023, with zero of nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Inventec Corporation.

Chairman :

Jonno Chio
President

Maurice Wu

1.5 Risk Management

1.5.5 Risk Management and Countermeasures

Inventec Risk Management

Management Organization

- ◆ Governance units: The Board of Directors and the Audit Committee are the ultimate decision-makers for risk assessment and control. In response to the establishment of the Sustainability Committee, starting from 2023, the Board of Directors and the Sustainability Committee will be the ultimate decision-makers for risk assessment and control.
- ◆ Management units: Risk management is executed by the respective business groups and Company Units based on their business nature. Starting from 2023, the risk management team under the Sustainability Committee will be responsible for it.

Management Policy

- ◆ Purpose: To efficiently prevent and control risks, improve management performance, and achieve the goal of sustainable operation.
- ◆ Management: Identify material risks, evaluate risks analysis, clarify corresponding strategies, strengthen response mechanism, effectively reduce risks, enhance competitiveness
- ◆ Approval: The Board of Directors of the Company approved the revision of the Code of Practice for Corporate Sustainability in May 2023, 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 Sustainability Committee in the second quarter of each year to strengthen the implementation of the risk management system. The audit committee shall review the effectiveness of the internal control system (including control environment, risk assessment, control operations, information and communication, and supervision operations) and the audit report annually, which shall be then approved by the Board of Directors.

Management 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 measure and 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

- ◆ The risk assessment boundary division is based on the Company and its subsidiary, covering Operational Headquarters and major production bases and group companies. The scope includes "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 AI, 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 cyber security management to create a low-risk and circulating financial administration tool.
- ◆ Corporate culture: In the context of global climate change and sustainable development, countries are moving towards the goal of net zero emissions by 2050, and ESG-related measures and reforms are being put into practice. Inventec depends on social responsibility and takes sustainability as its operating core value. It will continue to focus on ESG and digital transformation, enhance to implement a green supply chain, circular economy, improvement of the manufacturing process and usage of renewable energy to enhance the company's 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: Affected by the China-US trade war, the epidemics, the political war environment, and other factors, the global supply chain is driven to move rapidly. To obtain more flexibility in supply and demand, the Company not only conducts capacity reconfiguration in various places and the localized supply of goods but also conducts effective management of suppliers to reduce the risk of over-concentration of imports and sales. The updating multi-angle layout and integration of software and hardware will lead the Group to a broader world.
- ◆ Expected benefits of plant expansion: Due to political and geographical risks and epidemic factors, to increase the resilience of accepting orders, the factories have adjusted their operation plan to create a more flexible production mode. The Company operates in Taiwan, China, Europe and America. In addition to the ongoing expansion of the plant in Mexico, the Company is also expanding its footprint in Czech and Southeast Asia. Through careful planning, it's expected that the new production base will provide new energy to the Group. Under the capacity reallocation, old assets will continue to be activated to balance the risk of capital exposure.

1.5 Risk Management

1.5.5 Risk Management and Countermeasures

Financial Risks and Operation

- ◆ Interest rate: In response to global geopolitical situations and inflation, the Company prudently and periodically assesses the interest rates of banks and borrowing various currencies in its fund operations to mitigate cash flow risks caused by market interest rate fluctuations. While considering factors such as liquidity and safety, the Company aims to optimize the utilization of its fund portfolio. It is anticipated that the impact of interest rate hikes on the Company's relevant borrowings will be minimal.
- ◆ Exchange rates: In the global context of government monetary tightening policies to curb hot money flows, the central banks adopt appropriate monetary policies to stabilize exchange markets and assist export-oriented enterprises in formulating business and investment decisions. Due to the Company's deep engagement with international corporations, primarily employs forward foreign exchange transactions as its main exchange rate policy to mitigate exchange rate risks arising from offsetting receivables and payables as well as adjustments in purchase and sales prices.
- ◆ Inflation: In response to recent price increases, the central banks around the world implements tightening measures, such as adjusting interest rates, to stabilize market mechanisms and curb inflation. The Company actively monitors market conditions and effectively controls costs and operational expenses to mitigate the impact on its operations and avoid the phenomenon of nominal profits turning into real losses.
- ◆ Liquidity risk: Inventec has sufficient financing and borrowing facilities from relevant banks to fulfill all contractual obligations, therefore, there is no such risk.

Regulatory Compliance and Intellectual Property Risks and Operation

- ◆ Legal changes: Keep abreast of 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 Identification and Assessment of Safety and Health Hazard Risks in accordance with the Taiwan Occupational Safety and Health Management System "TOSHMS" and International Occupational Safety and Health Management System "ISO 45001", and regularly perform a comprehensive hazard identification and risk assessment for each hazard factor in order to evaluate the risk level of relevant hazards in a quantitative method, and screen out the potential factors with high hazard and risk that may cause staff injury or accidents. Thus, setting occupational safety and health goals, targets, and management schemes to implement improvement and prevention, and serve as the basis for planning the safety and health management system.
- ◆ Emergency management implementation: Conduct fire lectures and drills, urgent evacuation drills and fire control routine inspections on a regular basis. Also periodically check each safety facility and conduct fire drills through task marshaling to completely implement disaster prevention and relief work.

Product Safety Risks and Operation

- ◆ Product and service policy: The Company provides customers with a comprehensive and thorough customer relations management service mechanism. Furthermore, in response to environmental protection legal issues of each country throughout the world, the Company provides customers with better environmental protection service through assisting customers in acquiring product green mark certification. (Please refer to 4.2.2 Product energy-saving design goals and certification)
- ◆ Supplier evaluation management: The Company establishes the sustainable supply chain management policy, develops supplier risk identification procedures based on industry characteristics, procurement models, geographical factors, and other relevant factors. In addition to supplier risk categorization, the Company also adheres to the Code of Conduct set forth by the Responsible Business Alliance (RBA) and organize sustainable supply chain forum as a platform for communication and exchange. The measures include:
 1. In terms of various assessments of suppliers, Inventec not only assesses factors such as quality, cost, delivery time, technology and service but also extends the assessment to include green products and corporate sustainability responsibility. This is in accordance with the requirements of the sustainable supply chain management policy, which includes the implementation 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. The Company ensures that the supplier does not violate the aforementioned circumstances through supplier RBA auditing.
 3. 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.

1.5 Risk Management

1.5.5 Risk Management and Countermeasures

Environmental Risks and Operation

- ◆ Climate change: The Company follows the TCFD (Task Force on Climate-related Financial Disclosures) framework for climate change governance. It implements mitigation and adaptation practices based on climate action strategies. This includes defining risk assessment and identification procedures, understanding the risk elements related to policies and regulations, technology, market, reputation, and extreme weather events. The Company also evaluates potential opportunities, explores domains such as new energy sources, markets, products/services, and resource efficiency, and integrates them into its operational processes to develop new businesses and services. (Please refer to 3.1 Climate Change Governance Framework)
- ◆ Management system certification: Each plant has set up a unit responsible for environmental management. All environmental sustainability management systems are formulated by considering the demands of the stakeholders including the government, clients, staff and communities, 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, and ISO 50001 Energy Management System. The above operations have been externally verified and validated by independent third-party certifying organizations, and various system certificates have been obtained for affirmation.
- ◆ Environmental protection expenses: The purpose is environmental protection, aiming to reduce the negative impact of operations on the environment. The focus areas include environmental prevention, treatment, monitoring, certification, activities, education, etc.

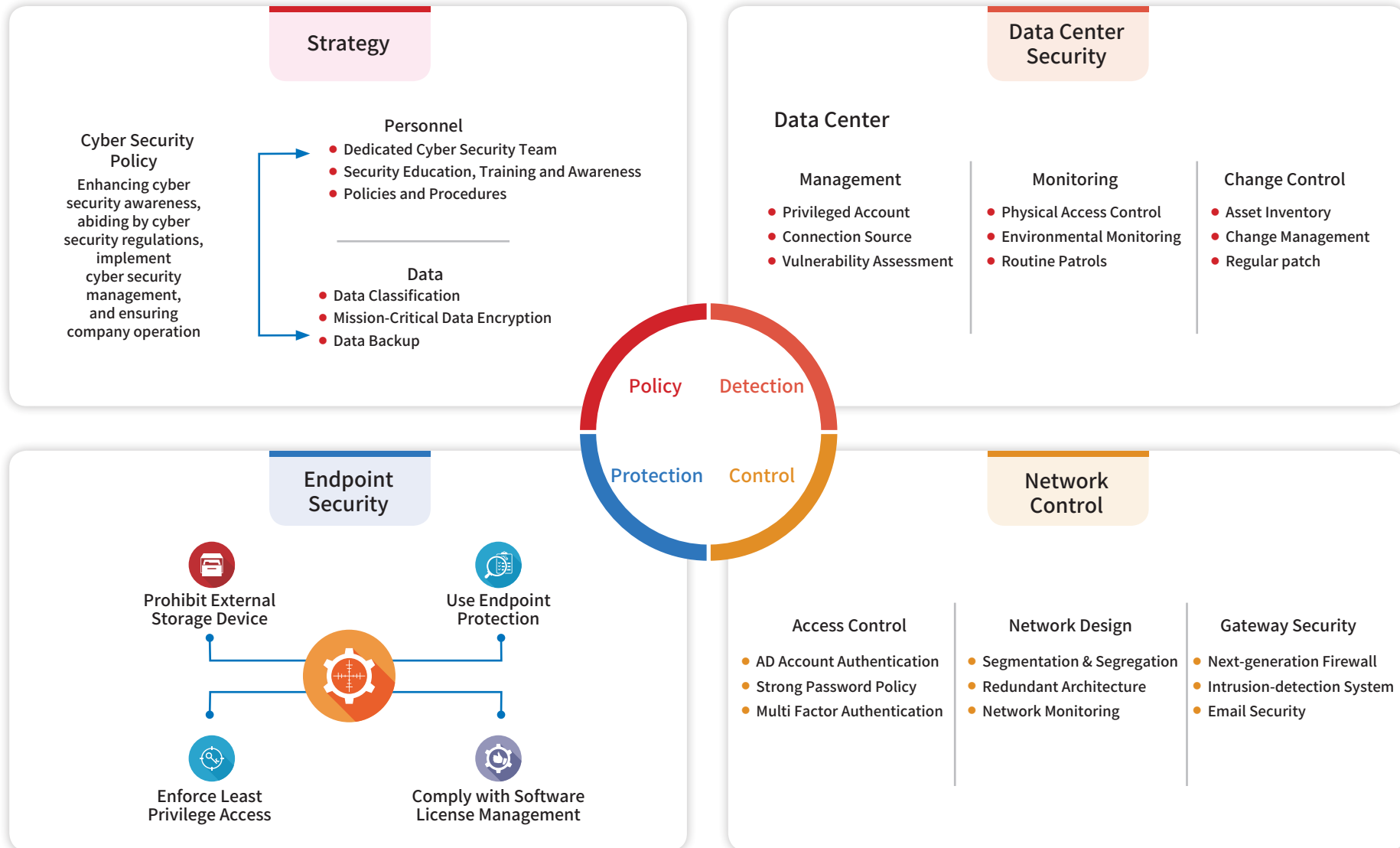
Cyber Security Risks and Operation

- ◆ Cyber Security Risk Management Framework
 1. Establishment of cyber security management organization: The President presides over the cyber security response team and holds regular cyber security meetings.
 2. The Board of Directors approves the “Annual Internal Audit Plan”. The regular audit takes place every year, and its results are reported to the Board. The one of 2022 was submitted to the Board in May.
 3. Establish cyber security policies, set up cyber security targets for each factory, and review the applicableness of the policies and targets every year.
 4. Inventec set up the Infocomm Security Officer and the specific cyber security unit [Information Security Management Department] on January 1st ,2020, 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, and reporting to the President.
 5. Specific management schemes
 - Enhance company staff cyber security awareness.
 - AntiVirus and hacker monitoring
 - Regular drill
 - Vulnerability management and bug fixes
 - Cyber security inspection
 - Defense-in-depth

1.5 Risk Management

1.5.6 Cyber Security Management

Inventec Cyber Security Management Structure



1.5 Risk Management

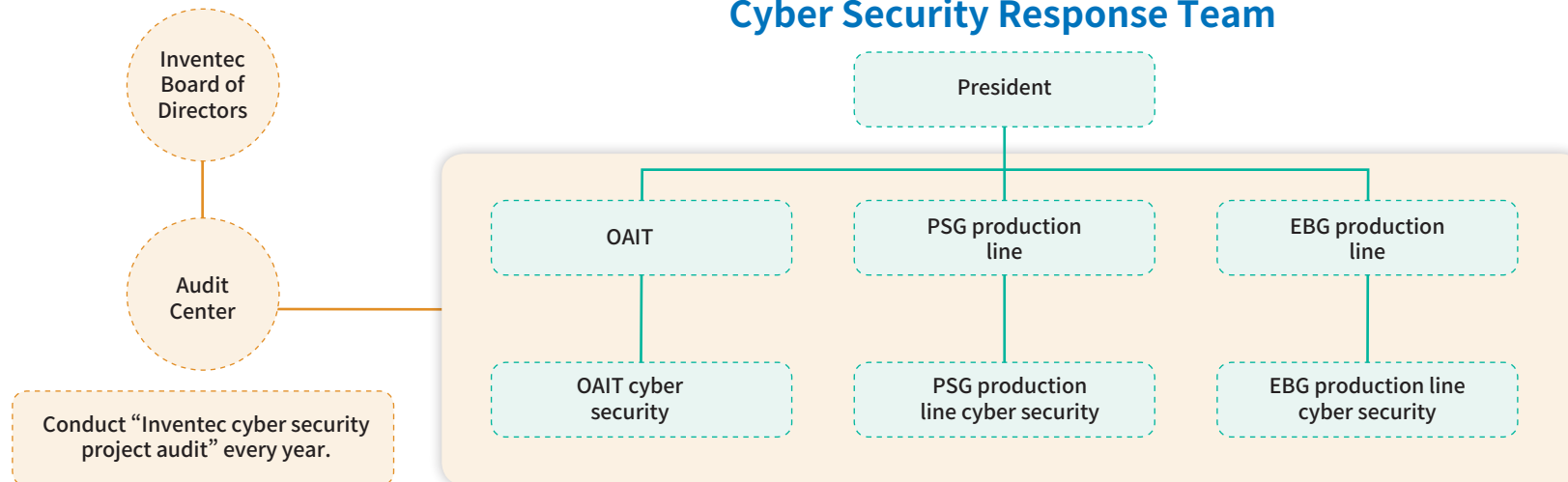
1.5.6 Cyber Security Management

The Company attaches importance to cyber security and designates its President to preside over the cyber security response team. The related issues are reported during the regular cyber security meeting to implement and enhance cyber security management.

- ◆ The Board of Directors approves the “Annual Internal Audit Plan”. The regular audits happen every year to supervise the risk appraisal and planning of the Information Security Management System (ISMS), implement conditions of the information security system, and report the results to the Board.
- ◆ Cyber security management resources input
 - Cyber security capability: There is a dedicated cyber security team with a total of 20 certifications, including CISSP, CISM, ISO 27001, CCNA, and others.
 - Cyber security meeting:
 1. Type: quarterly review meeting, monthly meeting and weekly meeting
 2. The result in 2022: 175 meetings (21 worldwide, 84 cross-plant, and 70 for individual plants)
 - Cyber security documents: 22 related documents were revised. There are 1 cyber security policy manual, 60 management procedure documents, and 54 types of related form documents.
 - Cyber security budget: The budget presented for 2022 was \$47 million, an increase of \$7 million from last year, representing a growth rate of 17.5 percent.

◆ Cyber security objectives: Cyber security objectives of the Company in 2022 are achieved as below:

1. Enhancing cyber security awareness:
 - Conduct cybersecurity training:
 - Training for all colleagues in four seasons (5,690 person-times).
 - Training rate for new colleagues reaches 95.3%.
 - 5 professional trainings for IT colleagues (162 person-times).
 - Commitment and prevention:
 - All colleagues have signed Staff Codes of Conduct, with an achievement rate of 100%
 - 2 social engineering drill sessions were conducted 6 times
2. Abide by cyber security regulations:
 - Regularly update manufacturer name list and sign a confidentiality agreement, discrepancies were identified in no more than 2 pieces.
 - 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. Implement cyber security management:
 - The different levels between account application forms and system accounts must not be less than 99% with zero nonconformity.
 - During privilege account checking, no more than one abnormal account is allowed with zero nonconformity.
 - Conduct vulnerability scanning 4 times 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:
 - External network service grade: SLA99.87%
 - Check fire equipment and finish UPS regular maintenance 4 times.
 - In case a cyber security event occurs, shall report immediately for countermeasures with zero nonconformity.
 - Implement the business continuity plan (BCP) with respect to medium-grade or above once.



1.5 Risk Management

1.5.6 Cyber Security Management

ISO 27001 Certificate Issued by the Third-party Certification Unit



IET



TAO



IPT / SQT



ICC



ICZ



IMX

Cyber Security Management

- ◆ Establish Inventec's information security policies based on ISO 27001 International Information Security Management Standards and referring to local regulations and business specifications. Each factory follows the cyber security policies to ensure the targets of "confidentiality, integrity and accessibility" of the enterprise system and network operation are met.
- ◆ After setting up cyber security targets, each unit implements the relevant management measures, organizes the management review meeting for discussion and follow-up improvement.

The Essential Tasks of Cyber Security

- ◆ COVID19 changed work modes and Working at Home has become normal. To this end, relevant cyber 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' cyber safety awareness are priorities.
- ◆ No complaint concerning "breaches of customer privacy and losses of customer data" in 2022.



1.5 Risk Management

1.5.6 Cyber Security Management

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.
7. Participate in supplier forum, advocate cyber security for suppliers, ask suppliers to establish cyber security systems, promote international cyber security certification, implement hygiene of cyber security, provide cyber security-related resources for suppliers’ reference, and establish cyber security incident notification mechanism to strengthen the cyber security of the supply chain.

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.



2. Sustainability Management

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- 2.2 Stakeholder Communication..... 38
- 2.3 Customer Service.....57
- 2.4 Sustainable Supply Chain Management.....59




SDGs Index




Sustainability Management Performance

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

Participation 
in **33** public
associations

100% 
of the sustainability
committee
meetings were held as
scheduled

Establish **6** 
functional teams
of sustainability
committee

8 major 
stakeholders
and **18** material
topics

- ◆ **Material Topics** : Sustainable supply chain management and responsible minerals.
- ◆ **Key Practices** : Implement Inventec Group Sustainable Supply Chain Management Policy.
- ◆ **Browse Suggestions** : Employee, customer, supplier, shareholder / investor, etc.
- ◆ **SASB index** : Labor conditions TC -ES-320a.2 and TC-ES-320a.3 and materials sourcing TC -ES-440a.1

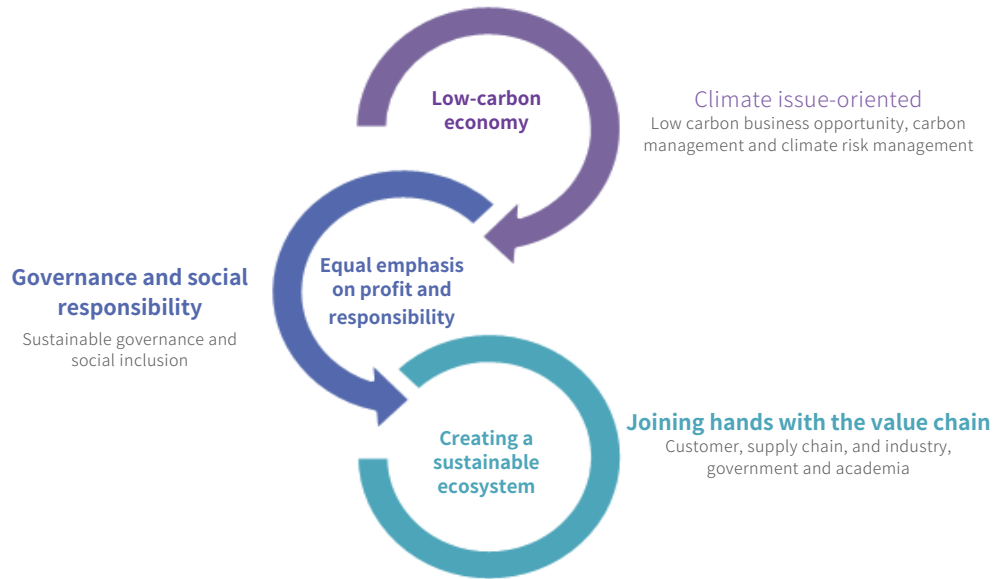
2.1 Sustainable Development Strategy

2.1.1 Inventec Sustainable Development

Sustainability Vision

Innovation X Sustainability

Accomplish the Present and Define the Future



We are now in the most rapidly changing era in human history, with new technologies emerging, overturning established laws and perceptions, and bringing more changes and uncertainty at all levels. However, even in this ever-changing times, there is still a constant value. That is, we all have the responsibility to stop the deterioration of the living environment and ensure that resources are not depleted in our hands and are passed on to future generations in greater abundance.

Facing the wave of sustainability, Inventec promises to fulfill corporate responsibility. We adhere to the principles of integrity management, strengthen corporate governance, build up a solid corporate structure, and further expand our influence on society. We also continue to formulate sustainable strategies with innovative thinking, take sustainability beliefs as our policy, and align with the international standards to develop a broader route and vision for our company.

Sustainability Strategy

We internalize sustainability values into the DNA of our company through three key pillars - “low-carbon economy”, “equal importance on profitability and responsibility”, and “co-creation of a sustainable ecosystem”, in order to achieve corporate transformation and sustainable development goals.

- **Low-carbon economy:** The increasingly severe climate change is not only a challenge but also an opportunity. In the face of low-carbon transformation, we use science-based carbon reduction targets as a benchmark and set up short-, medium-, and long-term carbon reduction plans for Inventec. Meanwhile, we also apply the TCFD climate risk management model to identify risks and opportunities in advance, creating new business opportunities and expanding our business routes.
- **Equal importance on profitability and responsibility:** Inventec attaches great importance to corporate governance, implements ethical management, and continues to communicate with stakeholders. In addition to pursuing corporate profits, we value labor-management relations, striving to create a happy enterprise and provide an excellent working environment and welfare policies. We also actively respond to social needs through more social participation in charity, environmental protection activities, arts and culture events, etc. We see our responsibilities in the needs of others.
- **Co-creation of a sustainable ecosystem:** The supply chain is one of the most important partners of Inventec. We expand our influence via formulating a code of conduct for suppliers, inviting the supply chain to jointly create a sustainable ecosystem, integrating ESG management and collaborating with suppliers to share achievements. We are committed to meeting customer requirements and building a closely linked, mutually beneficial value chain.

2.1 Sustainable Development Strategy

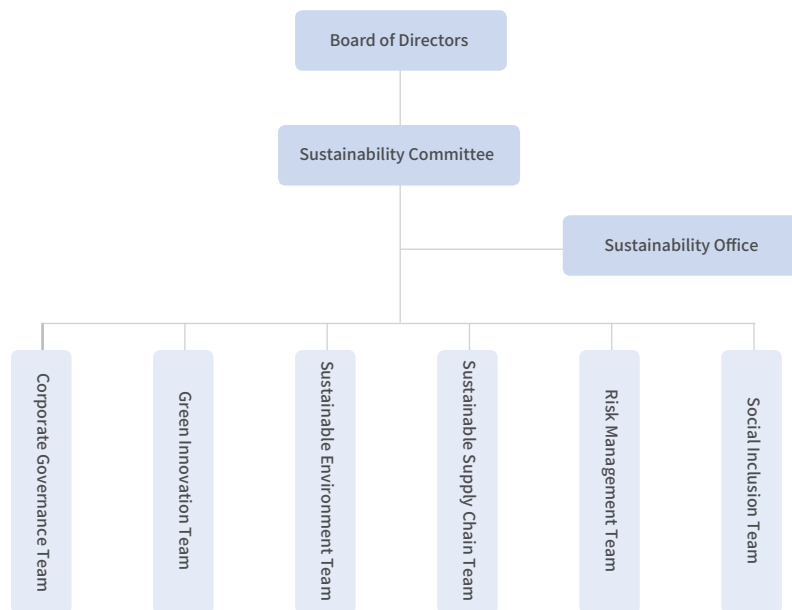
2.1.2 Sustainable Governance Organization

Sustainable Governance Organization

Sustainability Committee

In 2022, Inventec established the Inventec Sustainability Committee as the highest steering body for sustainable development. The Sustainability Committee has six functional teams, including corporate governance, green innovation, sustainable environment, sustainable supply chain, risk management, and social inclusion, each headed by a senior executive who is responsible for developing short-, medium-, and long-term plans to accelerate the achievement of goals at each stage on the existing basis.

The 1st term Sustainability Committee consists of 3 independent directors, 2 directors and the President as members, with the Chairman of the Board as the chairman of the committee, leading Inventec to strengthen its sustainable governance mechanism. The Sustainability Committee reports the results to the Board of Directors on a regular basis, coordinates sustainability-related issues from the top down, and formulates various measures. The organizational chart is shown below.



Functional Team

The six functional teams cover corporate governance, environmental and social aspects, and are all headed by senior executives, with a top-down, cross-departmental integration and specialization. Based on the principle of materiality, the functional teams propose issues related to corporate sustainable development, formulate short-, medium-, and long-term goals and action plans, and report to the Sustainability Committee on a regular basis.

Sustainability Office

In order to promote sustainable development effectively, we have established the “Sustainability Office” under the Sustainability Committee, which reports directly to the Sustainability Committee and functions as a dedicated unit to assist in carrying out various sustainability projects. Through the promotion, coordination and integration of various projects, we aim to construct a sustainable development blueprint for Inventec and meet the expectations of regulatory authorities and stakeholders.

Operation Mechanism

The Sustainability Committee holds meetings at least twice a year to discuss the progress of sustainable development initiatives and reports to the Board of Directors. The functional teams are the primary units responsible for carrying out sustainable development initiatives and are required to report to the Sustainability Committee regularly on the progress and implementation status of sustainability projects and related plans.

Important Reporting or Resolutions in 2022

- Appointment of functional team leader (team head) and responsible issues
- Planning of Sustainability Office’s structure and tasks
- Amendments to Inventec Corporation Sustainable Development Best Practice Principles
- Confirmation of the 2023 greenhouse gas inventory and verification plan

2.1.3 Inventec’s Short, Medium and Long-term Sustainable Goals

Sustainability Goals and SDGs

In 2015, the United Nations released 17 Sustainable Development Goals (SDGs) in the hope that countries can work together to address the crises that are currently being faced or will soon be faced through these 17 goals. As a global citizen, Inventec has aligned its ESG goals with SDGs in response to stakeholders' expectations.

Support SDGs:



2.1 Sustainable Development Strategy

2.1.3 Inventec’s Short, Medium and Long-term Sustainable Goals

| Theme | Issue | Target | | | |
|---|--|--|---|---|--|
| | | Plan | 2023 | 2025 | 2030 |
| Low-carbon economy | Climate resilience | Scope 1+Scope 2 linear emission reduction of 4.2% per year (2018 is the base year) | 21% | 29.4% | 50.4% |
| | Environmental sustainability | Waste recycling rate ^{Note 1} | 70% | 90% | 95% |
| | Renewable energy | Proportion of renewable energy used | 39% | 46% | 55% |
| | Sustainable products | Recycled materials are used, and server packaging materials reduce the amount of plastic used | above 5% | above 3% | above 3% |
| | | Continue to research and develop heat dissipation technology with energy-saving benefits, complete technology development, and reduce energy consumption rate compared with current technology | 5% (Single Phase Immersion Cooling System) | 5% (All-in-one liquid cold plate cabinet) | 5% (Continuous research and development of heat dissipation technology with energy-saving benefits) |
| | | Import recyclable materials and recycled materials into the packaging materials of notebook products to improve the deplasticization of packaging | >50% | >70% | >85% |
| | Green Intellectual Property | Number of green patent applications in a single year | 5%~10% increase compared to the previous year | 5%~10% increase compared to the previous year | 5%~10% increase compared to the previous year |
| Equal emphasis on profit and responsibility | Capabilities of the Board of Directors | Increase the number of directors of different genders | - | 1 seat of different gender directors (2026) | 1 seat of different gender directors (2029) |
| | Anti-corruption and integrity management | Completion rate of anti-corruption training for new recruits | 100% | 100% | 100% |
| | | Signature rate of Employee Code of Conduct | 100% | 100% | 100% |
| | Employee care | Annual IDL training hours | 15hrs/ 人 | 20hrs/person | 30hrs/person |
| | | IDL voluntary separation rate | <18% | <16% | <15% |
| | Human Rights Due Diligence | Human rights training | 95% | 97% | 99% |
| | Occupational safety | Frequency of disabling injuries | <0.5 | <0.4 | <0.12 |
| | | Disability injury severity rate | <22 | <19 | <17 |
| Social engagement | Organize public welfare activities and encourage employees to participate in public welfare activities | 15 sessions / 1% increase in charity hours compared to the previous year | 16 sessions / Increase the number of charity hours by 2% compared with 2023 | 17 sessions / 3% increase in charity hours compared to 2023 | |
| Creating a sustainable ecosystem | Responsible procurement | Responsible procurement of minerals—complying with RMAP Note 2 qualified refinery requirements | 100% | 100% | 100% |
| | Co-prosperity of the ESG ecosystem | Hold supplier forum | Hold at least 2 sessions per year | Hold at least 2 sessions per year | Hold at least 2 sessions per year |

Note 1: Implementing factories: IPT/SQT, ICZ, IMX

Note 2: Responsible Minerals Assurance Process

2.2 Stakeholder Communication



Stakeholders Identification Management Process

Inventec's 8 Major Stakeholders

Material Topic Identification Management Process

2.2.1 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.

2.2.2 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 identification 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. The content related to "material topic identification management process" is shown on this page.

2.2.3 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.

2.2 Stakeholder Communication

Communication with the 8 Major Stakeholders



Employee

| Critical information | Communication instructions of stakeholders | Content |
|--|---|---|
| <p>Employee welfare and training expenses: More than NT\$1.21 billion</p> <p>Employee salary: Average amount NT\$1.121 million</p> | What employees mean to Inventec | <ul style="list-style-type: none"> ◆ Main assets of the company |
| | Two-way communication, communication frequency and channel between Inventec and the employees | <ul style="list-style-type: none"> ◆ The responsible unit is required to gather and organize opinions for carrying out communications through employee care meetings, employee forums, manager/supervisor forums, online communication platforms, or sporadic suggestions every year. ◆ The human resources unit irregularly holds management and labor council or monthly meetings every year to carry out communication. ◆ The responsible unit will post problems and countermeasures on the bulletin board on an as needed basis. |
| | Way of engagement of Inventec and the employees | <ul style="list-style-type: none"> ◆ Consultation, negotiation, participation, and cooperation |
| | 8 topics for discussion about which employees are concerned | <ul style="list-style-type: none"> ◆ Labor rights ◆ Talent acquisition ◆ Employee welfare ◆ Talent cultivation ◆ Financial performance ◆ Equal opportunity and diversity ◆ Occupational safety and health ◆ Employee communication |
| | Content of response | <ul style="list-style-type: none"> ◆ In response to the operational needs of local factories and creating job opportunities, a total of 28,297 individuals were recruited by eight factories around the world in 2022. (Talent acquisition) ◆ Employee welfare and training: In 2022, the amount of money invested in factories in China and Taiwan reached more than NT\$1.218 billion. (Talent cultivation, employee welfare) ◆ Total training hours: 720,856 hours. (Talent cultivation) ◆ The consolidated after-tax earnings per share is NT\$1.71. (Financial performance) ◆ No grievance case about discrimination in 2022. (Equal opportunity and diversity) ◆ 8 factories all over the world obtained the third-party certificates of ISO 45001 (Occupational safety and health) ◆ No labor dispute events causing work stoppages occurred in 2022. (Employee communication) ◆ The RBA audits in the facilities of Inventec and its supplier had no finding about forced labor. (Labor rights) |
| | Sustainability report's chapters for employees | <ul style="list-style-type: none"> ◆ 1.2 Business Performance, 5. LOHAS Enterprise |



2.2 Stakeholder Communication



Customer

| Critical information | Communication instructions of stakeholders | Content |
|---|--|---|
| <p>Collaborative customers' green products obtained 432 environmental / energy efficiency certifications</p> <p>Customer service obtained 883 product safety certifications</p> | <p>What customers mean to Inventec</p> | <ul style="list-style-type: none"> ◆ Main source of revenue of the company. |
| | <p>Two-way communication, communication frequency and channel between Inventec and the customers</p> | <ul style="list-style-type: none"> ◆ Each responsible unit takes the initiative to respond to the standards, audits, or questionnaires requested by customers through the committee as needed every year. ◆ The responsible unit fills out the SAQ questionnaire on the RBA-Online Supply Chain & CSR Management Platform every year. |
| | <p>Way of engagement of Inventec and the customers</p> | <ul style="list-style-type: none"> ◆ Consultation, negotiation, participation, and cooperation |
| | <p>8 topics for discussion about which customers are concerned</p> | <ul style="list-style-type: none"> ◆ Innovative research and development ◆ Equal opportunity and diversity ◆ Cyber security ◆ Renewable energy ◆ Responsible minerals ◆ Circular and innovative product ◆ Climate change ◆ Sustainable supply chain management |
| | <p>Content of response</p> | <ul style="list-style-type: none"> ◆ TOP 1000 US Patent Assignees. (Innovative research and development) ◆ No grievance case about discrimination in 2022. (Equal opportunity and diversity) ◆ 7 factories around the world obtained ISO 27001 third-party certificates. (Cyber security) ◆ Inventec purchased the certificate of 51 million KWH of international renewable energy in 2022. (Renewable energy) ◆ 100% of the suppliers completed the responsible minerals investigation in 2022. (Responsible minerals) ◆ 7 factories all over the world obtained the third-party certificates of IECQ QC 080000. (Circular and innovative product) ◆ Compared with the SBT reduction base year, the Scope 1 and Scope 2 greenhouse gas emissions in 2022 reduced by 27.47%. (Climate change) ◆ In 2022, a total of 63 supplier audits were conducted, achieving a 100% execution rate and a 100% closure rate. (Sustainable supply chain management) |
| | <p>Sustainability report's chapters for customers</p> | <ul style="list-style-type: none"> ◆ 1.5.6 Cyber Security Management, 2.3 Customer Service, 2.4 Sustainable Supply Chain Management, 3.1 Climate Resilience, 4.1 Industrial Innovative Research and Development |



2.2 Stakeholder Communication



Government Agency

| Critical information | Communication instructions of stakeholders | Content |
|--|---|---|
| <p>9th corporate governance evaluation: Top 6-20% company in terms of corporate governance</p> <p>Environmental protection expenditure: More than NT\$0.16 billion</p> | Communication instructions of stakeholders | <ul style="list-style-type: none"> ◆ All corporate regulations and resources support have been standardized. |
| | Two-way communication, communication frequency and channel between Inventec and the government agencies | <ul style="list-style-type: none"> ◆ The responsible unit discloses information on the company website, uploads the annual report and sustainability report, and makes information public on the Market Observation Post System every year according to regulations. ◆ The corresponding units cooperate with the government's requirements on conducting factory inspections, fire drills, and emergency response drills every year in accordance with government documents. ◆ The responsible unit operates in coordination with annual declaration requirements on inspecting the company's compliance with various environmental regulations and collecting statistics related to environmental protection data. ◆ The corresponding units occasionally participate in government policy announcements and advocacy, projects, or activities. |
| | Way of engagement of Inventec and the government agencies | <ul style="list-style-type: none"> ◆ Consultation, negotiation, and participation |
| | 9 topics for discussion about which government agencies are concerned | <ul style="list-style-type: none"> ◆ Anti-corruption ◆ Investment strategy ◆ Risk management ◆ Renewable energy ◆ Energy management ◆ Water resource management ◆ Waste management ◆ Climate change ◆ Equal opportunity and diversity |
| | Content of response | <ul style="list-style-type: none"> ◆ For anti-corruption training, a total of 11,756 people from 8 factories around the world participated in integrity management training programs, an increase of 2.86% over 2021 (11,429 people). No major violations took place in 2022. (Anti-corruption) ◆ The amount of money invested in research and development in 2022 was more than NT\$12 billion, an increase of 14.18% over 2021. (Investment strategy) ◆ The risk management operations were reported to the Board of Directors on May 13th, 2022, to strengthen the implementation of the risk management system. (Risk management) ◆ Inventec purchased the certificate of 51 million KWH of international renewable energy in 2022. (Renewable energy) ◆ 6 factories around the world passed ISO 50001 third-party examination. (Energy management) ◆ Compared with 2012, water withdrawn in 2022 was decreased by 23.87%. (Water resource management) ◆ Compared to the base year, 2014, the volume of waste in 2022 has been reduced by 9.58%. (Waste management) ◆ 8 factories around the world passed ISO 14064-1 third-party verification. (Climate change) ◆ No grievance case about discrimination in 2022. (Equal opportunity and diversity) |
| | Sustainability report's chapters for government agencies | <ul style="list-style-type: none"> ◆ 1.4 Business Ethics, 1.5 Risk Management, 3.1 Climate Resilience, 3.2 Environmentally Friendly |
| | | |

2.2 Stakeholder Communication



Supplier (Including Contractor)

| Critical information | Communication instructions of stakeholders | Content |
|--|---|--|
| <p>Responsible minerals: 100% of suppliers completed the responsible minerals investigation</p> <p>The advanced technology / new product exchange forum: an accumulative total of 257 suppliers and 324 sessions</p> | What suppliers mean to Inventec | <ul style="list-style-type: none"> ◆ The main source of products and materials of our company. |
| | Two-way communication, communication frequency and channel between Inventec and the suppliers | <ul style="list-style-type: none"> ◆ The responsible units communicate with the contractors including human resources agencies, service outsourcers (security, cleaning, dietary suppliers), waste removal and disposal, and factory engineering contractors. ◆ The responsible unit holds Sustainable Supply Chain Forum and requests questionnaires to be filled out every year. ◆ The responsible unit elaborates occupational safety and conducts on-site interviews as necessary every year. ◆ The responsible unit makes responses via the supplier website as needed every year. |
| | Way of engagement of Inventec and the suppliers | <ul style="list-style-type: none"> ◆ Participation and cooperation |
| | 2 topics for discussion about which suppliers are concerned | <ul style="list-style-type: none"> ◆ Sustainable supply chain management ◆ Responsible minerals |
| | Content of response | <ul style="list-style-type: none"> ◆ In 2022, a total of 63 supplier audits were conducted, achieving a 100% execution rate and a 100% closure rate. (Sustainable supply chain management) ◆ 100% of suppliers completed the responsible minerals investigation in 2022. (Responsible minerals) ◆ A total of 447 senior executives from 267 suppliers participated in the 2022 Sustainable Supply Chain Summit.(Sustainable supply chain management) ◆ 192 supplier representatives attended the “2022 Inventec Group Sustainable Supply Chain Forum”. (Sustainable supply chain management) |
| | Sustainability report's chapters for suppliers | <ul style="list-style-type: none"> ◆ 2.4 Sustainable Supply Chain Management |



2.2 Stakeholder Communication



Shareholder / Investor



| Critical information | Communication instructions of stakeholders | Content |
|--|--|--|
| <p>The EPS is NT\$1.71</p> <p>The performance of the Board: the results of self-evaluation were excellent.</p> | What shareholders / investors mean to Inventec | ◆ Main source of fund of the company. |
| | Two-way communication, communication frequency and channel between Inventec and the shareholders / investors | ◆ The responsible unit regularly shares such information through shareholders' meeting, investor conferences, stock report, financial reports (monthly/quarterly), annual reports, company websites, and news media every year. |
| | Way of engagement of Inventec and the shareholders / investors | ◆ Consultation and participation |
| | 4 topics for discussion about which shareholders / investors are concerned | <ul style="list-style-type: none"> ◆ Financial performance ◆ Investment strategy ◆ Risk management ◆ Climate change |
| | Content of response | <ul style="list-style-type: none"> ◆ The amount of net profit after tax has reached more than NT\$6.1 billion. (Financial performance) ◆ In 2022, the sum of money invested in plant equipment reached more than NT\$4.85 billion. (Investment strategy) ◆ The risk management operations were reported to the Board of Directors on May 13th, 2022, to strengthen the implementation of the risk management system. . (Risk management) ◆ Compared with the SBT reduction base year, the Scope 1 and Scope 2 greenhouse gas emissions in 2022 reduced by 27.47%. (Climate change) |
| | Sustainability report's chapters for shareholders / investors | ◆ 1.1 About Inventec, 1.5 Risk Management, 3.1 Climate Resilience |



2.2 Stakeholder Communication



Community

| Critical information | Communication instructions of stakeholders | Content |
|--|--|--|
| <p>Social donation contributions have reached more than NT\$12 million</p> <p>Public welfare hours: 12,532 hours</p> | <p>What communities mean to Inventec</p> | <p>◆ Community environment and source of company employees.</p> |
| | <p>Two-way communication, communication frequency and channel between Inventec and the communities</p> | <p>◆ 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.</p> |
| | <p>Way of engagement of Inventec and the communities</p> | <p>◆ Consultation, negotiation, participation, and cooperation</p> |
| | <p>2 topics for discussion about which communities are concerned</p> | <p>◆ Water resource management ◆ Waste management</p> |
| | <p>Content of response</p> | <p>◆ Compared with 2012, water withdrawn in 2022 was decreased by 23.87%. (Water resource management) ◆ Compared to the base year, 2014, the volume of waste in 2022 has been reduced by 9.58%. (Waste management)</p> <div style="text-align: right;">   </div> |
| | <p>Sustainability report's chapters for communities</p> | <p>◆ 3.2.3 Waste Management, 3.2.4 Water Resource Management</p> |

2.2 Stakeholder Communication



Media



| Critical information | Communication instructions of stakeholders | Content |
|---|---|--|
| <p>CommonWealth Magazine 2023 top 2000 enterprises - No. 11 in manufacturing</p> <p>The EPS is NT\$1.71</p> | What media mean to Inventec | <ul style="list-style-type: none"> ◆ An important channel for information communication. |
| | Two-way communication, communication frequency and channel between Inventec and the media | <ul style="list-style-type: none"> ◆ Collect and organize news reports and occasionally reply to questionnaires. ◆ Irregularly publish material information on the Market Observation Post System and company websites. ◆ Shareholders' meeting and investor conferences on a regular basis. |
| | Way of engagement of Inventec and the media | <ul style="list-style-type: none"> ◆ Negotiation and participation |
| | 4 topics for discussion about which media are concerned | <ul style="list-style-type: none"> ◆ Anti-corruption ◆ Financial performance ◆ Energy management ◆ Climate change |
| | Content of response | <ul style="list-style-type: none"> ◆ For anti-corruption training, a total of 11,756 people from 8 factories around the world participated in integrity management training programs, an increase of 2.86% over 2021 (11,429 people). No major violations took place in 2022. (Anti-corruption) ◆ The consolidated after-tax earnings per share is NT\$ 1.71. (Financial performance) ◆ Implementation of 19 major energy-saving programs to save more than 1.89 million kWh of electricity. (Energy management) ◆ Compared with the SBT reduction base year, the Scope 1 and Scope 2 greenhouse gas emissions in 2022 reduced by 27.47%. (Climate change) |
| | Sustainability report's chapters for media | <ul style="list-style-type: none"> ◆ 1.2 Business Performance, 1.4 Business Ethics, 3.1 Climate Resilience |



2.2 Stakeholder Communication

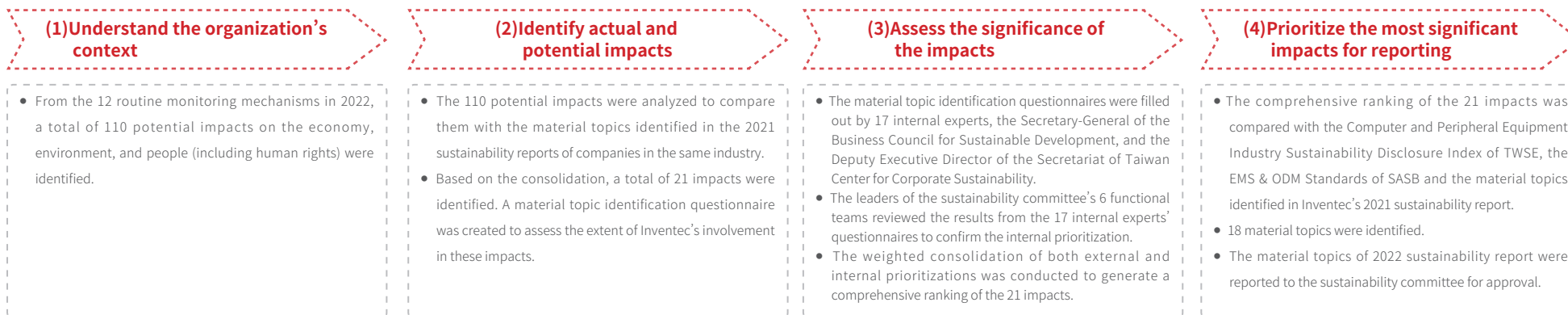


Research Institute

| Critical information | Communication instructions of stakeholders | Content |
|--|---|--|
| <p>The amount of money invested in research and development expenditure NT\$12.09 billion</p> <p>The number of global patents certificates obtained from around the world has reached more than 17,000</p> | What research institutes mean to Inventec | <ul style="list-style-type: none"> ◆ Important communication channels for industry professional information. |
| | Two-way communication, communication frequency and channel between Inventec and the research institutes | <ul style="list-style-type: none"> ◆ Collect and organize reports submitted by research institutions and accept visits, telephone interviews, and questionnaire surveys as needed. ◆ Investor conference is held on a regular time schedule. |
| | Way of engagement of Inventec and the research institutes | <ul style="list-style-type: none"> ◆ Consultation and participation |
| | 3 topics for discussion about which research institutes are concerned | <ul style="list-style-type: none"> ◆ Innovative research and development ◆ Sustainable supply chain management ◆ Cyber security |
| | Content of response | <ul style="list-style-type: none"> ◆ TOP 1000 US Patent Assignees. (Innovative research and development) ◆ 100% of our suppliers have signed the declaration of conformity of the Responsible Business Alliance Code of Conduct. (Sustainable supply chain management) ◆ No complaints against customer privacy violation or loss of customer information were received in 2022. (Cyber security)   |
| | Sustainability report's chapters for research institutes | <ul style="list-style-type: none"> ◆ 1.5.6 Cyber Security Management, 2.4 Sustainable Supply Chain Management, 4.1 Industrial Innovative Research and Development |

2.2 Stakeholder Communication

2.2.4 Materiality Analysis



| ESG category | The impact ranking of material topics in 2022 sustainability report |
|------------------|--|
| Governance(G) | 1. Sustainable supply chain management |
| Governance(G) | 2. Innovative research and development |
| Governance(G) | 3. Cyber security |
| Governance(G) | 4. Financial performance (operating performance, revenue, profitability, and anti-competitive behavior lawsuits) |
| Environmental(E) | 5. Renewable energy(utilization rate) |
| Governance(G) | 6. Circular and innovative product |
| Social(S) | 7. Responsible minerals |
| Governance(G) | 8. Investment strategy |
| Governance(G) | 9. Risk management |
| Environmental(E) | 10. Climate change (mitigation and adaptation) |
| Social(S) | 11. Labor rights(human rights due diligence) |
| Environmental(E) | 12. Energy management (resource management and energy-saving projects) |
| Social(S) | 13. Talent cultivation |
| Social(S) | 14. Talent acquisition(migrant workers and agency employees) |
| Environmental(E) | 15. Waste management |
| Social(S) | 16. Occupational safety and health |
| Governance(G) | 17. Anti-corruption |
| Environmental(E) | 18. Water resource management |

The new material topics added in 2022 compared to 2021

- Investment strategy
- Innovative research and development
- Responsible minerals
- Labor rights
- Water resource management





The material topic reduced in 2022 compared to 2021

COVID-19 pandemic

2.2 Stakeholder Communication





2.2.5 Response to Material Topics

In order to meet the needs of relevant stakeholders, the above 18 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 18 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 | 2022 results of implementation | 2023 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 | Sustainable supply chain management | A stable supply chain system that reduces operational risks. | <ol style="list-style-type: none"> 1. Management mechanism of the Responsible Business Alliance Code of Conduct 2. Supplier Sourcing Management Information System 3. Supplier Assessment Management System 4. Management process of Supplier Social Environmental Responsibility (SER) | <ol style="list-style-type: none"> 1. The percentage of business deals of local (Greater China) suppliers accounts for 36% 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. | <ol style="list-style-type: none"> 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 | ✓ | ✓ | ✓ | 2.4 Sustainable Supply Chain Management p. 59 – 63 |
| 2 | Innovative research and development | Embrace the challenges of technological change, manage global critical intellectual assets, accumulate long-term patent resources, and demonstrate market value. | <ol style="list-style-type: none"> 1. Patent Management Procedure for New Product Development 2. Innovation Proposal Management Guidelines | <ol style="list-style-type: none"> 1. Inventec Group has obtained more than 17,000 patents worldwide. 2. TOP 1000 US Patent Assignees. | <ol style="list-style-type: none"> 1. Take an active approach to global patent portfolio, the technical areas cover mobile IoT, smart manufacturing and smart cloud computing. 2. Promote green innovation and green intellectual property. | GRI 201-1 |  | Intellectual capital | -- | | ✓ | ✓ | 4. Innovative Research and Development p. 93 – 101 |
| 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. | <ol style="list-style-type: none"> 1. Information security management system (Comply with international ISO 27001 requirements) 2. Trademark and copyright management procedures | 7 factories around the world obtained ISO 27001 third-party certificates. | 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 | -- | | ✓ | ✓ | 1.5 Risk Management p. 29 – 32 |
| 4 | Financial performance | Ensure normal operation of Inventec and protect the rights and interests of shareholders. | <ol style="list-style-type: none"> 1. Board of Directors operation 2. Operation management of business group (BG) | <ol style="list-style-type: none"> 1. The amount of profit after tax has reached more than NT\$6.1 billion. 2. The consolidated after-tax earnings per share is NT\$1.71. | <ol style="list-style-type: none"> 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 | -- | | ✓ | | 1.2 Business Performance p. 15 |





2.2 Stakeholder Communication

2.2.5 Response to 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 | 2022 results of implementation | 2023 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 | Renewable energy | To understand the operational energy usage, increase the proportion of renewable energy, and reduce greenhouse gas emissions. | Management mechanism of renewable energy | Purchase the certificate of 51 million KWH of international renewable energy. | We will continue to evaluate the renewable energy market and infrastructure conditions in Taiwan and overseas, and further develop environmentally friendly renewable energy plans. | GRI 302-1 |   | Natural capital | -- | | √ | | 3.1 Climate Resilience p. 75 |
| 6 | Circular and innovative product | <ol style="list-style-type: none"> In order to meet international regulatory requirements and customer environmental protection, and save resources required for product manufacturing. Give serious consideration to the health of consumers and environmental protection of the place of production and consumption. | <ol style="list-style-type: none"> Green product management system (Meet the international IECQ QC 080000 requirements) Quality management system (Comply with international ISO 9001 requirements) | <ol style="list-style-type: none"> Worked in coordination with customers to obtain 432 environmental certifications. Number of customers served with regard to product safety regulations certification: 883. 7 factories around the world obtained IECQ QC 080000 third-party certificates. | <ol style="list-style-type: none"> The goal of energy-saving design for notebook computers: Continuously obtain relevant certifications and achieve the efficiency of energy use exceeding the latest ENERGY STAR Computers Specification Version 8.0 standard by 25%. The goal of energy-saving design for servers: Continuously obtain certifications for new mass-produced servers applying for the ENERGY STAR Computer Servers Specification Version 3.0 standard in 2023 based on the product design and development schedule. | GRI 416-1 GRI 416-2 |  | Manufactured capital Natural capital | -- | √ | √ | √ | 4.2 Green Innovation p. 97-99 |
| 7 | Responsible minerals | Implement responsible minerals due diligence to comply with regulations and customer requirements and enhance customer satisfaction. | <ol style="list-style-type: none"> Operational guideline for responsible minerals survey Management mechanism of the Responsible Business Alliance Code of Conduct | <ol style="list-style-type: none"> Promote the responsible minerals requirements through the sustainable supply chain forum. Our own suppliers are 100% compliant with the Responsible Minerals Initiative (RMI) smelter list. | <ol style="list-style-type: none"> Continuously conduct annual responsible minerals survey to ensure that all our own suppliers collaborate with the qualified smelters. Optimize the iSupplier responsible mineral survey function to enhance the efficiency of report review. | GRI 414-2 |  | Social capital | TC-ES-440a.1 | √ | √ | √ | 2.4 Sustainable Supply Chain Management p. 61-62 |





2.2 Stakeholder Communication

2.2.5 Response to 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 | 2022 results of implementation | 2023 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 | Investment strategy | Create a favorable business environment to meet the customers' demands. | <ol style="list-style-type: none"> Board of Directors operation Operation management of business group (BG) | <ol style="list-style-type: none"> Invest over NT\$12 billion in research and development. The investment in research and development grew by 14.18% compared to the year 2021. | <ol style="list-style-type: none"> Combine industrial trends, continue the transformation of laptops, and continuously develop the areas of industrial Internet of Things, smart homes, smart devices and servers. Focus on the new business opportunities of automotive electronics and medical care. | GRI 201-1 |  | Financial capital | -- | | ✓ | | 1.2 Business Performance p. 14-17 |
| 9 | Risk management | <ol style="list-style-type: none"> Effectively prevent and control risks and improve management performance in order to achieve the goal of sustainable operation. Recognize major risks, evaluate risk analysis, clarify response strategies, strengthen response mechanisms, effectively reduce risks, and improve competitiveness. | <ol style="list-style-type: none"> Board of Directors operation Audit committee Prevention (risk control) internal control system Operation management of business group (BG) | <p>The risk management operations were reported to the Board of Directors on May 13th, 2022, to strengthen the implementation of the risk management system.</p> <p>479 internal control documents.</p> <p>1,076 positions have been identified among 376 units.</p> <p>2,079 goals and 2,569 risk items affect the achievement of goals.</p> <p>4,214 control points were drawn up at the same time to reduce the occurrence of these risks to ensure that the objectives are effectively achieved.</p> | <ol style="list-style-type: none"> Optimize the risk evaluation and operational status of issues about environmental, social, and corporate governance. 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 GRI 403-2 |  | Financial capital | -- | | ✓ | | 1.5 Risk Management p. 23-28 |
| 10 | Climate change | To cope with global climate change issues and respond accordingly to the regulations governing carbon emissions trading stipulated by the government where the plant is located to meet the needs of stakeholders. | <ol style="list-style-type: none"> Environmental sustainability framework TCFD management structure Greenhouse gas management system (Comply with international ISO 14064-1 requirements) | <ol style="list-style-type: none"> 8 factories around the world have passed ISO 14064-1 third-party verification. Compared with the SBT reduction base year, the Scope 1 and Scope 2 greenhouse gas emissions in 2022 reduced by 27.47%. 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 201-2 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5 |  | Natural capital | -- | | ✓ | | 3.1 Climate Resilience p. 66-73 |
| 11 | Labor rights | Create and maintain an employment environment that complies with labor laws and regulations. | <ol style="list-style-type: none"> Human resources service management system Management mechanism of the Responsible Business Alliance Code of Conduct | The RBA audits at the facilities of Inventec and its suppliers have no findings about forced labor. | Strengthen the awareness of labor rights among all employees by implementing human rights-related training programs and conducting annual signature campaigns. | GRI 409-1 |  | Social capital | TC-ES-310a.1 | ✓ | ✓ | | <ol style="list-style-type: none"> 2.2 Stakeholder Communication p. 55 2.4 Sustainable Supply Chain Management p. 59-63 5.6 Human Rights Due Diligence p. 134-135 |





2.2 Stakeholder Communication

2.2.5 Response to 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 | 2022 results of implementation | 2023 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 | |
| 12 | Energy management | To understand the operational energy usage efficiency, control energy costs, retrench expenditures, and reduce greenhouse gas emissions. | <ol style="list-style-type: none"> Energy management system (Comply with international ISO 50001 requirements) Regulations governing energy saving and carbon reduction program | <ol style="list-style-type: none"> 6 factories around the world obtained ISO 50001 third-party certificates. Implementation of 19 major energy-saving programs to save more than 1.89 million kWh of electricity. Regarding energy saving at headquarters (EUI), the electricity consumption per unit area has been reduced by 17.10% compared to 2014. Compared with 2019, the energy saving at the Information Technology Center facilities (PUE) has been reduced by 50.35%. Compared with 2018, the energy saving (E) of the factory has been reduced by 22.46%. | <ol style="list-style-type: none"> To achieve the performance of energy conversion by expanding the conversion and installation of renewable energy facilities. Dedicated to creating a low-carbon environment and an all-staff carbon reduction culture. Improve clean production and follow green factories. | GRI 302-1 GRI 302-3 GRI 302-4 |   | Natural capital | -- | | √ | | 3.1 Climate Resilience p. 74-75 |
| 13 | Talent cultivation | Improving the quality of talents is conducive to business operations and long-term development. | Human training management system | <ol style="list-style-type: none"> Total training hours: 720,856 hours. The cumulative numbers of employees who have passed language proficiency tests so far are: 3,301 in English and 724 in Japanese. A total of 998,605 E-learners were accumulated from 2015 to 2022. | <ol style="list-style-type: none"> Cultivate the instruction and authorization ability of supervisors of the succession echelon formation, promote both basic and advanced management training to enhance management capabilities and accountability, and pursue the streamlining of the hierarchy and the optimization of management. Draw up and implement individual development plans for key talents of business units aimed at the capabilities to be strengthened. | GRI 404-1 GRI 404-2 GRI 404-3 |  | Human capital | -- | | √ | | 5.3 Talent Development p. 112-120 |
| 14 | Talent acquisition | Gifted individuals can enhance the competitive strength of the company and move it towards sustainable business operation. | Human resources service management system | Labor demands of all units are guaranteed, and recruitment has reached 100%. | Enrich internal talent database and provide comprehensive records of outstanding talents. | GRI 401-1 |  | Human capital | -- | | √ | | 5.2 Talent Acquisition p. 109-111 |

2.2 Stakeholder Communication

2.2.5 Response to 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 | 2022 results of implementation | 2023 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 | |
| 15 | Waste management | Ensure that waste disposal and removal methods comply with regulations and customer expectations. | <ol style="list-style-type: none"> Environmental management system (Comply with international ISO 14001 requirements) Management mechanism of the Responsible Business Alliance Code of Conduct | <ol style="list-style-type: none"> 8 factories around the world obtained ISO 14001 third-party certificates. The amount of waste in 2022 was reduced by 9.58% compared with 2014. | <ol style="list-style-type: none"> Promote industrial waste reduction and implement environmental protection on the factory floor. Minimize waste output and maximize resource recycling. Carry out waste management, classification, recycling, and reduction. Take the initiative to inspect cooperative cleaning companies and examine their plant conditions and license conformity to ensure that the methods of waste disposal and removal meet the relevant standards. | GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5 |  | Natural capital | TC-ES-150a.1 | | ✓ | | 3.2 Environmentally Friendly p. 78-80 |
| 16 | Occupational safety and health | Promote a safe and healthy labor force to enhance the overall competitiveness of the company. | <ol style="list-style-type: none"> Occupational Safety and Health Management System (Comply with international ISO 45001 requirements) Management mechanism of the Responsible Business Alliance Code of Conduct | <ol style="list-style-type: none"> 8 factories around the world obtained ISO 45001 third-party certificates. Won "Healthy Workplace Certification-Health Promotion Mark" by National Health Administration, Ministry of Health and Welfare. Held 5 health lectures that were participated by 2,003 people. 100% of contractors entering the factory have completed safety and health education and training. The completion rate of job education and training for special personnel has reached 100%. | <ol style="list-style-type: none"> Optimize safety and health education and foster safety and health awareness. Continue planning and organizing health promotion activities. | GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9 GRI 403-10 |  | Human capital | TC-ES-320a.1 | ✓ | ✓ | | 5.4 Health and LOHAS p. 121-131 |
| 17 | Anti-corruption | Avoid impacting company operations and earnings to maintain corporate reputation. | <ol style="list-style-type: none"> Global Employee Code of Conduct Management Measures and External Reporting Management Specifications | <ol style="list-style-type: none"> Number of training hours for integrity operation: 11,498 hours. No case of dishonesty occurred 100% of employees signed the < Employee Code of Conduct >. | 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 | -- | ✓ | ✓ | ✓ | 1.4 Business Ethics p. 21-22 |
| 18 | Water resource management | Reduce water consumption and lower operational costs. Manage operational water efficiency. | <ol style="list-style-type: none"> Management mechanism of the Responsible Business Alliance Code of Conduct Water resource management policy and plan | Compared with 2012, water withdrawn in 2022 was decreased by 23.87%. | <ol style="list-style-type: none"> Implement water resource management plan to increase the percentage of water recycling and reuse. Implement water conservation training in all facilities to promote behavior change in water usage. | GRI 303-1 GRI 303-2 GRI 303-3 GRI 303-4 GRI 303-5 |  | Natural capital | TC-ES-140a.1 | | ✓ | | 3.2 Environmentally Friendly p. 81-83 |

2.2 Stakeholder Communication

2.2.6 Inventec ESG Matrix Management



2.2 Stakeholder Communication

2.2.7 Association Participation and Initiatives

Inventec actively participates in the associations to be a bridge serving the society and collaborates to promote industry exchange. Inventec plays the role of service in 13 associations and participates in the service of 20 associations. In recent years, Inventec has supported various issues through initiatives. In 2022, it participated in the "E.Sun ESG and Sustainability Initiative" and in 2023 it officially joined the ranks of TCFD supporter and "TALENT, in Taiwan, Taiwan Talent Sustainable Action Alliance". Inventec actively cultivates talents through the implementation of various ESG actions, and at the same time formulates the best solution for the earth to mitigate the impact of climate change.



The meanings of outer frames: In addition to being a member of the association, Inventec also holds positions such as directors. Inventec has membership in the association.

The meanings of interior frames: Sustainable development Industry Others

2.2 Stakeholder Communication

2.2.7 Association Participation and Initiatives

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 meet the requirements of RBA.
- ◆ RBA-ONLINE’s SAQ (Self-Assessment Questionnaire) assessments and VAP (Validated Assessment Program) audits and improvements are carried out at 7 facilities (TAO, ITO, IPT, SQT, ICC, ICZ and IMX) of Inventec. None of them is high-risk facility. In 2022, 1 facility in Taiwan was audited by RBA, accounting for 14.29% of all Inventec facilities, and it achieved silver status. It had no priority non-conformances in terms of Labor, Health and Safety, Environment, Ethics, and Management Systems. The remaining 3 non-conformances found in the VAP audits were closed. In the future, Inventec will continue to follow RBA standards, meet the customers’ RBA requirements, and externally disclose the sustainability information.



The VAP audit of Inventec's facility in Taiwan achieved a score of 180 out of 200.

2.2 Stakeholder Communication

2.2.8 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 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



Inventec's CDP records over the years



RBA-Online Supply Chain & CSR Management Platform

2.3 Customer Service

2.3.1 Customer Support and Protection

Customer Service Mechanism

1. 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. We provide instant services and response mechanisms through a stationed service mechanism at OEM/ODM customer end.
2. Through the customer complaint management system and with a complete customer complaint standard operation procedure, the Company prepares cause 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.
3. 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 consistency with the issues that concern customers.

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 System, 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

The global facilities obtained ISO 9001 certificates.



ISO 13485 certificate



IATF 16949 certificate



2.3 Customer Service

2.3.1 Customer Support and Protection

Cost

- ◆ Inventec enlists enterprise resources for overall planning and consideration to provide customers with the best solutions and operation platforms from commodity demand, design cooperation, manufacturing requirements, inventory control, 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 benefiting both the customer and the Company.

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 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; R&D teams are established in Shanghai and Chongqing. The R&D teams mutually cooperate with each other for the development of new product designs. Production bases mainly include IPT, SQT, ICC, IMX and ICZ, and 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 the customers with comprehensive solutions from software to hardware and from region to the whole world.

Customer Satisfaction and Awards

- ◆ In 2022, Inventec achieved customers' goals in terms of overall rating and satisfaction, and was awarded for its achievements as follows:
 - Supplier Climate Action Star ESG Award
 - Supplier Innovation Award
 - Partners in Recognition of Outstanding Support through Covid-19 Disruptions

Supplier Climate Action Star ESG Award



Supplier Innovation Award



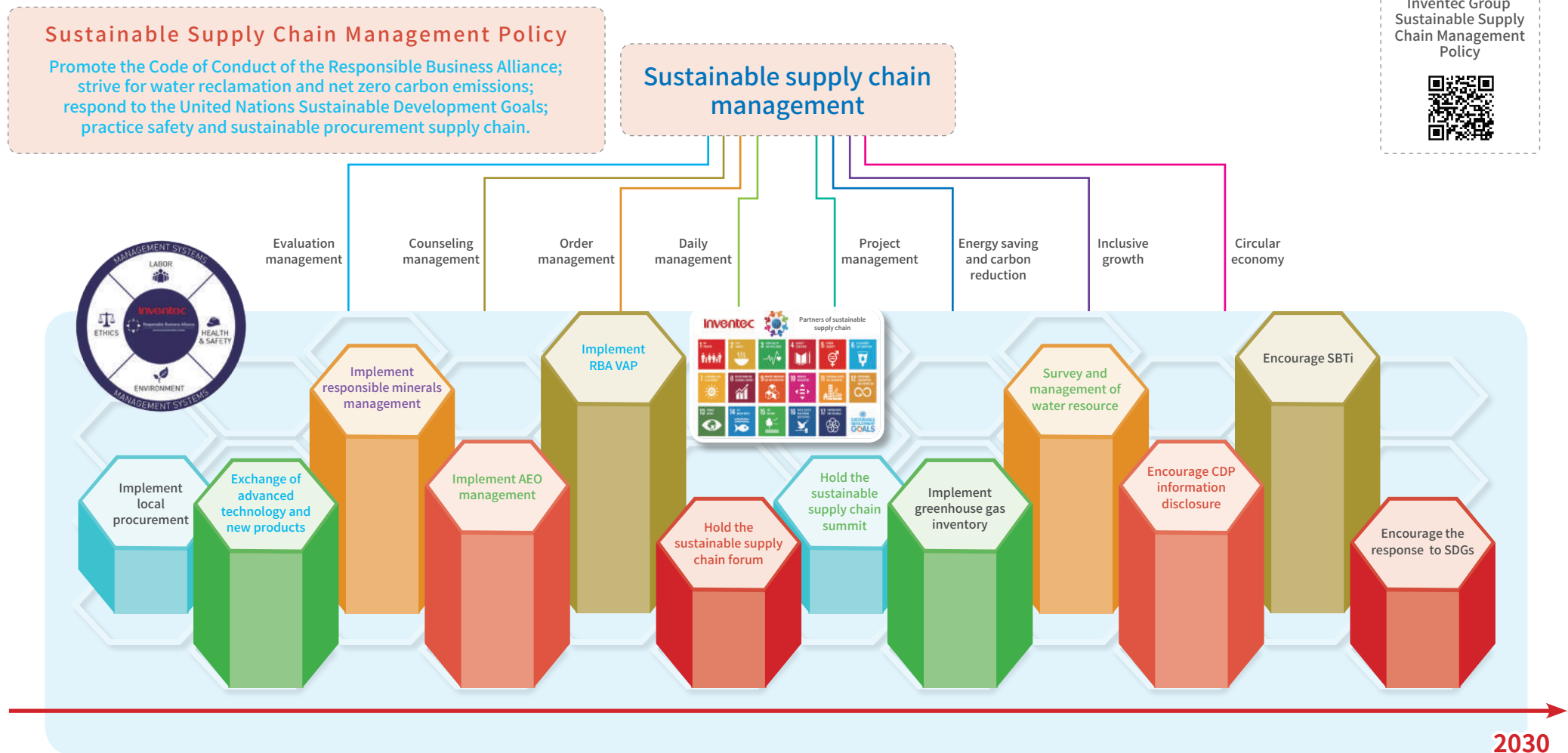
Partners in Recognition of Outstanding Support through Covid-19 Disruptions



2.4 Sustainable Supply Chain Management

2.4.1 Sustainable Supply Chain Management Framework

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.



Note: RBA - Responsible Business Alliance; VAP - Validated Assessment Program; AEO - Authorized Economic Operator; CDP - Carbon Disclosure Project; SBTi - Science Based Targets initiative; SDGs - Sustainable Development Goals

2.4 Sustainable Supply Chain Management

2.4.2 Sustainable Supply Chain Management Practices

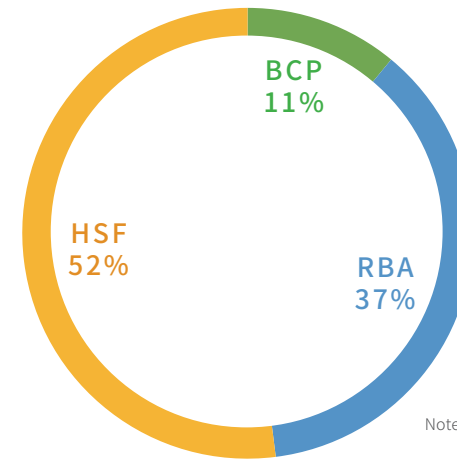
Management Practices

- ◆ 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 859 suppliers signed in 2022), and the Declaration of Conformity of Responsible Business Alliance Code of Conduct (859 suppliers in Taiwan, China, Europe and America in 2022, 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 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 oversees carrying out new supplier assessment and counseling.
- ◆ In regard to new supplier assessment, the principal issues are as follows:
 - Technology Development Ability Assessment
 - Vendor Supply Ability Audit
 - Procurement System Audit
 - Hazardous Substance Free (HSF) Survey: Suppliers must sign the Inventec Environment Protection Declaration.
 - Supplier SER Survey: Suppliers must sign the Declaration of Conformity of Responsible Business Alliance Code of Conduct.
- ◆ The total number of new suppliers in 2022 was 140.

The audit findings of existing suppliers in 2022



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

Audit 63 suppliers with 137 findings

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 63 suppliers in 2022; the actual achievement rate was 100%. A total of 137 issues 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 was organized by the Group to promote the information.

2.4 Sustainable Supply Chain Management

2.4.3 Sustainable Supply Chain Risk Management

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 2022, among the 859 suppliers (excluding customer-designated suppliers) of Inventec, according to the supplier on-site audit reports from the supplier audit personnel of Inventec facilities, the scores of supplier RBA SAQ (Self-Assessment Questionnaire), etc., 12 high-risk suppliers were identified. In 2022, a total of 6 suppliers were notified to undergo the VAP (Validated Assessment Program) audit, and 2 of them finished the audit within the same year. Therefore, the VAP audit rate for all suppliers in 2022 was 0.23%, while the VAP audit rate for high-risk suppliers was 16.67%. No priority finding was identified in the audits, and the remaining 12 findings are tracked for improvement. To mitigate the related risks, Inventec will continue to implement supplier VAP assessments and fulfill its responsibilities for sustainable supply chain management.

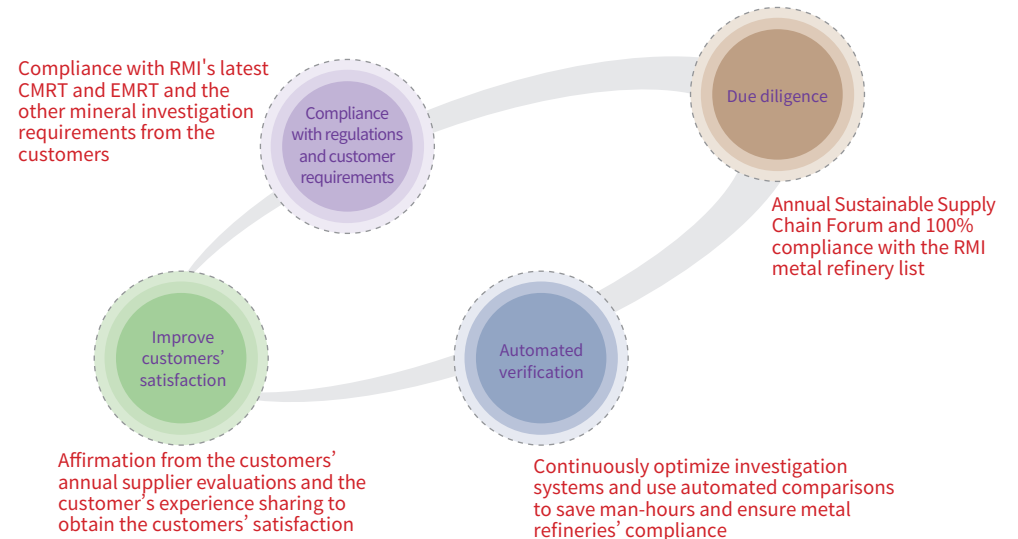


2.4.4 Responsible Minerals

Inventec Responsible Minerals Investigation Process

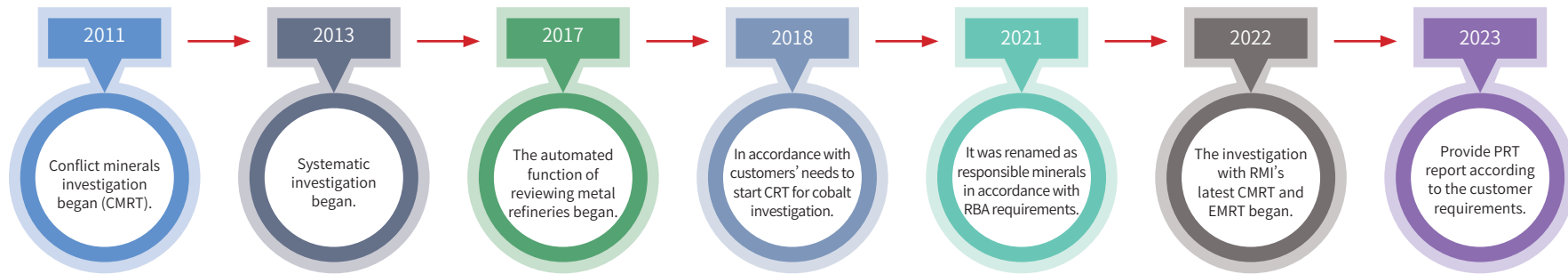
- ◆ Inventec is a member of RBA and RMI and commits to promoting and complying with their respective standards. In addition to disclosing the responsible minerals sourcing statement on the official website, Inventec has conducted investigations with the Conflict Minerals Reporting Template (CMRT) since 2011. Since 2013, the Company has implemented systematic investigations through digital information systems to fulfill the due diligence requirements of RBA and RMI. In 2018, RMI added "Cobalt" and "Mica" to the list of responsible minerals for management.
- ◆ 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 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 2022, all responsible minerals investigation reports conducted for Inventec's own suppliers were found to be 100% compliant with the RMI Smelter & Refiners Lists. The Company aims to maintain this 100% compliance in 2023

Inventec Responsible Minerals Target

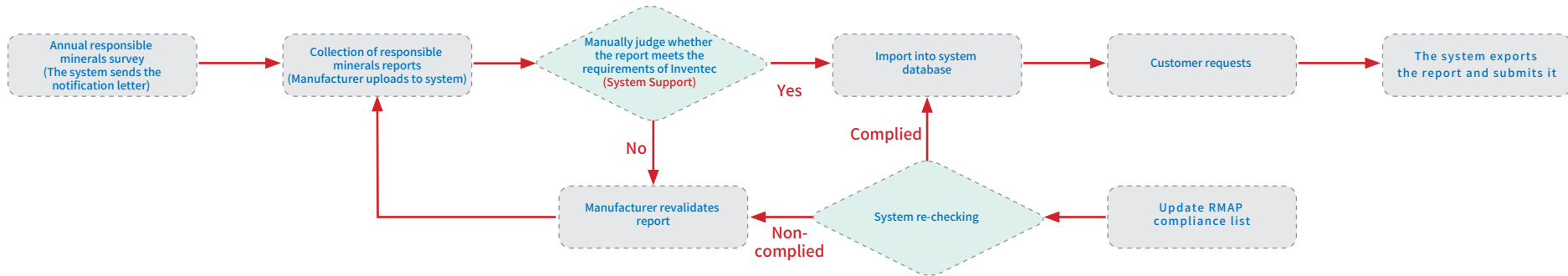


2.4 Sustainable Supply Chain Management

2.4.4 Responsible Minerals



The investigation process of Inventec Responsible Minerals Electronic Information System



Policy of Inventec Responsible Sourcing of Minerals

Inventec incorporates conflict minerals into responsible minerals, manages them together and expects our suppliers to comply with the requirements for conflict-free minerals. Our commitment and actions are as follows:

- Require our suppliers to conduct commercially reasonable due diligence on their supply chains to ensure that conflict minerals used in products supplied to Inventec are conflict-free.
- Requesting that our suppliers immediately report to Inventec if there are conflict minerals used in products supplied to us.
- With the goal of fulfilling customer requirements and international regulations, Inventec has conducted suppliers conflict minerals survey program based on Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT) since 2011 and has launched e-investigation via the iSupplier portal since 2013.

Inventec official website announces the policy of responsible sourcing of minerals.



CSR Statement

Inventec RBA Statement
 Inventec commits itself to comply with the Responsible Business Alliance (RBA) Code of Conduct, and Inventec expects our suppliers will also comply with the policies including the "Responsible Sourcing of Minerals" policy. For more information about RBA, please visit the web link: <http://www.responsiblebusiness.org/>

2.4 Sustainable Supply Chain Management

2.4.5 Partnerships

Supplier Transaction Ratio

- ◆ In 2022, Inventec had transactions with a total of 1,184 suppliers. These suppliers are primarily located in the Greater China region, where Inventec's main operations are based. The transactions with these suppliers accounted for 36% of the total supplier transactions during that period.

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 447 senior executives from 267 suppliers participated in the 2022 Sustainable Supply Chain Summit. Inventec continues to establish good cooperative relations with supply chain partners and expects the suppliers will work together to move towards the path of sustainable development.

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 2022, 324 sessions have been held with an accumulative total of 257 suppliers participating in the forum. In 2023, 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 2022, Inventec has held the innovative technologies / new products dialogue forums.

324 sessions have been held.

An accumulative total of 257 suppliers participated in the forum.



2022 Sustainable Supply Chain Summit



Innovative technologies and new products dialogue forum

3. Sustainable Environment

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SDGs Index



Sustainable Environment Performance

Environmental protection expenditure
NT\$ 0.16 bn



432 environmental certifications for green products



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



The certificate of **51 million KWH** of international renewable energy



Electricity saving **1.89 m kWh**
(Taiwan + China)



Wastes decreased by **9.58%** since 2014



Recycled water increased by **88.65%**
(16,907 metric tons)



883 safety certifications for green products



Compared with the SBT reduction base year, the Scope 1 and Scope 2 greenhouse gas emissions in 2022 reduced by **27.47%**



- ◆ **Material topics** : Climate change, energy management, renewable energy, waste management, water resource 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.

- ◆ **Browse suggestions** : Stockholders / investors, customers, communities, media, etc.
- ◆ **SASB index** : Water management TC-ES-140a.1 and waste management TC-ES-150a.1



TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



3.1 Climate Resilience

3.1.1 Climate Change Governance Framework

In recent years, extreme weather has affected people’s lives and also impacted corporate operations. To effectively manage the risks of corporate operations, Inventec has listed the climate theme as one of the Company’s important policies. Meanwhile, the Company also follows the recommendations for Task Force on Climate-related Financial Disclosures (TCFD) to establish and strengthen its risk control mechanism in response to climate change.

Task Force on Climate-related Financial Disclosures (TCFD) - Governance

The Board of Directors is the highest supervisory unit for climate governance at Inventec and responsible for coordinating the overall climate strategy and overseeing the management and key performance of climate-related risks and opportunities. In 2022, Inventec established a Sustainability Committee under the Board of Directors, with the Chairman, 4 directors (3 of them are independent directors) and the President serving as members. They are jointly responsible for supervising and managing Inventec’s sustainable development strategy affairs and reporting the implementation results to the Board of Directors at least twice a year.

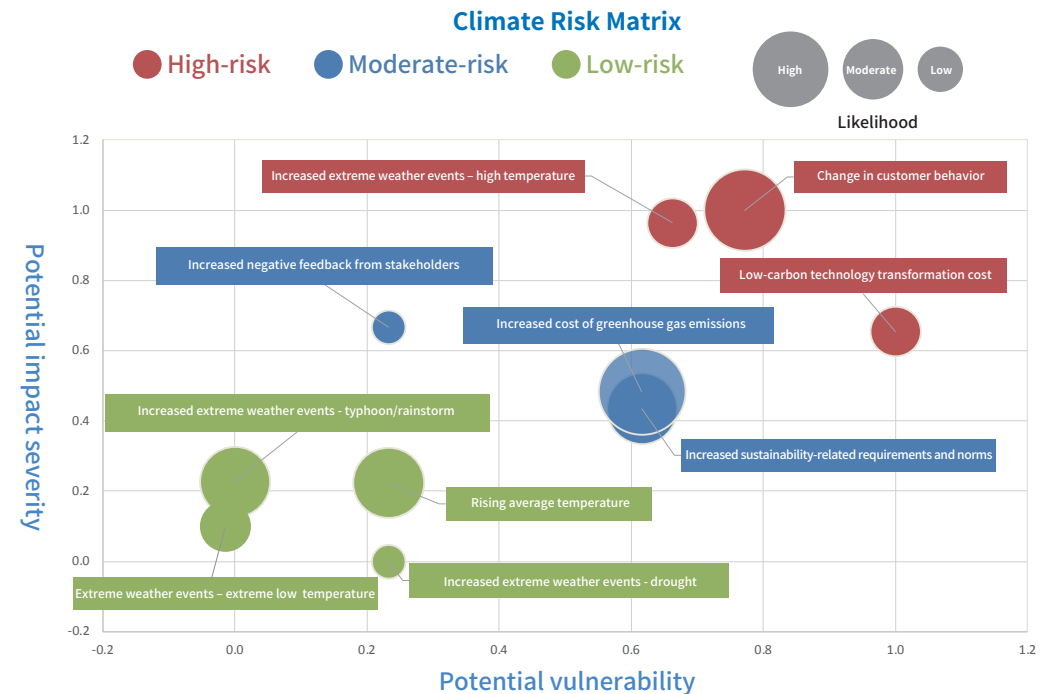
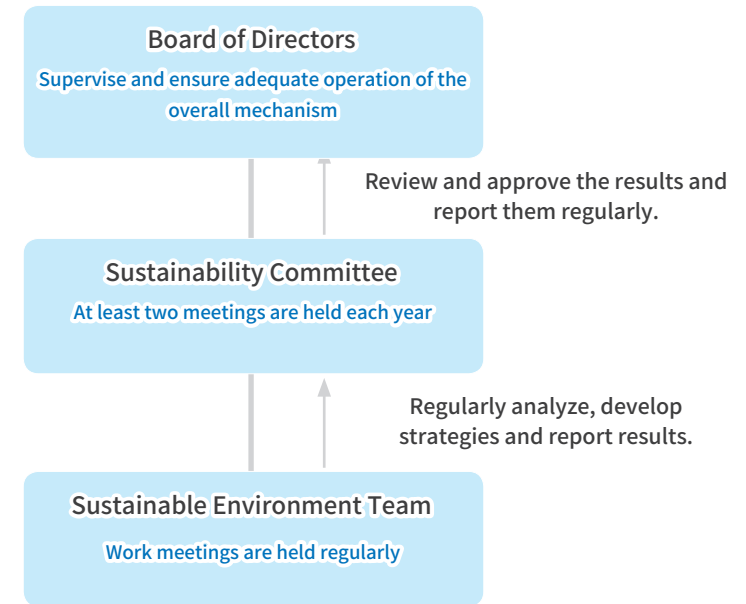
In order to effectively monitor climate risks, we have set up a sustainable environment functional team under the Sustainability Committee. The team members consist of employees from R&D, finance, environmental safety, quality assurance, human resources, supply chain, strategy, and plant operation units. The team is headed by a senior executive from the business group, who leads the team to jointly analyze, develop and promote the Company’s climate-related initiative in an integrated manner across different departments. The results will be reported to the Board of Directors on a regular basis after being reviewed by the Sustainability Committee.

Important matters related to climate change discussed in 2022 Board Meetings:

1. Report the greenhouse gas inventory and verification plan on a quarterly basis.
2. Inventec’s implementation of sustainable development in 2021, including the establishment of a renewable energy team, energy management results, green R&D results, energy conservation and carbon reduction results, etc.
3. Establishment of the Sustainability Committee as well as the sustainable environment team to serve as the main implementation unit for climate governance at Inventec.

Task Force on Climate-related Financial Disclosures (TCFD) - Strategy

Inventec has developed the climate action approach to define risk assessment and identification procedures for capturing risk factors such as policies and regulations, technology, market, reputation and extreme weather. Meanwhile, Inventec also evaluates the niche of potential opportunities and looks for opportunities in markets, products/services, resource efficiency, etc. to develop new businesses and services. Inventec’s 2030 Low-carbon transformation plan is structured into three phases: short-term (2023-2024), mid-term (2025-2027), and long-term (2028-2030). The plan aims to identify climate-related risks and opportunities that are relevant to the Company’s operations and incorporate effective risk and opportunity management into the operational management framework of each department.



3.1 Climate Resilience

3.1.1 Climate Change Governance Framework

Climate Change Risk Analysis

| Risk Type | Item | Risk Description | Timeframe | Potential Financial Impact | Impact on Value Chain | | | Adaptation / Mitigation Measures |
|-----------------|-----------------------|---|---------------------|---|---|--|---|---|
| | | | | | Upstream (supplier) | Inventec itself | Downstream (client) | |
| Transition Risk | Regulation and Policy | Increased sustainability related requirements and norms | Short to long term | Increased operational costs | Due to low-carbon-related regulations and certification requirements, suppliers reflect increased operating costs in their prices, thereby increasing procurement costs. | In order to immediately follow up and comply with regulations, sustainability management and related certification requirements, it will lead to increased costs such as certification fees, manpower, consultants, energy-saving technology or equipment investment, etc. | In response to customer requirements for low-carbon products, sustainable products or renewable energy, the costs of related low-carbon transformation or investment will increase. | <ul style="list-style-type: none"> Regularly follow up and publicize the relevant policies and laws and regulations of the supervisor, and assist various departments to understand and comply with relevant issues and laws, so as to shorten the Company's response time. Each plant of Inventec will cooperate with customers to carry out operations related to product carbon footprint from the value chain. Use the SBT science-based reduction target tool to set the scope 1 and scope 2 greenhouse gas reduction targets as "Aiming at a global warming of 1.5° C; using 2018 as the base year, reduce Scope 1 and 2 greenhouse gas emissions by 50.4% in 2030". Inventec's greenhouse gas emissions in 2018 were 138,934 metric tons of carbon dioxide equivalent, and the 2030 SBT reduction target annual greenhouse gas emissions need to be reduced to 68,911 metric tons of carbon dioxide equivalent. In response to customers' RE 100 renewable energy requirements, Inventec adopts and installs renewable energy facilities to gradually increase the proportion of renewable energy usage year by year in order to meet customer demands. Introduction of a digital carbon inventory system enables real-time access to carbon data and analysis of Inventec's greenhouse gas emissions. The Sustainability Committee monitors the greenhouse gas emissions on a regular basis, and reports the progress of the inventory and verification implementation to the Board of Directors. After the statement is obtained through third-party verification, it will be disclosed in the annual report and the sustainability report of Inventec. Actively coordinate and assist customers in applying for various energy efficiency marks and product carbon labels. Strive to find ways to reduce environmental impact and reduce the total energy consumption in the product life cycle. The recycling rate of the main laptop computers and AIO-related products designed in 2022 is as high as 90%, which is better than the EU WEEE requirement of 70%. In the future, the Company will continue to work towards low-carbon design, so that materials can be used more efficiently to reduce the impact on the environment. Implement de-plasticization: 100% of the notebook computer packaging design has been introduced to remove plastic non-woven fabrics in 2022, and the overall reduction of plastic labels attached to the machine by paper will continue to accelerate the removal of plastic usage from 2022 to 2023 to 90%. Reducing packaging waste: Inventec is concerned about the generation of packaging waste, requiring all packaging material suppliers to comply with the EU Packaging Material Directive, limiting the total concentration of lead, cadmium, mercury and hexavalent chromium in packaging or packaging parts, and achieving recycling targets for various packaging materials. |
| | | Increased cost of greenhouse gas emissions | Short to long term | | The increase in suppliers' low-carbon emission costs leads to an increase in operating costs, which in turn results in an increase in material procurement costs. | In response to the trend of implementing carbon pricing in various operating bases, if carbon emissions cannot be reduced immediately, the tax burden will result in higher operating costs. | The increase in carbon management costs leads to an increase in product prices, which affects market competitiveness and customer orders. | |
| | Technology | Low-carbon technology transformation cost | Medium to long term | Increased research and development / operational / production costs | Suppliers have increased operating costs in response to the low-carbon transformation, which in turn has led to increased material costs. | Facing the technical challenges of low-carbon transformation, relevant technologies and equipment need to be effectively invested, which will increase operating costs. Failure to effectively invest in equipment or improve manufacturing processes in a timely manner, production capacity may be affected. | A large amount of fund has been invested to accelerate the low-carbon transformation, resulting in increased costs, and leading to weakened price competitiveness and affecting customer orders. At the same time, if technology cannot keep up with the latest one, orders will be affected. | |
| | Market | Change in customer behavior | Short to long term | Increased operational / production / management costs | In response to the low-carbon transformation needs in the market, if major suppliers follow the requirements of major brand customers and carry out active supply chain management, their operating costs will increase accordingly, which may be reflected in higher prices. If the main suppliers fail to meet the requirements or transformation immediately, cooperation may be affected. | The use of recycled materials and the energy efficiency of products combined with the trend of low-carbon materials have become the key elements of market competitiveness. The Company needs to continue to invest in necessary research and development and new technology development to prevent the Company from losing competitiveness. | In response to sustainable transformation and net zero commitments, customers will focus on improving the green manufacturing of their products. Therefore, customers will put forward more requirements for renewable energy or carbon reduction targets to their upstream suppliers. | |
| | Reputation | Increased negative feedback from stakeholders | Medium to long term | Increased operational costs and decreased operational income | Stakeholders request high-standard implementation of carbon reduction or low-carbon transformation measures, resulting in an increase in operating costs, which in turn affects product prices. | In response to ESG investment development and sustainable financial norms, if the Company does not take active sustainable actions, it will have an impact on relevant fund lending, market evaluation, or partner evaluation, which in turn will affect the willingness to invest in the Company. | Brand customers are being scrutinized by the public on the implementation of their net-zero commitments. Brand customers in turn demand the supply chain to implement more aggressive low-carbon management measures. Failure to meet the relevant requirements will undermine their competitiveness. | |

3.1 Climate Resilience

3.1.1 Climate Change Governance Framework

| Risk Type | Item | Risk Description | Timeframe | Potential Financial Impact | Impact on Value Chain | | | Adaptation / Mitigation Measures |
|---------------|----------------|--|---------------------|---|--|--|--|--|
| | | | | | Upstream (supplier) | Inventec itself | Downstream (client) | |
| Physical Risk | Long-term Risk | Rising average temperature | Medium to long term | <ul style="list-style-type: none"> Increased operational costs Increased insurance liability due to climate-related impacts leading to insurance claims Decreased income due to productivity loss (e.g., supply chain disruptions) | The increase in the rate of power cuts and outages due to the rise in average temperature will affect the operation of upstream factories and the stability of component supply. | Due to the rise in average temperature, the rate of power cuts and outages will increase, which will affect the daily operation of the plant and lead to a reduction in production capacity. In addition, the increase in temperature will increase the power consumption of the air-conditioning system, resulting in an increase in electricity costs and an increase in carbon emissions. | Persistent high temperature may cause drought or labor force decline, which will expose the Company to the risk of operation and supply chain electricity/ water interruption. It may further affect the delivery commitment to customers. | <ul style="list-style-type: none"> The three plants of Inventec have disaster contingency measures and business continuity plans (BCP), and drills are conducted every year according to the plan to reduce the potential impact of climate change. Inventec Shilin Headquarters has established a "real-time energy management monitoring system" in 2016 to monitor high-energy-consuming equipment through the information system, and Inventec has been gradually phasing out the high-energy-consuming equipment (replaced the chiller system in 2018) to improve the energy efficiency of air-conditioning related equipment. Inventec's energy-saving and carbon-reduction plans for each plant have been carried out for many years, and the carbon-reduction performance has reached a certain limit. In addition, the expected rise in electricity prices in the future will impact energy use costs. In order to reduce the increase in electricity consumption of air-conditioning related equipment caused by the increase in temperature, all major operating sites have introduced the ISO 50001 energy management system to promote various energy-saving and carbon-reduction initiatives. Green building design is the primary consideration when building a new plant, and the surrounding ecological and environmental factors are also taken into account to reduce the impact of climate risks in the future. Continue to hold sustainable supply chain workshops to enhance the supply chain's awareness of various climate change management. Assess the potential impact of extreme weather on the plants every year, and plan ahead for mitigation/adaptation plans to reduce the impact of extreme weather on the plants. |
| | Extreme Risk | Increased extreme weather events - typhoon/rainstorm | Short to long term | | Extreme weather such as typhoons/floods lead to damage to plant equipment, resulting in interruption of production capacity and affecting production. Hence, materials cannot be delivered smoothly. | It may cause damage to plant equipment, resulting in interruption of production capacity as well as a drop in production, which may cause delay in shipments. | Extreme weather such as typhoons/floods may disrupt the supply chain, affecting delivery or increasing delivery costs. | |
| | | Increased extreme weather events - drought | Medium to long term | | The water restrictions cause interruption of production, resulting in a drop in production and affecting the stability of raw material supply. | The water demand in Inventec's manufacturing process is relatively low, but sudden water restrictions will affect the lives of employees, and may also cause production interruptions and affect shipments. | Sudden water restrictions disrupt supply chains and may affect customer deliveries. | |
| | | Increased extreme weather events - high temperature | Short to long term | | Sudden high temperature weather leads to power cuts and increased power outage rates, affecting plant operations and the stability of component supply. | It leads to an increase in the rate of power cuts and outages, which affects the daily operation of the plant and reduces production capacity. | Due to the sudden high temperature weather, the rate of power cuts and outages increased, which affects the delivery to customers. | |

Climate Change Opportunity Analysis

| Opportunity Type | Timeframe | Potential Financial Impact | Opportunity Description | Implementation strategy / actions |
|---------------------------------|---------------------|---|--|--|
| Product and service | Short to long term | Reduced operational costs Expanding into new markets | Develop new products and services through R&D and innovation | <ul style="list-style-type: none"> Combine circular economy and incentive cycle design, strengthen value chain cooperation, jointly develop net-zero new generation products, select raw materials with low carbon, low energy consumption, and low toxicity, and provide customers with solutions to reduce environmental impact. Shanghai Municipal Development and Reform Commission issued the "Shanghai Implementation Plan for Promoting Carbon Neutrality Pilot Construction in Key Areas and Industrial Parks", and Inventec expects to obtain innovative technology and financial support by continuously grasping the direction of future promotion. Inventec has adopted pulp packaging for more than 90% of its laptop packaging designs and the use of original plastic material EPE is reduced; more than 80% of recycled plastics are also selected for the original plastic material EPE, and in the long term, the development and design guidance system and technology management platform are established to improve design efficiency. Continue to develop business opportunities for liquid cooling servers. |
| | Short to long term | Expanding into new markets | Diversification of business activities | Through the short-, medium-, and long-term goals set by the various functional teams under the Sustainability Committee, combined with various action plans, Inventec incorporates them into the operating model, which can be considered as a new business model in the future. |
| Resource utilization efficiency | Medium to long term | Reduced operational costs | Use more efficient manufacturing and distribution processes | The new building adopts green construction methods, while the concept of green practices is gradually being introduced to the old plants. This includes replacing high energy-consuming equipment to reduce electricity costs, minimize energy consumption, and lower the overall greenhouse gas emissions. |
| Energy sources | Medium to long term | Reduced operational costs | Renewable energy setup and management | Set up a renewable energy team to regularly review and monitor the planning and use of renewable energy, and report to the Sustainability Committee on a regular basis. |
| | Medium to long term | Reduced operational costs | Participate in the renewable energy and carbon market | <ul style="list-style-type: none"> Seek to obtain internationally recognized renewable energy certificates and grab the opportunities of green power purchases to meet various international low-carbon needs. Shanghai released the "Shanghai Renewable Energy and New Energy Development Special Fund Support Measures" in November 2022. It is expected that the power generation capacity of renewable energy will increase in the future, and there are opportunities to obtain subsidies through project applications to reduce operating costs. |

3.1 Climate Resilience

3.1.1 Climate Change Governance Framework

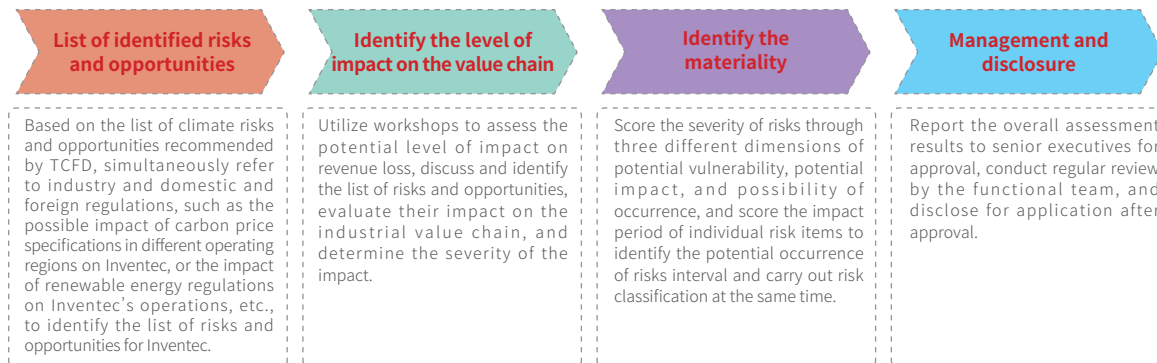
Inventec conducts the assessment through the 1.5 °C climate scenario. In addition to continuing the scope 2 energy conservation and emission reduction management, Inventec also conducts scope 1 carbon reduction projects. At the same time, Inventec formulates the following low-carbon transformation strategies to achieve the long-term carbon reduction goals set by the Company:

- ◆ Practice green energy development: Inventec takes practical actions to support the world to accelerate the elimination of fossil fuels, actively implements renewable energy utilization and improves energy efficiency programs to promote the development of the new energy market and fulfill carbon reduction commitments.
- ◆ Transform smart manufacturing: Leverage Inventec's excellent artificial intelligence technology, apply it to promote high-efficiency and energy-saving production and manufacturing, deepen low-carbon design capabilities and increase initiatives such as recycling and reuse to uncover decarbonization potential.
- ◆ Join hands to carry out low-carbon management: Expand Inventec's leadership in carbon reduction, set carbon reduction goals with internal and external stakeholders and promote them pragmatically. Set the carbon reduction target for 2030, implement a carbon inventory digital system to effectively manage greenhouse gas inventory data and integrate supplier carbon data, and accelerate the transformation of the value chain towards net-zero.
- ◆ Based on circular innovation: Expand the technological advantages and venturing into areas such as 5G smart factories and AI/data and adopt a diversified business model to meet customer demands. Incorporate circular innovation thinking into product design core and service solutions, promote systematic cooperation in the value chain, implement resource recycling and zero waste, and create opportunities for carbon reduction at all stages of the product life cycle.
- ◆ Return to nature solution: Inventec is well aware of the importance of natural ecology in mitigating climate change and supports the reduction and offset of greenhouse gas emissions from operating activities through the maintenance, restoration and management of ecosystems.

Task Force on Climate-related Financial Disclosures (TCFD) - Risk Management

The Inventec Sustainability Committee was established in 2022, its risk management functional team will regularly identify, inventory, assess and track various environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality since 2023. The Company also integrates risk management into daily operations and incorporate climate change issues into environmental risks for control. The Board of Directors of Inventec is the highest governance unit for risk management, and regularly supervises the operation of risk management every year to implement the risk management mechanism.

In recent years, climate change methodology has gradually matured. Inventec has organized multiple TCFD workshops and educational trainings to follow the principles of 1) identifying the list of risks and opportunities, 2) identifying the level of impact on the value chain, 3) identifying the materiality of climate, 4) the four major steps of management and disclosure, through the communication and discussion of functional teams, identify climate-related risks and opportunities that may occur in different scenarios, and discuss relevant actions through workshops in response to the identified risks and opportunities, and report to the supervisor for approval. It was later revealed to the outside world.



Climate Risk Scenarios

| Scenario Type | Boundaries | Description of the Impact of Scenarios (Impact on Inventec) |
|------------------|--|---|
| Transition Risks | <ul style="list-style-type: none"> ● Major products: laptop computers and servers. ● Product sales area: mainly North America, Europe and China. | <p>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.</p> <ul style="list-style-type: none"> ● 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 pilot run of "carbon inventory" will start 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. ● The Legislative Yuan formally passed the third reading of the amendments to the "Climate Change Response Act" on January 10, 2023, and it is expected to propose relevant sub-laws in the first half of 2023. Carbon fees will be levied gradually in the future. Although Inventec is not in the first batch of levy targets, but it is necessary to continue to introduce carbon reduction measures to prevent higher operating costs. |
| Physical Risks | <ul style="list-style-type: none"> ● Analyze by Geographic Boundaries: Inventec's operating base is located in northern Taiwan, so the main reference is the "Taiwan Climate Change Projection and Information Platform, TCCIP". ● Product sales area: mainly North America, Europe and China. | <ul style="list-style-type: none"> ● 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 change in daily average rainfall ranges from a decrease of 52mm to an increase of 101mm. ● 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, resulting in higher operating costs. The increase in rainfall may cause extreme weather such as typhoons, floods, and sea level rise, which may not only affect the infrastructure and continuous operations, but may also cause interruption of upstream supply and downstream delivery. 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. ● The World Meteorological Organization (WMO) defines that a phenomenon in which the daily maximum temperature exceeds the average maximum temperature by 5° C in the normal period for 5 consecutive days is called a "heat wave". Inventec has operations in the regions such as North America and Europe where heat waves took place in 2022, resulting in drought or water shortages, which may affect operations and cause reduced revenue or increased costs. |

3.1 Climate Resilience

3.1.1 Climate Change Governance Framework

Task Force on Climate-related Financial Disclosures (TCFD) - Metric and Target

Based on the identified risks, Inventec sets mitigation goals and incorporates them into daily operational controls and additionally sets a carbon reduction target for 2030 and conduct regular reviews to monitor progress.

◆ Greenhouse gas inventory indicator:

Disclose greenhouse gas emissions (Scope 1, 2, and 3) and sets reduction targets based on science-based targets. Aim to align the reduction targets with the goal of limiting global warming to 1.5°C .

| | Base year | 2025 target | 2030 target |
|------------|-----------|-------------|-------------|
| Scope 1, 2 | 2018 | 29.4% | 50.4% |
| Scope 3 | 2020 | 21% | 42% |

◆ Renewable energy target:

Expand to adopt and install renewable energy facilities to continuously increase the renewable energy proportion to 55% in 2030.

◆ Energy saving target:

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

◆ Water resource management target:

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

◆ Waste management target:

Taking 2014 as the base year, waste will be reduced by 25% by 2025.

◆ Product energy saving design target:

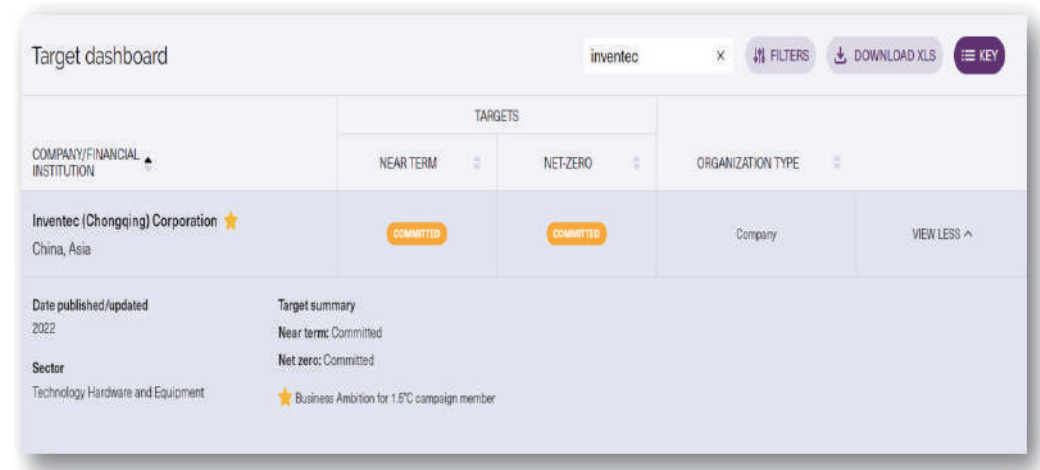
- The goal of energy-saving design for notebook computers: Continuously obtain relevant certifications and achieve the efficiency of energy use exceeding the latest ENERGY STAR Computers Specification Version 8.0 standard by 25%.
- The goal of energy-saving design for servers: Continuously obtain certifications for new mass-produced servers applying for the ENERGY STAR Computer Servers Specification Version 3.0 standard in 2023 based on the product design and development schedule.

ICC Joins Science Based Targets initiative (SBTi)

◆ SBTi (Science Based Targets initiative) is a global collaborative initiative aiming at driving companies to set and implement scientifically sound emissions reduction targets. At the request of customer, ICC officially joined SBTi in March 2022 by signing a commitment letter. Under the guidance of third-party experts, the plant embarked on the process of setting SBTi science-based emissions reduction targets. After multiple rounds of internal team discussions and evaluations, the science-based emissions reduction targets was established. In 2023, the plant will formally submit the targets to SBTi for target validation, undergoing professional verification, assessment, and guidance from SBTi. Once the targets are validated, the plant will disclose the progress towards achieving the targets on an annual basis.

In 2022, ICC purchased international green certificate, specifically I-REC, for a total of 51 million kWh of renewable energy usage.

Inventec’s participation in SBTi demonstrates the Company’s vision and determination in climate action and sustainable development. Low-carbon environmental protection has become an integral part of the company’s sustainable development strategy. Inventec will continue to actively promote the transition to a low-carbon economy, reduce energy consumption and carbon emissions, and encourage more companies in the value chain to join the low-carbon environmental movement. Together, we will drive the progress of sustainable development and work towards a zero-carbon future.



3.1 Climate Resilience

3.1.2 Greenhouse Gas Emissions Management

The Operating Sites Covered by GHG Inventory

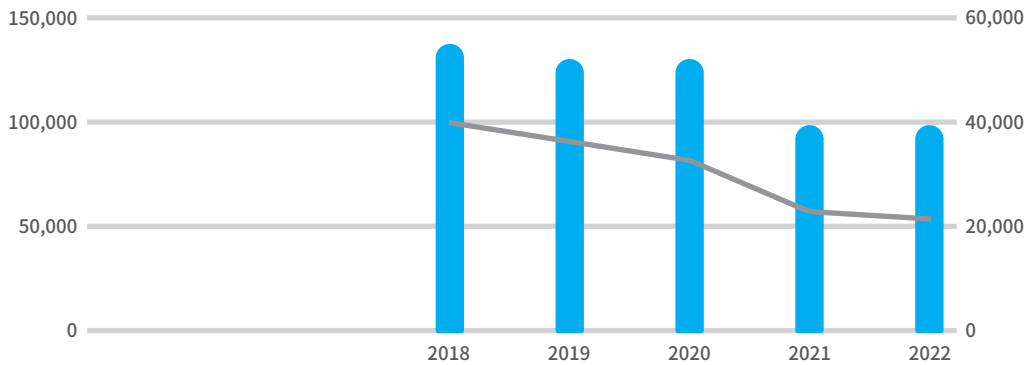
The operating sites of Inventec’s inventory of GHG emissions in 2022 cover a total of 11 operating sites of individual company and subsidiaries in the consolidated financial statements as follows:

- ◆ Individual company
IET, TAO, TRDC/ITO, the Taipei office, the Tainan building and IJC.
- ◆ Subsidiaries in the Consolidated Financial Statements
ICC, IPT/SQT, ICZ and IMX.

Greenhouse Gas Emission Intensity

- ◆ Greenhouse gas emissions intensity (Scope 1 emissions and Scope 2 emissions) of Inventec in 2022 was 22,276 metric tons of carbon dioxide equivalent / NT\$ 100 billion, which is 2.65% less than in 2021 (22,881 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), 2022 saw a decrease (44.08% reduction).
- ◆ According to the analysis, Inventec’s greenhouse gas emission intensity from 2018 to 2022 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 purchasing green electricity, acquiring renewable energy certificates, and installing solar power systems), reducing the usage of purchased electricity from the grid, and promoting energy saving and carbon reduction programs to reduce greenhouse gas emissions.

Inventec’s Greenhouse Gas Emission Intensity over the Years



| | | | | | |
|---|---------|---------|---------|---------|---------|
| Greenhouse gas emissions (tCO2e) | 138,934 | 132,114 | 132,920 | 100,900 | 100,769 |
| Greenhouse gas emission intensity (tCO2e/NT\$ 100 bn) | 39,832 | 36,959 | 32,659 | 22,881 | 22,276 |

Carbon Information Disclosure

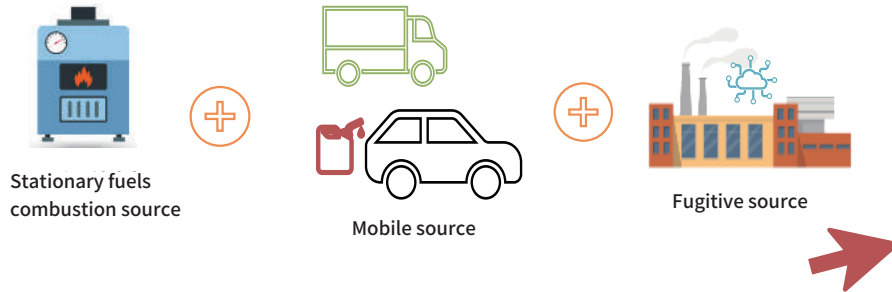
In order to meet the carbon information disclosure needs of Inventec stakeholder groups (including customers, shareholders/investors, and government agencies), Inventec has implemented greenhouse gas inventory operations since 2007. In addition to disclosing carbon inventory information in this report, 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.

3.1 Climate Resilience

3.1.2 Greenhouse Gas Emissions Management

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

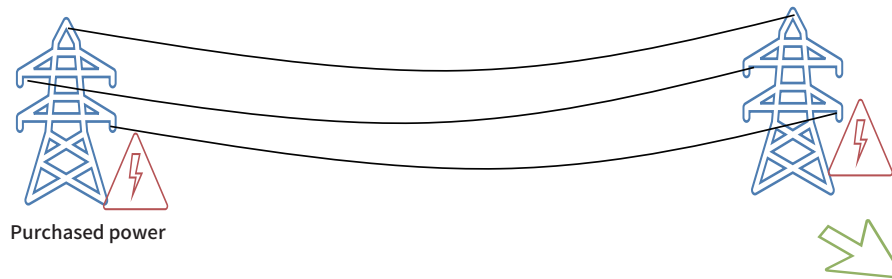
Unit (tCO₂e)



| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------|-------|-------|-------|-------|-------|
| Scope 1 | 7,878 | 7,912 | 7,122 | 7,142 | 7,344 |

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

Unit (tCO₂e)



| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------|---------|---------|---------|--------|--------|
| Scope 2 | 131,056 | 124,202 | 125,799 | 93,758 | 93,425 |

Greenhouse Gas Emissions of Scope 1 Emissions and Scope 2 Emissions in 2022

- Inventec's total greenhouse gas emissions in 2022 were 100,769 metric tons of carbon dioxide equivalent, among which the direct GHG emissions (Scope 1 emissions) were 7,344 metric tons of carbon dioxide equivalent (accounting for 7.29% of total emissions), and the indirect GHG emissions from energy (Scope 2 emissions) were 93,425 metric tons of carbon dioxide equivalent (accounting for 92.71% of total emissions).
- The main source of Inventec's greenhouse gas emissions in 2022 was the China factories (accounting for 68.50% of the total emissions). Among the greenhouse gas emissions of Inventec's 11 factories / offices, ICC's greenhouse gas emissions were the highest (accounting for 35.61% of the total emissions), followed by IPT (accounting for 28.14% of the total emissions) and TAO (accounting for 15.25% of the total emissions). The main reason is related to capacity adjustment/transfer.

Analysis of Scope 1 Emissions and Scope 2 Emissions in 2022 and 2021

- Compared with 2021 (The emission was 100,900 metric tons of carbon dioxide equivalent), Inventec reduced 131 metric tons of carbon dioxide equivalent (a decrease of 0.13%) in 2022, mainly due to the COVID-19 pandemic, factory production capacity adjustment, and the reduction of power factors for the facilities in China, Chongqing, and Mexico.

2022 Scope 1, Scope 2 and SBT Reduction Target Analysis

- Inventec has set its Scope 1 and Scope 2 greenhouse gas reduction targets as "targeting global warming of 1.5 ° C; taking 2018 as the base year, Scope 1 and 2 greenhouse gas emissions are reduced by 50.4% in 2030." Compared with the 2018 SBT reduction base year (138,934 metric tons of carbon dioxide equivalent), the greenhouse gas emissions in 2022 reduced by 27.47%; the 2022 greenhouse gas emissions reduced by 12.82% compared with the 2022 SBT reduction target (115,593 metric tons of carbon dioxide equivalent), achieving the target for the year. Inventec will continue to promote energy-saving and carbon reduction plans to achieve the short-term SBT reduction target by 2025 (29.40% reduction compared to 2018) and the mid-term SBT reduction target by 2030 (50.40% reduction compared to 2018).

3.1 Climate Resilience

3.1.2 Greenhouse Gas Emissions Management

2022 Greenhouse Gas Emissions of Scope 3 Emissions

Scope 3 greenhouse gas emissions of Inventec in 2022 was 879,219 metric tons of carbon dioxide equivalent. In 2022, after the scope 3 was identified through the materiality analysis and GHG Protocol hotspot analysis tool, and then the business unit considered the factors such as inventory/reduction requirements, resource input/cost, etc., it was determined that there were 9 categories for the quantitative implementation of the inventory including (1) use of sold products, (2) purchased goods and services, (3) downstream transportation and distribution, (4) investments, (5) downstream leased assets, (6) employee commuting, (7) upstream transportation and distribution, (8) the transportation and disposal of waste generated in operations, and (9) business travel.

Analysis of Scope 3 in 2022 Compared to 2021 and SBT Reduction Target

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%." Compared with 2021 (664,446 metric tons of carbon dioxide equivalent), the greenhouse gas emissions in 2022 increased significantly (an increase of about 214,772 metric tons of carbon dioxide equivalent), and compared with the 2022 SBT target (534,363 metric tons of carbon dioxide equivalent), it showed an increase. The reasons are mainly related to the range of quantification for scope 3 and the changes in production capacity.

| The Categories of Scope 3 | 2022 | 2021 | Analysis | Inventory and Calculation of Indirect Emission Items in 2022 |
|--|---------|---------|---|--|
|  Purchased goods and services | 170,931 | 195,876 |  | (NB) The indirect GHG emissions of power for raw materials manufactured by 20 suppliers: 115,180 tCO2e. (Sever) The indirect GHG emissions of power for raw materials manufactured by 10 suppliers: 55,751 tCO2e. |
|  Use of sold products | 543,288 | 364,671 |  | (NB) Indirect GHG emissions from electricity use (energy consumption) after sale: 103,513 tCO2e. (Sever) Indirect GHG emissions from electricity use (energy consumption) after sale: 439,775 tCO2e. |
|  Downstream transportation and distribution | 119,986 | 55,991 |  | (NB) Indirect GHG emissions of product shipments and transportation : 117,859 tCO2e. (Sever) Indirect GHG emissions of product shipments and transportation : 2,127 tCO2e. (New addition in 2022) |
|  Investments | 33,885 | 36,611 |  | Indirect GHG emissions of the invested companies purchasing power. Range: Inventec Appliances. |
|  Downstream leased assets | 5,097 | 4,249 |  | Indirect GHG emissions of the downstream lease companies. |
|  Employee commuting | 2,732 | 2,636 |  | Indirect GHG emissions of employee commuting (automobile and scooter) Range: IET, TAO, ICC, IPT and SQT. |
|  Disposal of waste generated in operations | 1,398 | 1,695 |  | Consignment of waste disposal.Range: IET, TAO, TRDC/ITO, ICC, IPT, SQT, ICZ and IMX. |
|  Transportation of waste generated in operations | 266 | 464 |  | Consignment of waste removal (transportation).Range: IET, TAO, TRDC/ITO, ICC, IPT, SQT, ICZ and IMX. |
|  Upstream transportation and distribution | 1,373 | 2,029 |  | (NB) The indirect GHG emissions of raw materials transported from 20 suppliers: 1,107 tCO2e. (Sever) The indirect GHG emissions of raw materials transported from 4 suppliers: 266 tCO2e. |
|  Business travel | 262 | 226 |  | Indirect GHG emissions of employee business travel and aviation.Range: factory floors in Taiwan (IET, TAO and TRDC/ITO) and China (ICC, IPT and SQT). |
|  Total | 879,219 | 664,994 |  | The reason for the increase is mainly due to capacity adjustment. |

3.1 Climate Resilience

3.1.3 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:

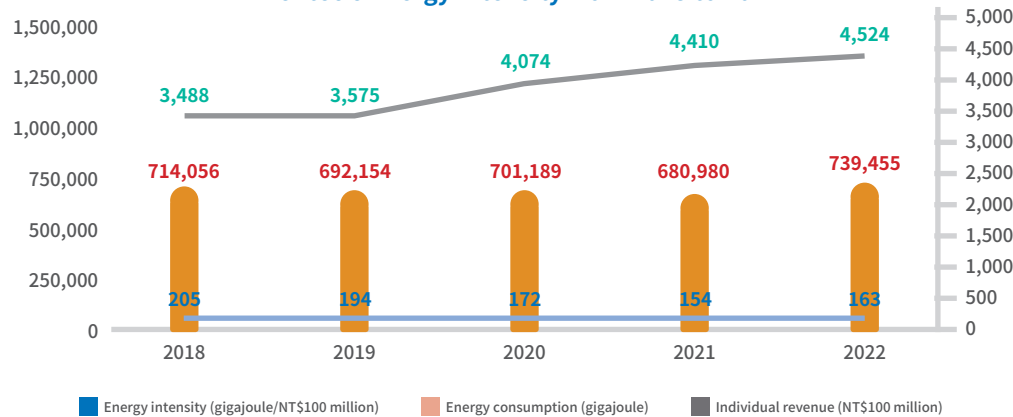
- Continuously improve energy efficiency and reduce the costs of energy usage.
- Comply authentically with regulatory requirements and comprehensively identify all kinds of energy sources.
- Review energy targets and objectives and ensure the availability of information resources.
- Implement the energy management system to reduce greenhouse gas emissions.

Non-renewable energy consumption: Energy consumption of Inventec's 11 operating sites (same as 3.1.2. Greenhouse gas inventory scope) in 2022 was 739,455 gigajoules (GJ) (including purchased electricity, natural gas, gasoline, diesel). Energy consumption is dominated by purchased electricity (accounting for 92% of total energy consumption). Compared with 2021, the consumption of energy (purchased electricity, natural gas, gasoline, and diesel consumption was 680,980 GJ) increased by 8.59%, mainly due to the adjustment of production capacity.

Non-renewable energy intensity: Inventec's energy intensity in 2022 was 163 GJ/NT\$100 million, an increase of 5.84% compared to 2021 (154 GJ/NT\$100 million).

According to the analysis of energy intensity from 2018 to 2022, Inventec's energy intensity has seen a downward trend, which shows that Inventec's efforts to reduce energy consumption while pursuing revenue growth are effective.

Inventec's Energy Intensity from 2018 to 2022



Inventec's Energy Consumption in 2022

| Energy categories | Inventec's Energy Consumption in 2022 (GJ) |
|--------------------------------|--|
| The consumption of electricity | 682,612 |
| The consumption of natural gas | 54,590 |
| Gasoline | 1,397 |
| Diesel | 856 |
| Total | 739,455 |

Energy Saving and Carbon Reduction

To alleviate the environmental impact caused by greenhouse gases emitted by company operations, Inventec has introduced the ISO 50001 Energy Management System into 6 factories, and PSG factories (ITO and IMX) will also gradually introduce it. Inventec continues to promote energy-saving and carbon-reduction programs to effectively reduce greenhouse gas emissions. 19 major energy saving projects were promoted in 2022, and more than 1.89 million kWh (6,832 gigajoules) were saved, which is equal to the carbon emissions reduced by 933 metric tons of carbon dioxide equivalent. The power saved increased by more than 0.72 million kWh compared with 2021 (an increase of 62.43%), and the carbon reduction increased by 309 metric tons of carbon dioxide equivalent compared with 2021. In 2022, the 19 energy saving projects saved a total of more than NT\$6.26 million in electricity bills.

- Energy saving for information center's sever room (PUE)
 - => IET: PUE in 2022 was 1.612 which decreased by 0.49% compared with 2021 (PUE=1.62) and decreased by 6.28% compared with the base year 2019 (PUE=1.72).
 - => ITO: PUE in 2022 was 1.43 which decreased by 2.72% compared with 2021 (PUE=1.47) and decreased by 50.35% compared with the base year 2019 (PUE=2.88).
 - => TAO: PUE in 2022 was 1.43 which decreased by 12.80% compared with 2021 (PUE=1.64) and decreased by 23.53% compared with the base year 2019 (PUE=1.87).
 - => ICC: PUE in 2022 is 1.31, compared with 2021 (PUE= 1.45) and the base year of 2019 (PUE=1.45), the difference in PUE is both 9.66% reduction.
 - => IPT/SQT: PUE in 2022 is 1.60, an increase of 5.96% compared to 2021 (PUE= 1.51) and an increase of 8.84% compared to the base year of 2020 (PUE=1.47).
- Energy saving in HQ (EUI) : EUI of IET in 2022 decreased by 17.10% to 127.42 MWh/1000 m² compared to 153.7 MWh/1000 m² in 2014 (base year).
- Energy saving in factories (EI): 2022 EI in China major sites decreased by 22.46% to 0.363 (kWh / NT\$ thousands revenue) compared to 0.468 (kWh / NT\$ thousands revenue) in 2018.



3.1 Climate Resilience

3.1.3 Energy Management

| Energy saving project \ Year | 2021 | | | 2022 | | |
|---------------------------------|---------------------|--------------------|-----------------------|---------------------|--------------------|-----------------------|
| | Numbers of projects | Energy saved (kWh) | Carbon reduced(tCO2e) | Numbers of projects | Energy saved (kWh) | Carbon reduced(tCO2e) |
| Air compressor system | 0 | 0 | 0 | 0 | 0 | 0 |
| Air conditioning exhaust system | 5 | 1,149,500 | 611 | 6 | 464,034 | 236 |
| Lighting system | 5 | 18,881 | 13 | 4 | 776,946 | 344 |
| Process improvement | 0 | 0 | 0 | 7 | 535,453 | 284 |
| Project (including management) | 0 | 0 | 0 | 2 | 121,398 | 69 |
| Total | 10 | 1,168,381 | 624 | 19 | 1,897,831 | 933 |

Factories: IET, ITO, TAO, IPT/SQT, ICC.

| Factory \ Year | 2019 | 2020 | 2021 | 2022 | Difference from the previous year | Difference from the base year |
|----------------|------|------|------|-------|-----------------------------------|-------------------------------|
| IET | 1.72 | 1.61 | 1.62 | 1.612 | -0.49% | -6.28% |
| ITO | 2.88 | 2.76 | 1.47 | 1.43 | -2.72% | -50.35% |
| TAO | 1.87 | 1.52 | 1.64 | 1.43 | -12.80% | -23.53% |
| ICC | 1.45 | 1.45 | 1.45 | 1.31 | -9.66% | -9.66% |
| IPT & SQT | / | 1.47 | 1.51 | 1.60 | 5.96% | 8.84% |

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

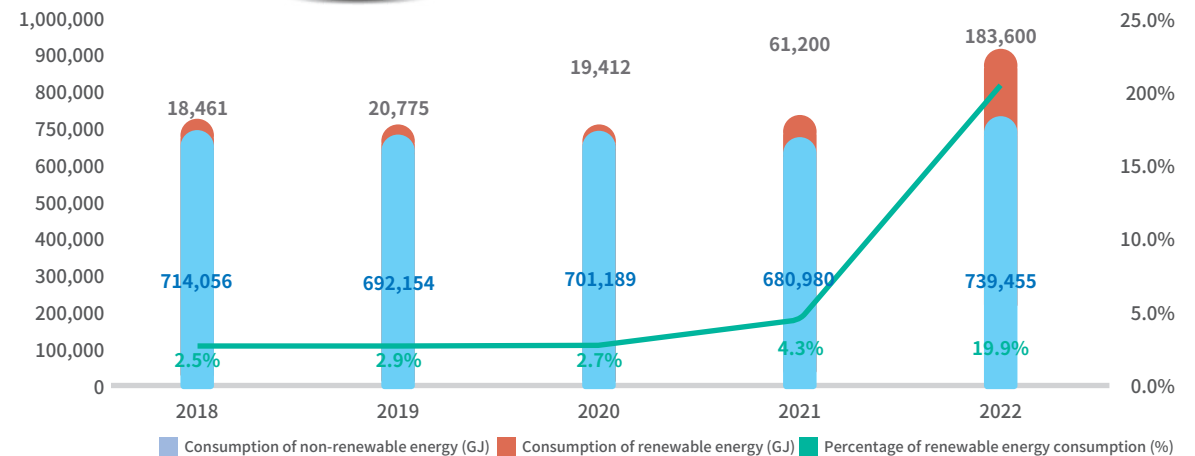
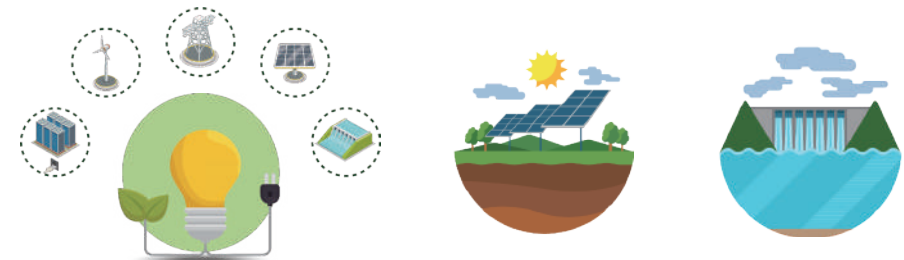
Renewable energy target:

In response to the global decarbonization trend and Inventec's low-carbon policy, Inventec has been gradually increasing the proportion of renewable energy usage, aiming to achieve a renewable energy usage rate of 55% by 2030.

(Note: In view of ongoing increase in investments and the addition of production sites, Inventec Group has adjusted the renewable energy usage rate from 69% to 55% by 2030. Inventec will continue to assess the renewable energy markets and infrastructure conditions in Taiwan and overseas, and make further plans for more environmentally friendly renewable energy usage.)

Inventec has established a renewable energy team to evaluate the purchase of carbon credits and renewable energy certificates, as well as to install solar power systems. The achievements are as follows:

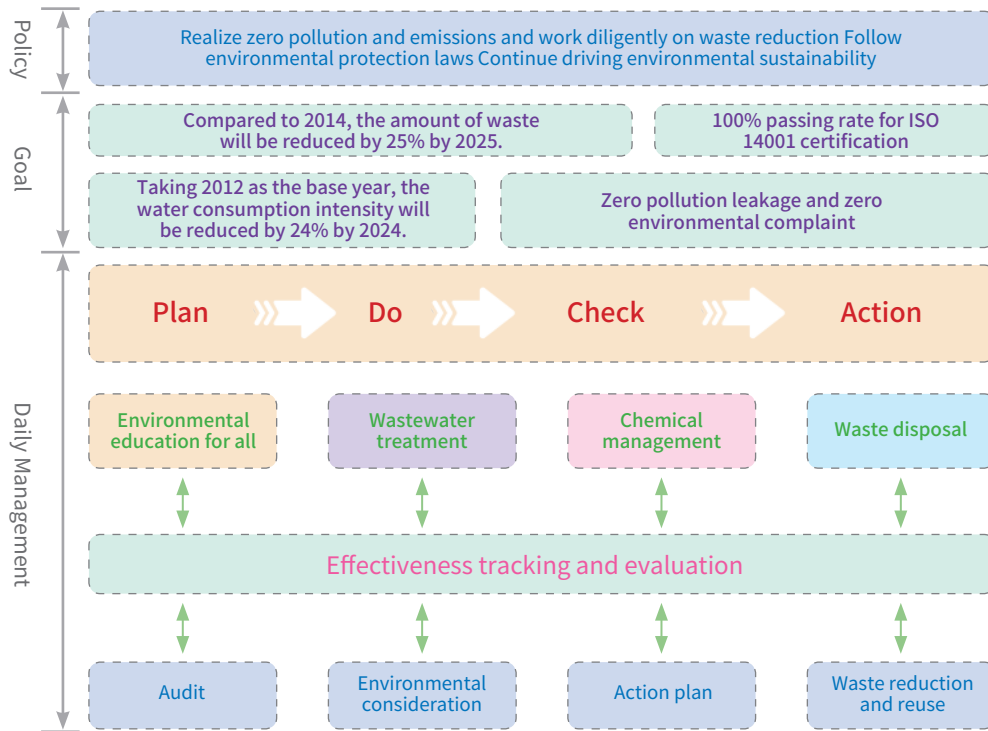
- In 2022, the renewable energy usage in Inventec's factories in China reached 51 million kWh (183,600 gigajoules, GJ), accounting for 19.9% of the total energy consumption in 2022. The carbon emissions eligible for deduction based on the market-based approach amounted to 29,085.3 metric tons of carbon dioxide equivalent.
- The renewable energy usage increased by 34 million kWh in 2022 compared to 17 million kWh (61,200 GJ) in 2021.



3.2 Environmentally Friendly

3.2.1 Environmentally Responsible Practices

Environmental Management System Operational Process



Chemicals

- ◆ To fully understand the safety information of chemicals and reduce the risk of chemical hazards causing harm to health 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 chemical disasters and accidents.
- ◆ No serious leakage happened to Inventec in 2022.

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 effectively prevent 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 resource, 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 qualification 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 2022.

Waste Gas Management

- ◆ Ozone-Depleting Substances (ODS): Inventec does not use CFC-11 (trichlorofluoromethane) in any of its factories.
- ◆ In 2022, only factories in China emitted 0.78 kg of nitrogen oxides from boilers and there were no emissions of sulfur oxides.

3.2 Environmentally Friendly

3.2.2 Environmental Responsibility Results

ICC Won Chongqing Trusted Environment-friendly Business Award

Adhering to the concept of "caring for employees, safe production, green energy and environmental protection, and keeping promises", ICC actively responds to the actions of the Chongqing Ecological Environment Bureau to promote the construction of an environmental credit system, always abides by environmental protection laws and regulations, fulfills social responsibilities for environmental protection, and obtains environmental management system certification. In 2022, the Chongqing Ecological Environment Bureau recognized ICC's environmental protection behavior and awarded the title and medal of "Trusted Environment-friendly Business". Currently, ICC has won this honor for two consecutive years.



ICC Won the Green Factory Recognition

In response to the national government's ecological civilization construction included in the "Five-in-One" overall layout, for the green transformation and upgrading of industrial manufacturing, ICC began to study and introduce the requirements of the "Green Factory Evaluation General Rules GB/T36132-2018" in March 2022, carrying out comprehensive evaluation and transformation of green factories from the five modules of land intensification, harmless raw materials, clean production, recycling of waste, and low-carbon energy. ICC was awarded the title of "2022 Chongqing Green Manufacturing System Demonstration Unit - Green Factory" by the Chongqing Economic and Information Commission. ICC was recommended for the application for "National Green Factory" to exert its exemplary role.



TAO Green Building

TAO's building is a green building that has obtained the LEED Gold certification from the US Green Building Council. The design of the factory incorporates the green building spirit of sustainability and environmental protection, creating an architectural style that takes health, comfort and innovation into consideration. TAO has a green coverage rate of more than 50% and it also pays attention to the advanced concepts of LEED green energy design such as water saving and energy saving, energy regeneration, and habitat biodiversity.

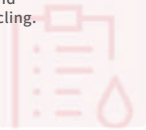


3.2 Environmentally Friendly

3.2.3 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 recycling 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 Management

- ◆ The information on waste disposal volume for Inventec from 2014 to 2022 indicates that waste disposal has been on a slight upward trend in the past three years as the organization's overall sales have increased. However, compared with the base year 2014, the waste disposal volume in 2022 still decreased by 9.58%, demonstrating Inventec's ongoing efforts in reducing environmental impact.
- ◆ Inventec's waste removal/treatment contractors' breach of contracts/violation of regulations in 2022: 0 cases.
- ◆ The total weight of the R&D pilot production waste recycling and resale at IET in 2022 was 9.64 metric tons, with a recycling percentage of 21.88% for scrapped products and electronic waste. The total weight of scrap materials in other plants was 734.51 metric tons. The weight of recycled scrap materials was 725.79 metric tons, with a recycling rate of 98.81%.
- ◆ The waste intensity in 2022 was 5,980.19 metric tons/TWD 100 billion revenue.
- ◆ The waste disposal volume in 2022 was equivalent to the volume of waste generated.

The Statistics about Weights of Scrap Materials in the Factories

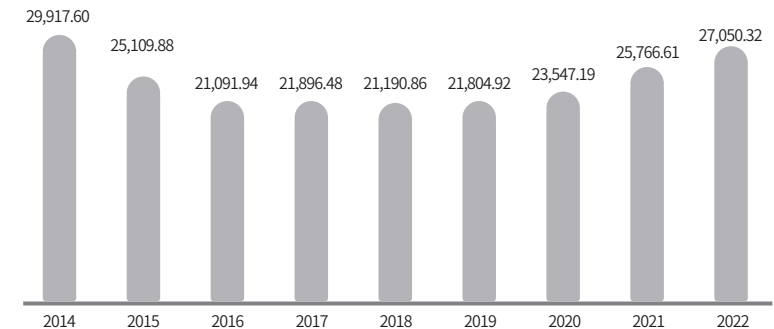
| Factory | ITO | TAO | IPT/SQT | ICC | Total | Recycling weight | Recycling percentage |
|---------------------|------|-------|---------|--------|--------|------------------|----------------------|
| Weight (metric ton) | 8.72 | 75.86 | 249.93 | 400.00 | 734.51 | 725.79 | 98.81% |

The Weight and Recycling Percentage of Scrapped Products and Electronic Waste

| IET (metric ton) | |
|---|--------|
| The weight of scrapped products of R&D pilot production recycled and resold in 2022 | 9.64 |
| Weight of hazardous industrial waste in 2022 | 34.41 |
| Weight of scrapped products and electronic waste | 44.05 |
| Recycling percentage of scrapped products and electronic waste | 21.88% |

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

Compared to 2014, the waste in 2022 was reduced by 9.58%.



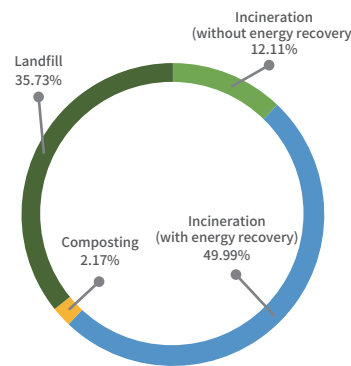
3.2 Environmentally Friendly

3.2.3 Waste Management

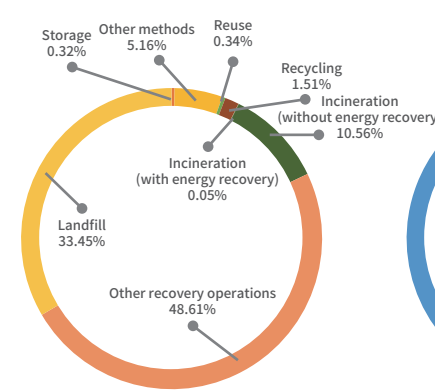
| Treatment Volume by Waste Disposal Method (metric ton) | | | | | | | | | | | |
|--|----------|-----------|------------|---------------------------|-------------------------------------|--|----------|---------|---------------|-----------|----------------------|
| Types of waste | Reuse | Recycling | Composting | Other recovery operations | Incineration (with energy recovery) | Incineration (without energy recovery) | Landfill | Storage | Other methods | Total | Total waste quantity |
| General | 0.00 | 0.00 | 75.77 | 0.00 | 1,741.94 | 422.04 | 1,244.91 | 0.00 | 0.00 | 3,484.66 | 27,050.32 |
| Hazardous | 2.84 | 12.61 | 0.00 | 406.00 | 0.38 | 88.19 | 279.40 | 2.71 | 43.13 | 835.25 | |
| Recyclable | 1,315.28 | 21,415.13 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 22,730.41 | |

Waste Analysis Management

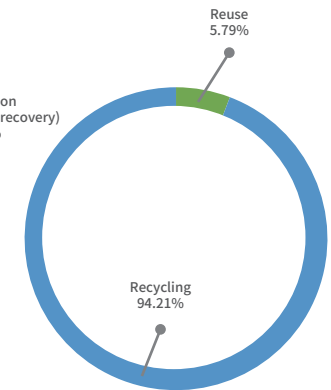
- ◆ Waste classification: Inventec’s waste categories are divided into general waste, hazardous waste, and recyclable waste.
- ◆ The waste disposal volume : The volume of waste generated by Inventec in 2022 was 27,050.32 metric tons, with recyclable waste accounting for the highest proportion (84.03%), followed by general waste (12.88%) and hazardous waste (3.09%). Recyclable waste refers to the waste arising from the reuse and recycling of general waste.
- ◆ Out of 2,163.98 metric tons of general waste incinerated, 1,741.94 metric tons (accounting for 80.5%) contained energy recovery. Out of 88.56 metric tons of hazardous waste incinerated, 0.38 metric tons (accounting for 0.42%) contained energy recovery.
- ◆ Treatment methods of waste:
 - (1) Recyclable waste: Focusing on reuse/recycling (accounting for 100%).
 - (2) General waste: Mainly incineration (62.1%), followed by landfill (35.73%).
 - (3) Hazardous waste: Mainly other recovery operations (48.61%, including energy recovery) and landfill (33.45%).



Proportions of General Waste Disposal Methods



Proportions of Hazardous Waste Disposal Methods



Proportions of Recyclable Waste Disposal Methods

3.2 Environmentally Friendly

3.2.3 Waste Management

UL2799 Zero Waste to Landfill Certification

Inventec has been committed to the establishment of a green and friendly environment for many years. TAO has started to move towards UL2799 Zero Waste to Landfill certification in 2022, fulfilling the mission of resource cradle to cradle and improving corporate sustainability competitiveness.

In order to achieve the goal of environmental friendliness, TAO reverses the linear economic model from manufacturing, production, and waste as the core of promoting circular economy. The Company's waste treatment principles give priority to the reuse of in-factory processes to reduce the use of raw materials; secondly, reuse and recycling, and finally incineration, to ensure that resources can be used effectively and to develop circular benefits.

The implementation plan is as follows:

- ✓ Process reuse: The original disposable container is replaced by a durable material container.
- ✓ Reuse: Reuse of waste misplaced domestic waste to improve the problem of inaccurate classification.
- ✓ External reuse: (1) wooden pallets are recycled and reused by the original supplier; (2) waste tin slag is recycled and reused by the original supplier.
- ✓ Reuse and recycling: (1) Wooden pallets are converted from incineration to physical treatment for reuse; (2) Plastic lunch boxes are converted from incineration to granulation for reuse.

In the factory, through education and training and the promotion of monthly group e-newsletter, TAO uses the transformation process of the whole factory, such as reduction, recycling and energy use, to avoid landfill treatment and waste of heat after incineration, and the overall resource conversion rate will reach 90% in 2023. As a result, it is expected to obtain UL2799 certification in 2023.

TAO - ESG Sustainable Development, Actively Working on UL 2799 Certification

It is remembered that Inventec participated in the "ESG Sustainability Initiative" press conference in August, and jointly advocated ESG sustainable development with more than 100 companies in Taiwan, paying attention to and implementing ESG actions. For a long time, TAO has also made every effort to carry out the environmental policy of "zero pollution, diligent waste reduction, greening products, conserving the big ecology, fulfilling corporate responsibilities, and promoting sustainable environment", which is consistent with the Company's goal of sustainable development in ESG.

In line with these sustainable goals, TAO is striving to obtain the first UL 2799 certificate for Inventec. UL 2799, also known as "Zero Waste to Landfill," aims to achieve the requirement of "zero landfill" for waste by encouraging companies to actively manage all waste generated within the factory area. With forward-looking thinking on waste management, "reduce, reuse, and recycle" management methods are used to achieve its reduction goals. Starting from 2023, TAO has been actively promoting a series of activities, such as monthly electronic newsletters, the online participation and learning of the "Waste Thinking and Operation Strategy" course by all colleagues in the factory, and convenient and intuitive waste recycling classification mechanism. All employees are committed to improving the plant's recycling conversion rate to more than 90% as a short- and mid-term goal, and moving towards the ultimate goal of 100% waste conversion rate.

"UL2799 Zero Waste to Landfill Certification" education and training and group e-newsletter publicity



3.2 Environmentally Friendly

3.2.4 Water Resource Management

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 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.

Policy

Water Management Policy

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

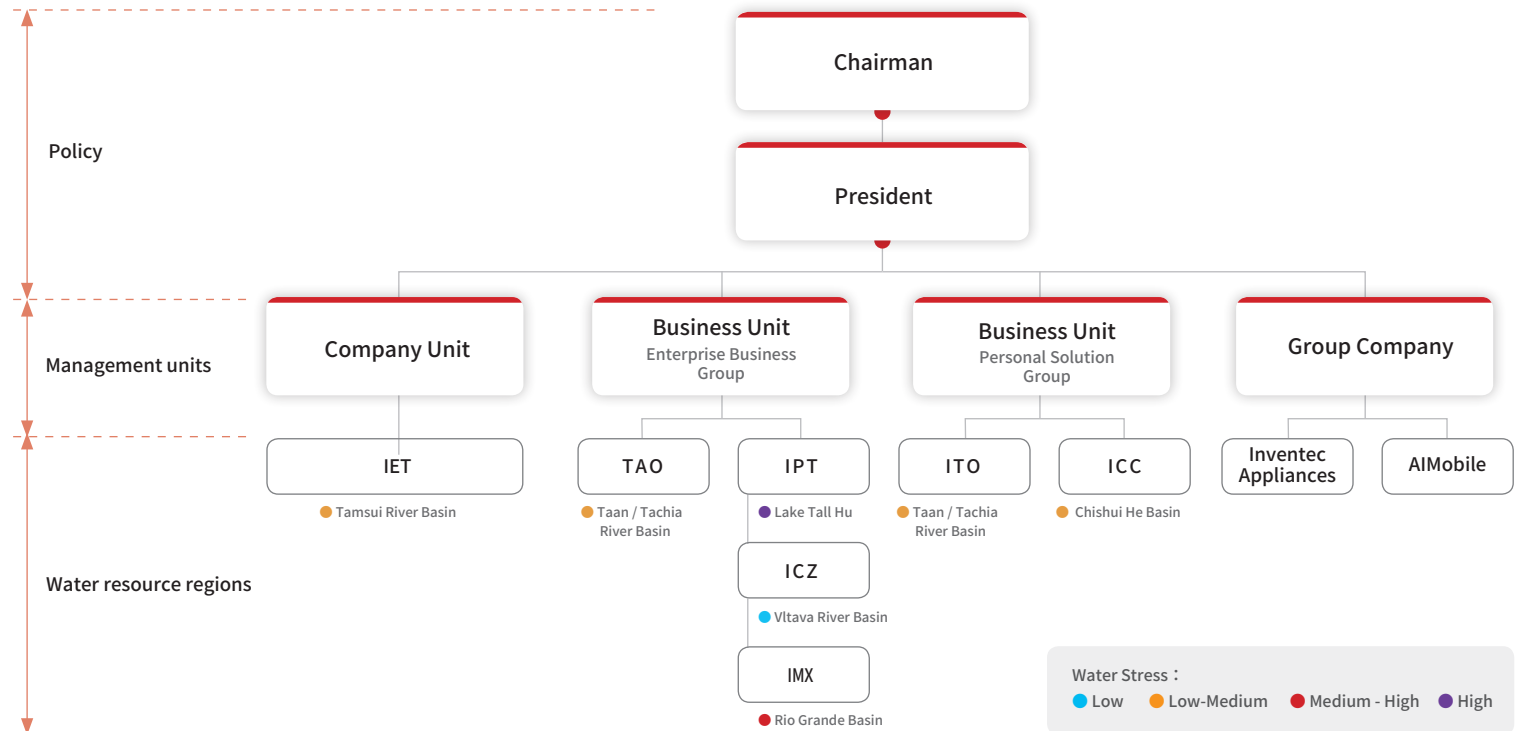
Objective

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

Practice

- Employee water-saving training is carried out by each factory floor to change water use behavior.
- Implement a water resource 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 resource every month to manage water resource usage.
- Implement a water resource management plan every year to improve water recycling rates.

Inventec Water Resource Management Structure



3.2 Environmentally Friendly

3.2.4 Water Resource Management

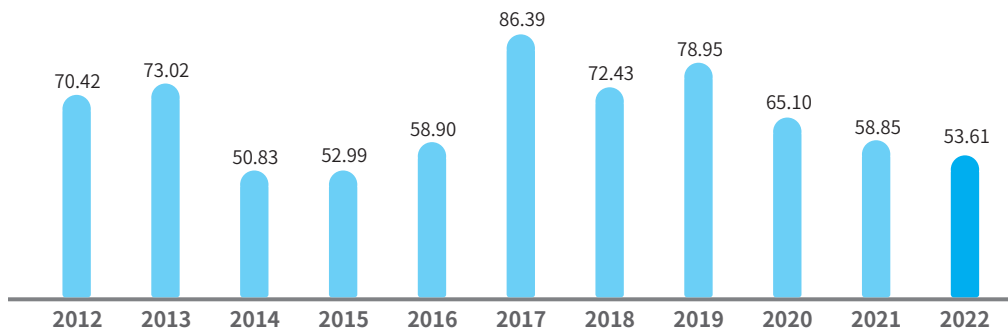
Improving Water Resource Efficiency

◆ Due to the nature of its industry, Inventec sources its water for various factories and offices from the tap water. The water is solely used for domestic purposes and is not utilized in manufacturing or production processes. The Company complies with local government regulations and laws regarding water usage, and no violations have been reported. In 2022, the total water withdrawal was 1.0529 million metric tons, which represents a decrease of 0.0287 million metric tons, or 2.65% decrease, compared to 1.0816 million metric tons in 2021. The per capita water withdrawal in 2022 was 53.61 metric tons/person, showing a decrease of 5.24 metric tons/person, or 8.90% decrease, compared to 58.85 metric tons/person in 2021. In comparison to 2012, the per capita water withdrawal has decreased by 23.87% in 2022.

| Water Resource Statistics (Metric Ton) | | |
|---|-----------------|-------------------|
| Water withdrawal (Tap water accounts for all) | Water discharge | Water consumption |
| 1.0529 million | 0.7392 million | 0.3137 million |
| Water Usage Intensity (Metric Ton / NT\$100 Billion in Revenue) | | |
| 232,755 | | |

| The Basins for Water Withdrawal and Discharge (Metric Ton) | | | | | | | |
|--|--------------|---------------------|---------------------|--------------|------------|--------------|------------|
| Factory | IET | ITO | TAO | IPT/SQT | ICC | ICZ | IMX |
| Basin | Tamsui River | Taan / Tachia River | Taan / Tachia River | Lake Tall Hu | Chishui He | Vltava River | Rio Grande |
| Water withdrawal | 24,098 | 68,152 | 109,590 | 210,580 | 618,676 | 5,861 | 15,945 |
| Water discharge | 21,688 | 29,699 | 59,872 | 189,522 | 433,073 | 5,275 | 75 |
| Water consumption | 2,410 | 38,453 | 49,718 | 21,058 | 185,603 | 586 | 15,870 |

Inventec's per Capita Water Withdrawal over the Years (Unit: Metric Ton / Person)

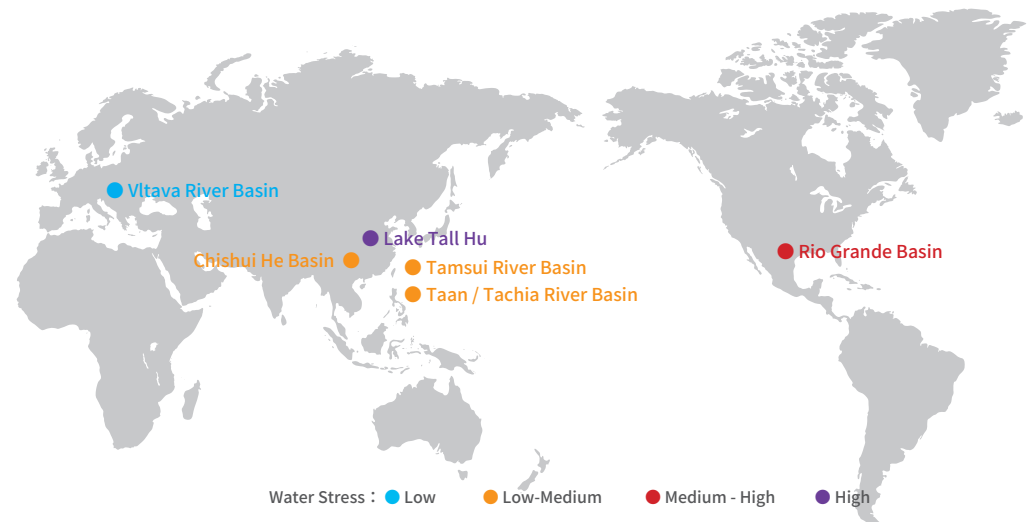


Water Risk Assessment

- ◆ In order to understand the water resource 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 factories, only IPT/SQT are located in an area with high water stress. This factories account for about 20.00% of Inventec's total water withdrawal and about 6.71% of total water consumption.
- ◆ IPT/SQT takes water consumption and discharge of domestic wastewater into environmental considerations, and conducts the following:
 1. Promote water conservation
 2. Post water saving signs
 3. Repair in time when water supply equipment leaks
 4. Consider the recycling of domestic wastewater

| The Assessment and Analysis of Water Resource Risk | | | | | |
|--|-----|------------|---------------|-------------|----------------|
| Risk level | Low | Low-Medium | Medium - High | High | Extremely High |
| Number of factories | 1 | 4 | 1 | 2 (IPT/SQT) | 0 |

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



3.2 Environmentally Friendly

3.2.4 Water Resource Management

Measures of Water Resource Management

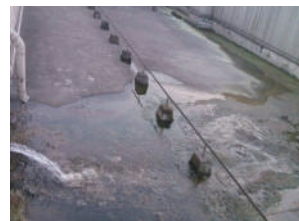
- ◆ All factories of Inventec have no demand for process water. With regard to the practice of water resources management, project management methods are adopted for water saving (such as installing water-saving equipment, setting up water recycling equipment, and water resources management for separate 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. The above activities are applicable to all factories and offices of Inventec Group. 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.
- ◆ The number of breaches/violations of Inventec due to water quality/quantity violations in 2022: 0.

Water Saving Achievements

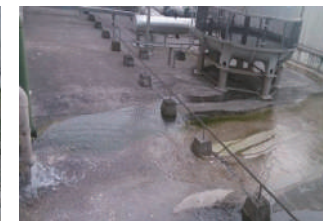
- ◆ Inventec promotes water resource management programs by means of reduction, reuse, recycling, etc.
- ◆ Implemented 2 water conservation initiatives in 2022, including :
 - IPT/SQT: The concentrated water of the pure water equipment is recycled and reused, saving a total of 7,610 metric tons of water, and the total water cost is about RMB 45,606.73.
 - ICC: Recycling and reuse of air-conditioning condensate water saved a total of 28,368 metric tons of water, and the total water cost was about RMB 129,074
- ◆ In 2022, Inventec estimated that the total amount of water saved was about 35,978 metric tons (accounting for 3.42% of the total water withdrawal), and the total water cost savings were about RMB174,680.73, equivalent to about NT\$781,347. Compared with 19,071 metric tons of water saved in 2021, an increase of 88.65% was posted (total water saving increased by 16,907 metric tons). Looking forward to the future, Inventec will plan to reduce water consumption at the source.

Water Saving Results in ICC

Industrial wastewater discharge



Drinking wastewater discharge



Air conditioning wastewater discharge



Before improvement : municipal water supply → Equipment consumption → Generation of waste water → Direct discharge

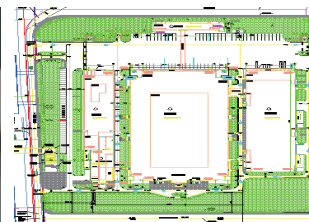
After improvement : equipment consumption → Generation of waste water → Recycling → Secondary use



Recycled water dosing treatment



Water usage for bathrooms



Greening around the factory

Effectiveness of Water-saving Programs

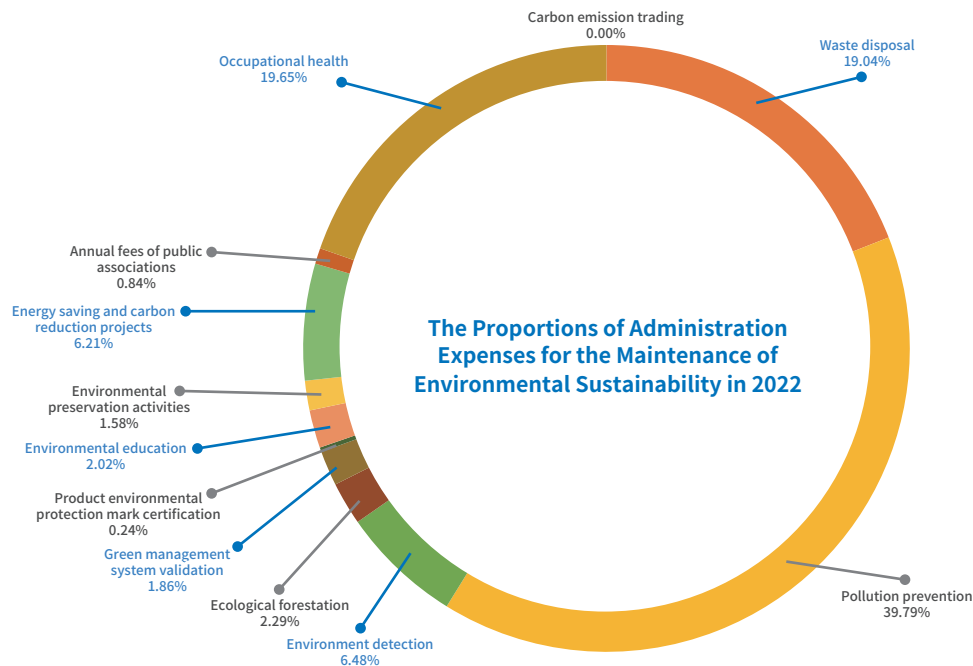
| Estimation of water saving | Water saving as a percentage of total water withdrawal | Saved cost of water |
|----------------------------|--|---------------------|
| 35,978 metric tons | 3.42% | NT\$ 781,347 |

3.2 Environmentally Friendly

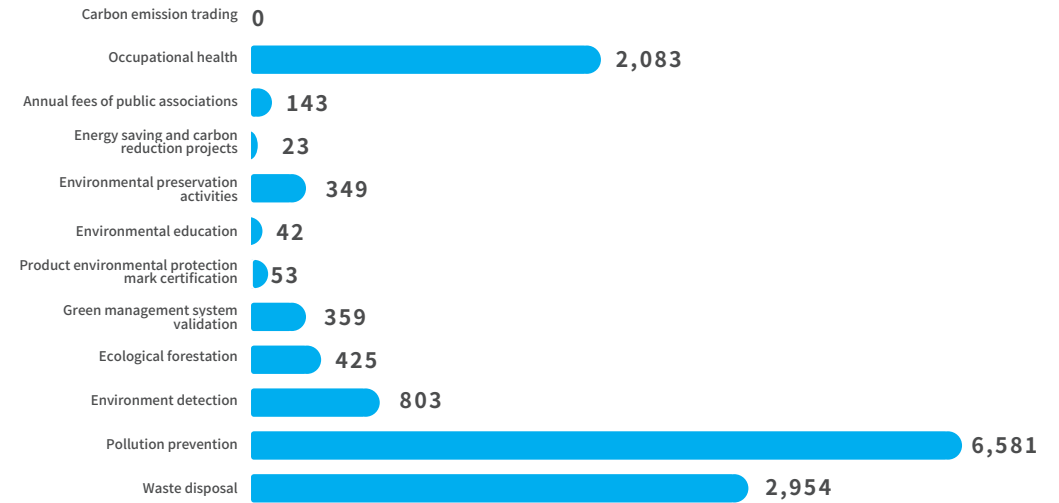
3.2.5 Environmental Management Accounting

Administration Expenses for the Maintenance of Environmental Sustainability

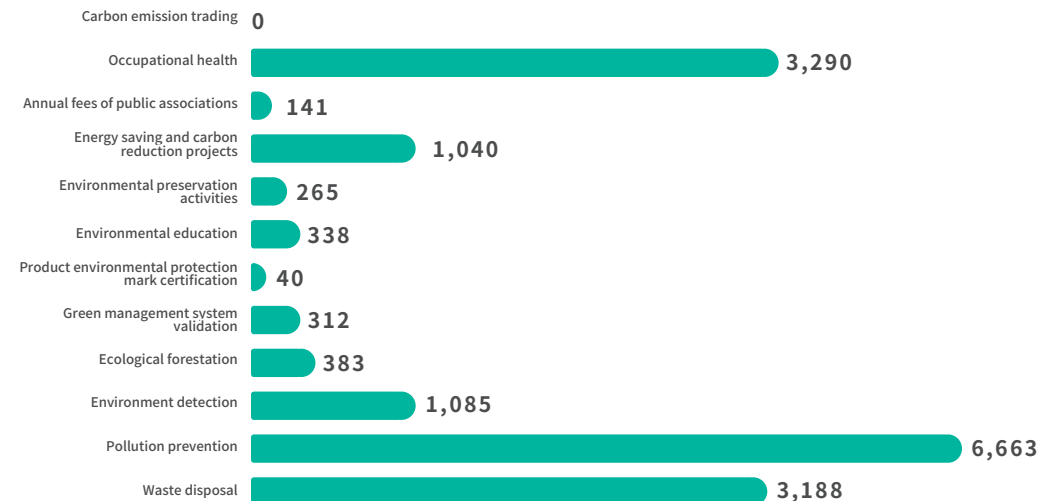
- ◆ Inventec takes environmental accounting as the framework to grasp the environmental expenditure information and the basis for evaluating the effectiveness of environmental expenditures and discloses relevant information to stakeholders.
- ◆ Administration expenses for the maintenance of environmental sustainability of Inventec in 2022 was NT\$167,452,451; respectively NT\$80,863,303 for environmental capital expenditures and NT\$86,589,148 for environmental expenses.
- ◆ If the administration expenses for the maintenance of environmental sustainability as a percentage of the 2022 total revenue which was more than NT\$541.7 billion, it is 0.03%.
- ◆ The proportions of Inventec’s various items of expenditure in 2022 and variations in expenses of each item from 2021 to 2022 are as shown in the figure.



2021 Cost Analysis (Unit: NT\$10,000)



2022 Cost Analysis (Unit: NT\$10,000)



3.3 Sustainable Ecology

3.3.1 Green Life Education

The Event of Stainable Supply Chain Partner Day

- ◆ On December 9, 2022, in Guandu Natural Park, Inventec held the 3rd Sustainable Supply Chain Partner Day event, aligning with international trends and tendencies, and urging supply chain partners to take into account sustainable development while developing the industrial economy, in response to the "United Nations Sustainable Development Goals (SDGs)". A total of 192 manufacturer representatives participated the event on that day.



3.3 Sustainable Ecology

3.3.1 Green Life Education

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 the spirit of holding supplier workshop. By convening a sustainable supply chain forum, we hope that our fellow suppliers also drive sustainable supply chain management policies as in Inventec Group and set goals and strive to fulfill the Group's requirements.
- ◆ The "2022 Inventec Group Sustainable Supply Chain Forum" held in Taipei was attended by 192 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.
- ◆ Through the Sustainable Supply Chain Forum held every year, Inventec Group provides suppliers with regular training on labor rights issues and environmental standards, including the RBA Responsible Business Alliance code of conduct, green product management requirements, etc.

Inventec sustainable supply chain: SDGs exchange activities of sustainable corporates



① Optimize Inventec sustainable sourcing structure



② Inventec's promotion from the inside out

Inventec Partners of sustainable supply chain



③ Promote the SDGs with the supply chain partners

Results of 2022 Inventec Group Sustainable Supply Chain Activities

| Dates | Location | Participating Suppliers | Main Agenda |
|-------|----------|-------------------------|--|
| 12/9 | Taipei | 192 people | <p>2022 Inventec Group Sustainable Supply Chain Forum</p> <ul style="list-style-type: none"> ◆ Inventec ESG sustainable supply chain management (S: Social, G: Governance) ◆ Inventec carbon reduction and renewable energy management requirements (E: Environmental) ◆ Inventec sustainable supply chain information security (G: Governance) ◆ Product responsibility of Inventec sustainable supply chain (E: Environmental, S: Social) |

2022 Sustainable Supply Chain Forum



3.3 Sustainable Ecology

3.3.2 Sustainable Ecological Education

Long-term Adoption of Wetland of National Importance

◆ 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 11 consecutive years by adopting the wetland of national importance, Guandu Nature Park. In the year of 2022, the ecological experience of a total of 91,297 people who visited Guandu Nature Park was improved.

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 "2022 Inventec Group Sustainable Supply Chain Forum" was held on December 9th, 2022. 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 4 stages of outdoor tours, 192 supplier representatives experienced the meaning of "environmental sustainability" and appreciated the "installation art" of 2022 Guandu International Nature Art Festival.
- ✓ Environmentally friendly packaged water, featuring a 47% reduction in plastics, 65.9g reduction in carbon dioxide equivalent emissions per bottle, and an increase of recycling space by more than 70%, was offered to the participants on the day.



Environmental education facility



Environmentally friendly packaged water

- 47% reduction in plastics
- 65.9g reduction in carbon dioxide equivalent emissions per bottle
- Increase of recycling space by more than 70%



Respond to 4 SDGs through venue, drinking water, etc.

Definitions in Sustainable Environment

Data Definition and Formula Description

Corresponding pages

Supplementary Explanation of Scope 1 / Scope 2 Greenhouse Gas Information:

1. GWP value reference version: IPCC 2021 AR6.
2. Emissions of biomass fuels: None.
3. Inventec greenhouse gas base year and its emission information are listed in the table.

For the contents of the third-party verification statement of Inventec Group's greenhouse gas, please refer to the external disclosure webpage :



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Supplementary Explanation of Scope 3 (Category 3 ~ Category 5) Greenhouse Gas:

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
2. Transportation of waste generated in operations (Category 3) and disposal of waste generated in operations (Category 4):
 - (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.
 - (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.)
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.
4. Transportation of raw materials (Category 3) \ purchased goods and services (Category 4):
 - (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).
 - (2) Transportation of raw materials: the total annual material transportation weight (based on the percentage of shipment) x transportation distance x emission factor.
 - (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.
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.
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.)
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.
8. Downstream leased assets (Category 5): The electricity consumption of lease company x emission factor.
9. For emission factors for each category of Scopes 3, please refer to Inventec GHG Third-party Verification Statement.

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● Supplementary notes on energy saving and carbon reduction information:

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.
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.

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Definitions in Sustainable Environment

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 | IET | 2020 | Category 1 | 331.2377 | 2,951.5356 | p. 72 |
| | | | Category 2 | 2,620.2979 | | |
| | TAO | 2020 | Category 1 | 1,595.1022 | 15,362.2583 | p. 72 |
| | | | Category 2 | 13,767.1561 | | |
| | TRDC/ITO | 2020 | Category 1 | 96.2388 | 3,542.0866 | p. 72 |
| | | | Category 2 | 3,445.8478 | | |
| | Taipei office | 2022 | Category 1 | 0.0000 | 0.4886 | p. 72 |
| | | | Category 2 | 0.4886 | | |
| | Tainan building | 2022 | Category 1 | 0.0000 | 10.4152 | p. 72 |
| | | | Category 2 | 10.4152 | | |
| IJC | 2022 | Category 1 | 0.2353 | 5.1307 | p. 72 | |
| | | Category 2 | 4.8954 | | | |
| ICC | 2022 | Category 1 | 3,199.3106 | Location-based Approach 35,882.4765 Market-based Approach 6,797.1765 | p. 72 | |
| | | Category 2 | Location-based Approach | | | 32,683.1659 |
| | | | Market-based Approach | | | 3,597.8659 |
| IPT | 2021 | Category 1 | 986.4053 | 28,901.2227 | p. 72 | |
| | | Category 2 | 27,914.8174 | | | |
| SQT | 2021 | Category 1 | 172.3364 | 4,089.5958 | p. 72 | |
| | | Category 2 | 3,917.2594 | | | |
| ICZ | 2021 | Category 1 | 395.3870 | 3,870.2961 | p. 72 | |
| | | Category 2 | 3,474.9091 | | | |
| IMX | 2022 | Category 1 | 456.1590 | 6,271.6683 | p. 72 | |
| | | Category 2 | 5,815.5093 | | | |


Greenhouse Gas Base Years and Emissions of Scope 3

| Company | | Base year | Greenhouse gas emissions (Metric tons of carbon dioxide equivalent / year) | | | | Corresponding pages |
|----------------------|-----------------|--------------|--|--------------|--------------|-------------|---------------------|
| | | | Category 3 | Category 4 | Category 5 | Total | |
| Inventec Corporation | IET | 2020 | 475.3242 | 31.4229 | 34,991.4687 | 35,498.2158 | p. 73 |
| | TAO | 2020 | 1,792.1046 | 227.1295 | 3,736.4682 | 5,755.7023 | p. 73 |
| | TRDC/ITO | 2020 | 3.3776 | 64.4421 | 245.3688 | 313.1885 | p. 73 |
| | Taipei office | 2022 | / | / | 9.0704 | 9.0704 | p. 73 |
| | Tainan building | 2022 | / | / | / | / | p. 73 |
| | IJC | 2022 | / | / | / | / | p. 73 |
| ICC | 2022 | 119,611.4283 | 115,899.9887 | 103,513.3422 | 339,024.7592 | | |
| IPT | 2021 | 281.1783 | 53,543.7736 | 0.0000 | 53,824.9519 | p. 73 | |
| SQT | 2021 | 2,448.4030 | 2,284.1534 | 439,775.1048 | 444,507.6612 | p. 73 | |
| ICZ | 2021 | 2.8561 | 188.2281 | 0.0000 | 191.0842 | p. 73 | |
| IMX | 2022 | 4.2138 | 89.9791 | 0.0000 | 94.1929 | p. 73 | |

Definitions in Sustainable Environment

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Disclosures on Climate-related Information

Risks and opportunities brought by climate change to the company and related countermeasures taken by the company

| Items | Chapter |
|---|--|
| 1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management. | 3.1.1 |
| 2. Explain how identified climate risks and opportunities may affect the company's business, strategy, and finances (short-term, medium-term, long-term). | |
| 3. Describe the financial impact of extreme weather events and transition actions. | |
| 4. Explain how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system. | |
| 5. If scenario analysis is used to assess resilience to climate change risks, provide details on the scenarios, parameters, assumptions, analysis factors, and significant financial impacts. | |
| 6. If there are transition plans to manage climate-related risks, describe the content of the plans, indicators, and goals used to identify and manage physical risks and transition risks. | |
| 7. If internal carbon pricing is used as a planning tool, explain the basis for price determination. | |
| 8. If climate-related goals are set, provide information on the activities covered, greenhouse gas emission scopes, planning timelines, and annual progress, and if carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, specify the sources and quantities of the carbon offsets or RECs. | |
| 9. Inventory and verification of greenhouse gas emissions. | 3.1.2 For the contents of the third-party verification statement of Inventec Group's greenhouse gas, please refer to the external disclosure webpage :  |

Definitions in Sustainable Environment

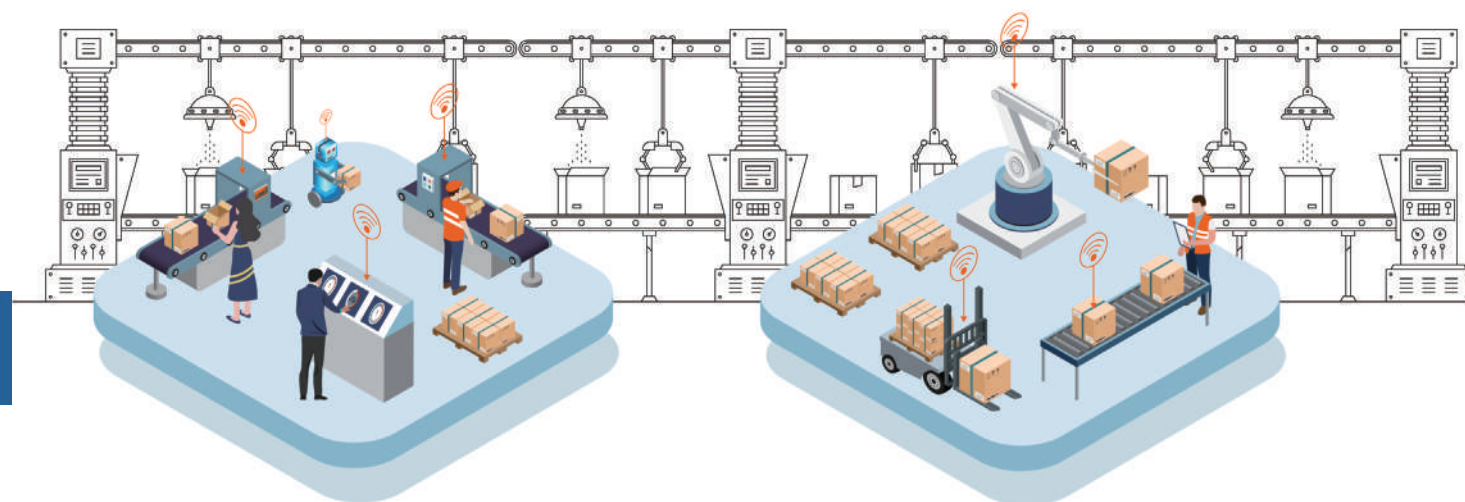
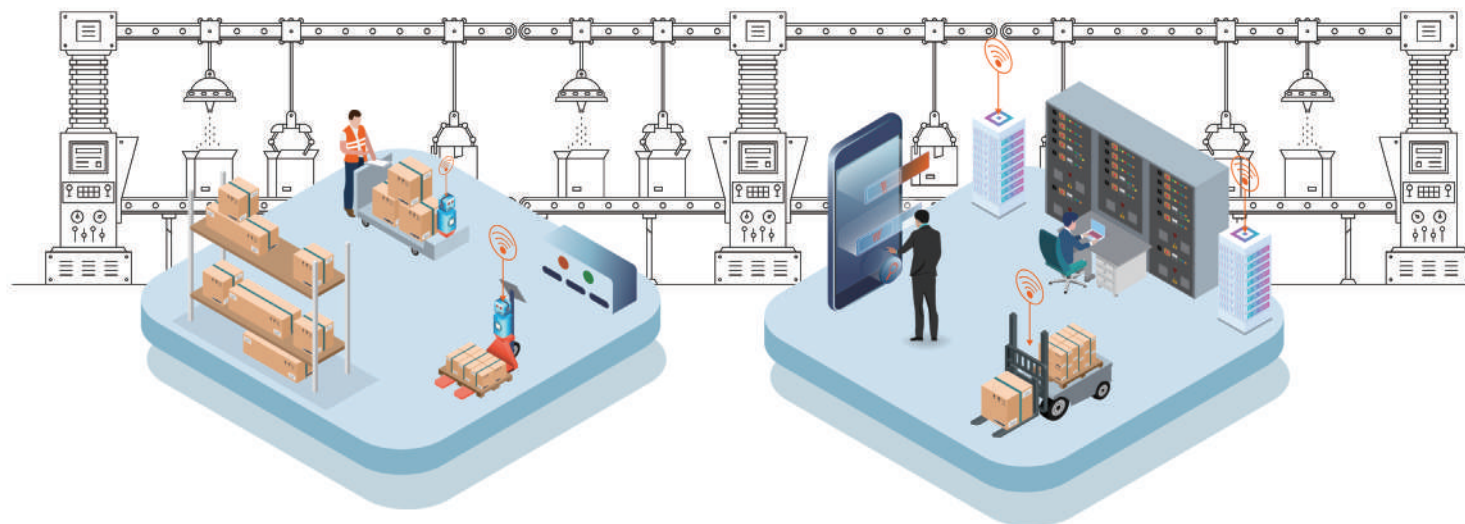
| Data Definition and Formula Description | Corresponding pages |
|---|---------------------|
| Emissions of nitrogen oxides and sulfur oxides: emission rate [average value] × boiler execution time [total amount of gas ÷ (boiler full-load gas consumption 220m ³ /H* boiler load rate 70%)] = emissions | p. 76 |
| Identification of water stresses in the drainage basins where the factories are located: The water stress identification tool is the Aqueduct Water Risk Atlas of World Resources Institute. | |
| The per capita water consumption over the years: The number of people on December 31st of the reporting year is used as the basis of per capita water consumption. | |
| TAO and ITO use water meters to record the water discharge, and for the rest of the factories, the water discharge is estimated according to local conditions. | p. 81-83 |
| 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. 78-80 |

4. Innovative Research and Development

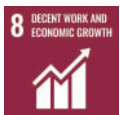
4.1 Industrial Innovative Research and Development... 94

4.2 Green Innovation 97


4.3 Intellectual Property 100





SDGs Index




Innovative Research and Development Performance

NB packaging design adopts more than **90%** of paper wrapping package 

Improve label drawing efficiency up to **90%** 

Recycling rate (mainly NB and AIO products) **>90%** 

Product certifications about environmental protection/energy saving/safety **>1,300** cases 

Patents worldwide **> 17,000** 

- ◆ **Material topics** : Circular and innovative product, investment strategy, and innovative research and development.
- ◆ **Major practices** : Encourage innovative research and development and set up a technology research and development center to improve operational performance.
- ◆ **Browse suggestions** : Employee, customer, supplier, shareholder / investor, research institute, etc.
- ◆ **SASB index** : Materials sourcing TC -ES-440a.1.

4.1 Industrial Innovative Research and Development

4.1.1 Innovation Policy and Objectives

◆ Notebook Computers

Inventec has been focusing on research and development of notebook computers for a long time and continues to launch new models of mid-to-high-end hybrid commercial notebooks with optimized sound effects, AI, and video capabilities, as well as innovative and high-quality consumer products that reinforce E-sport performance. Inventec is committed to continuous innovation to maintain its leading position.

◆ Smart Devices

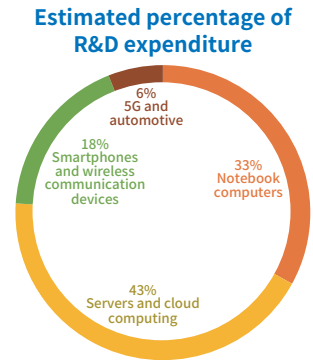
The future holds an era with the digital economy at the core. The development of 5G, AI and Internet of Things will connect everything intelligently and accelerate the digital transformation of the industry. In terms of smart devices, Inventec started off from smart wearables, smart speakers, smart homes, smart vehicles and medical care, combining AI and 5G modules. In addition to the storage, memory, communication, multimedia application, and additional values, based on the accumulated experience in smart terminal and broadband, assisting businesses in effective data management and data traceability is just the beginning. We also emphasize the importance of implementing robust enterprise risk management practices and practicing cybersecurity measures to enhance business resilience, aligning with the concept of sustainable business operations.

◆ Servers and Cloud Services

Work patterns under the epidemic not only drive basic server construction demands and data center expansion but also stimulate high-performance AI to be incorporated into cloud computing. Inventec 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, in line with 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. By enhancing operational efficiency, we can simultaneously contribute to carbon reduction efforts, thereby achieving environmental sustainability goals. With the launch of new generation of processors, high-performance Edge Server, and 5G cloud-network integration service, it is expected that Inventec’s server and cloud business will reach a new peak in 2023.

◆ Estimated Expenditure in Research and Development

In the era of rapid explosion of information and communication, Inventec's future research and development plan will be carried out by grasping the pulse of the market and understanding customer needs. In order to cope with the new market environments and enhance manufacturing process and technology development, the Group is expected to invest more than NT\$10.9 billion in research and development this year.



Innovation and Service Objectives and Achievements

2024 ~2025 Goals

- Develop and introduce recycled materials into NB design, protect the environment and reduce resource consumption through material recycling
- Enhance AI and simulation in product design, continuously improve product performance, reduce power consumption, and optimize the number and weight of components
- Automate testing and design tuning to improve product efficiency
- Build a development and design guidance system and technology management platform to improve design efficiency
- Research and development of server liquid cooling technology - complete the 42U all-in-one liquid cold plate cabinet solution
- Research and development of server thermal management technology - use AI deep learning to improve cabinet airflow and CDU pump control efficiency
- Continue to obtain environmental and energy efficiency labels for servers according to product design requirements and schedules

2023 Goals

- Introduce more renewable materials for use in NB casings
- Launch more than 90% of notebook platform with paper wrapping package that protects the device exterior and replaces the traditional EPE plastic bag; at the same time, use more than 80% of recycled plastics for the original plastic material EPE
- Enhance the coverage of automated testing
- Research and development of server liquid cooling technology - complete the 48U 100kW single-phase immersion cooling system
- Research and development of server thermal management technology - use AI deep learning to improve server airflow and CPU pump linkage control efficiency
- Continue to obtain environmental and energy efficiency labels for servers according to product design requirements and schedules

2022 Goals

- Research and development of server liquid cooling technology - completed the open-loop water-cooling thermosiphon technology
- Research and development of server thermal management technology - completed the use of AI deep learning function to predict the temperature of the cabinet
- 100% of the server products have obtained the environmental and energy efficiency labels required by customers
- In house developed CAE auto mesh technology to improve CAE analysis efficiency by 30%
- Developed an information integration platform for label artwork production, and improved the efficiency of label drawing by 90%
- Automated heat dissipation testing with real-time remote control as well as 24-hour uninterrupted testing, saving 80% of testing time
- Automated power testing, reducing testing time by 50%.
- Introduced paper wrapping package in NB packaging design
- Introduced recycled materials in NB casing design.

4.1 Industrial Innovative Research and Development

4.1.2 Technology Research and Development Milestones

Liquid Cooling Technology R&D Milestone and Plan

◆ In 2021, global data centers consumed approximately 200 megawatts of electricity, resulting in a significant amount of carbon emissions. Due to the impact of the epidemic and the war between Russia and Ukraine recently, which have resulted in unstable supply and rising costs of fossil fuels, the issues of low-carbon energy and energy conservation have also attracted a lot of attention. To this end, Inventec continues to develop “immersion liquid cooling technology” and “cold plate liquid cooling technology”, providing edge computing servers with a PUE up to 1.01 and a system heat dissipation capacity of 50W/cm2+.

2024
Open-loop single-phase liquid cooling plate technology

2023
48U 100kW single-phase immersion cooling system

2022
Open-loop water-cooling thermosiphon technology

2021
Open-loop two-phase immersion technology

2020
Open-loop single-phase immersion technology

42U all-in-one liquid cold plate cabinet solution

The Power Usage Effectiveness (PUE) of the Intel Open IP immersion cooling system can reach about 1.07 after optimization

Energy efficiency is about 33.1% better than that of traditional air-cooled data center
The Power Usage Effectiveness (PUE) can reach about 1.01 after optimization

In the case of 1U height, its cooling capacity is over 500W (CPU)

Energy efficiency is about 30% better than that of traditional air-cooled data center

Thermal Management Technology R&D Milestone and Plan

◆ Under the crisis of global warming caused by climate change, the information industry's appeal for "Green IT" has become the mainstream of the international community in recent years. To provide customers with more energy-saving and efficient data center solutions, Inventec has focused on the research and development of emerging energy-saving technologies over the past few years in order to optimize the energy efficiency of the server room. In this regard, Inventec has undertaken "Research and Development of Fan Gas Cooling Management Technology" and "Research and Development of Liquid Cooling Management Technology" projects. By using AI deep learning to optimize traditional air-cooled and new generation liquid-cooled server and cabinet cooling management technologies, Inventec aims to save energy via optimal control and promote the development of cloud computing, edge computing, and high-performance computing applications.

2024
R&D on all-in-one liquid cooling plate cabinet control

2023
R&D on control of closed single-phase liquid cooling plate

2022
R&D on cabinet airflow control

2021
Prediction of cabinet temperature

Use AI deep learning to improve cabinet airflow and CDU pump control efficiency

Use AI deep learning to improve cabinet airflow control efficiency

Use AI deep learning to improve server airflow and CPU pump linkage control efficiency

Use temperature prediction as the basis for cabinet fan control

LAAC

Total 33 ambient sensors

Highly accurate network

Time when the sensor data link back the "SP" point of time period from the current one

Highly accurate network means that there are eight variables affecting the output

4.1 Industrial Innovative Research and Development

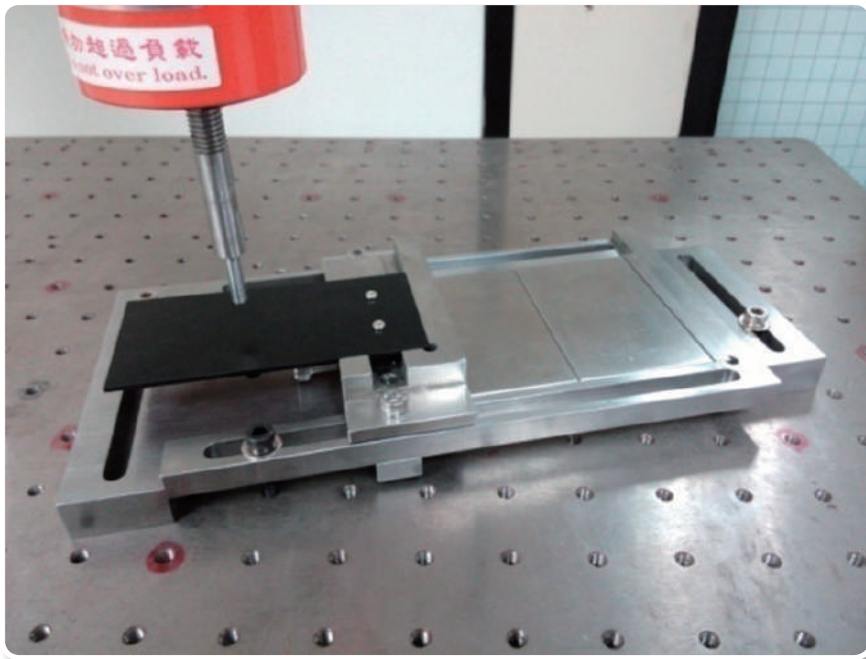
4.1.3 Research and Development Case

Utilization of Recycled Materials in Notebook Computer Casing

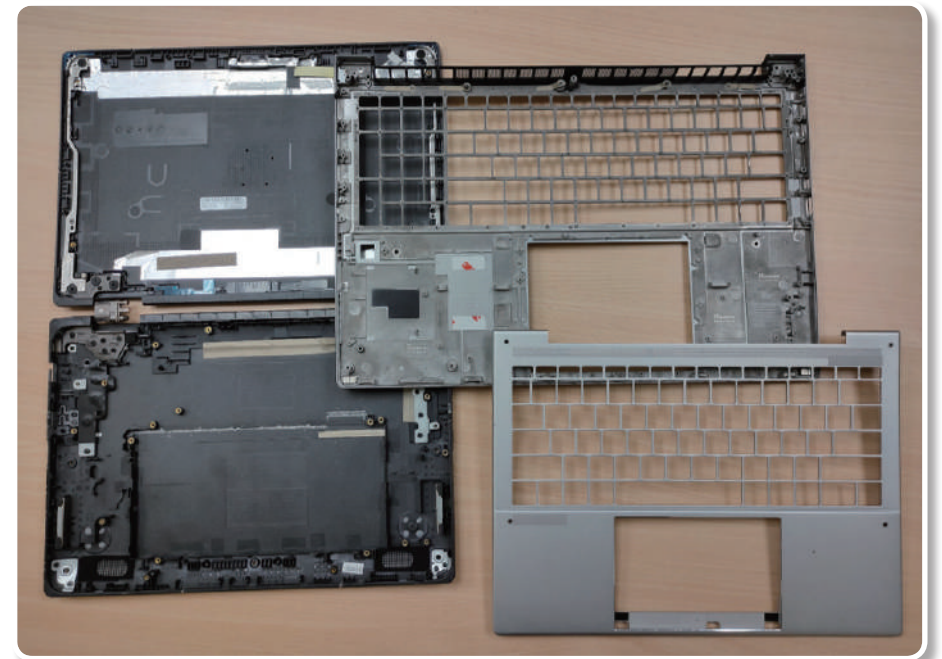
As a leading partner to our customers, Inventec is committed to long-term collaboration in implementing low-carbon principles. Years ago, we began to conduct research and introduce recycled metal/plastic materials on NB casings. Our aim is to promote environmental protection and reduce resource consumption through material recycling and regeneration.

The percentage of recycled materials used in some casings in 2022 is as follows:

- Magnesium alloy (AZ91D): 90% recycled material was used
- Aluminum alloy (Al5052): 50% recycled material was used
- Plastics (FR3021): 30% recycled material was used



Verification of mechanical properties of recycled materials



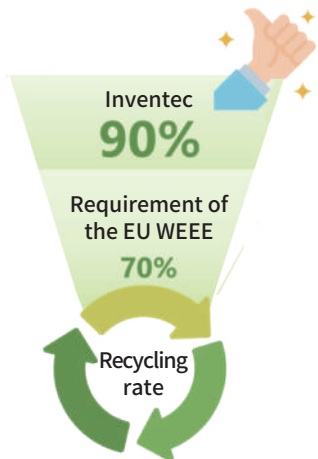
Actual introduction of recycled materials into models for use

4.2 Green Innovation

4.2.1 Green Design Strategy

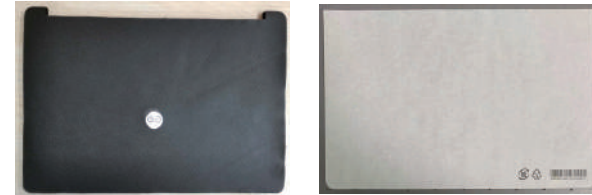
- ◆ Spare no effort to seek approaches to reduce environmental impact and mitigate the burden on the land to achieve the goal of sustainable utilization of terrestrial ecosystems.
- ◆ Based on the principles of green innovation in design:
 - Lessen the total energy consumption and GHG emission in the product life cycle.
 - 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.
 (Regarding the information on the treatment of hazardous substances, exhaust gas, and wastewater, please refer to sections 4.2.4 and 3.2.4 for detailed information.)

- ◆ Green design achievements in 2022:
- ◆ We will continue to strive for low-carbon design to make more efficient use of materials by implementing the recycling rate of the primary notebook computers and AIO related products.
- ◆ Recycling rate > 90% (which is superior to the 70% requirement of the EU WEEE)
- ◆ Green design goal in 2023: The recyclable rate reaches 80%.



Research and Development Case: Notebook Computer-related Applications

- ◆ The packaging material for protecting the screen of the notebook computer is changed from non-woven cloth to matte paper.



The reduction in the carbon footprint emission is about 6,114 kg CO₂e

- ◆ Reduce the number of plastic labels attached to notebook computers.



The reduction in the carbon footprint emission is about 6,650 kg CO₂e

- ◆ Docking plastic bags are changed to paper bags



The reduction in the carbon footprint emission is about 33,357.3 kg CO₂e

Performance in 2022: The overall use of plastics in packaging has been further reduced to accelerate de-plasticization.

Packaging design for notebook computers: 100% remove plastic non-woven fabrics. Utilization of paper: Achieve a 90% reduction in plastic labels attached to the machines and set a target to continuously reduce plastic usage by 90% by 2030.

4.2 Green Innovation

4.2.2 Product energy-saving design goals and certification

| Product | Explanation | 2023 Target |
|-------------------|--|---------------------|
| Notebook Computer | <ul style="list-style-type: none"> More than 25% of newly produced models exhibit significantly higher energy efficiency compared to the ENERGY STAR Computers Specification Version 8.0 standard. Continuously obtain certification approvals based on the product design and development timeline. | 100% accomplishment |
| Serve | <ul style="list-style-type: none"> The energy efficiency of the newly produced models surpasses the ENERGY STAR Computer Servers Specification Version 3.0 standard. Continuously obtain certification approvals based on the product design and development timeline. | 100% accomplishment |

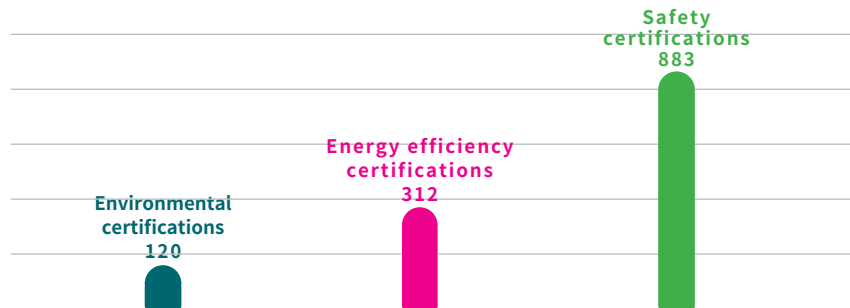
Customer Product Certification

To assist customers in providing environmentally friendly, energy saving, and safe products, the administrative operation of product certification in Inventec is put into practice by the product certification-related units in compliance with the internal control procedures.

Inventec's product certifications in 2022 totally include the following 1,315 items:

- Environmental certifications (120 items): Including Taiwan Green Mark (TGM), State Environmental Protection Administration (SEPA) of China, U.S. Electronic Product Environmental Assessment Tool (EPEAT), etc.
- Energy efficiency certifications (312 items): Including U.S. Energy Star, EU Energy Efficiency, Minimum Energy Performance Standards (MEPS), China Energy Conservation Program (CECP), China Energy Label (CEL), etc.
- Safety certifications (883 items): Including Underwriters Laboratories (UL), TUV, CE(CB), China Compulsory Certificate (CCC), Canadian Standards Association (CSA), Taiwan Bureau of Standards, Metrology and Inspection (BSMI), Mexican NOM, etc.

Inventec's Product Certifications as Customer Service in 2022



Product Certifications in 2022

4.2.3 Recycled Materials

◆ In response to the risks and opportunities of climate change, Inventec's products use recycled materials to align with the trend of low-carbon environmental protection.

| Recycled material category | Inventec's approach | Results and financial impact |
|----------------------------|--|---|
| Cases | <ul style="list-style-type: none"> Increase the procurement cost of environmentally friendly low-carbon materials (e.g. notebook computer cases). | <ul style="list-style-type: none"> Purchase raw materials/products that meet the requirements of environmental protection, low carbon and energy saving. Cost control of raw materials/products procurement; The Group centralizes procurement to control overall costs. <p>• In 2022, the cost of using recycled plastic cases increased by about 23%~27% (take bulk customers of notebook computers as an example)</p> |
| Packaging Materials | <ul style="list-style-type: none"> The promotion of de-plasticization (e.g. packaging materials). Increase the proportion of recycled materials used (e.g. packaging materials). | <ul style="list-style-type: none"> Reduce the label attachment from the design end and minimize the use of plastics in overall packaging materials to carry out de-plasticization. Increase the proportion of recycled materials used in the components. (e.g. packaging materials). <p>• The screen packaging design for the major notebook customers has been 100% converted from non-woven cloth to matte paper, and the plastic labels attached to the machines have been reduced. Other packaging materials will also continue to be plastic-reduced.</p> <p>• In 2022, the cartons used for major customers' notebook models contained 60% recycled pulp while the cartons used for AIO/DT models contained 80% recycled pulp. For another customer's notebook models, the percentage of recycled pulp used in the cartons reached 90%.</p> |

4.2 Green Innovation

4.2.4 Green Product Management

Consumer demand for green products is on the rise, and major markets such as the United States, European Union, and Japan have subsequently revised regulations to promote environmental protection. This has forced manufacturers, importers and exporters, and agents to provide products that meet environmental requirements and inject appropriate environmental protection elements into their products, while striving to comply with increasingly stringent regulations for environmentally friendly products. The United States, the European Union and Asian countries have formulated environmental protection regulations for a variety of electronic consumer products, such as the EU RoHS Directive (2011/65/EU) on hazardous substances, REACH, and Packaging and Packaging Waste Directive (EU) 2018/852, which aim to minimize the harmful substances contained in or released by consumer products, the possible environmental pollution caused by the manufacturing process and materials, and the potential impact on the environment after the products are discarded, while encouraging people to use energy and other resources efficiently.

In response to the above situation, Inventec's procurement follows customer demand for restrictions on hazardous substances in products in each country and sales region. Inventec has established an IECQ QC 080000 Hazardous Substance Process Management System (HSPM) since 2006 and Inventec Hazardous Substance Free (HSF) management specification. 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.

✓ Supplier and procurement:

- In addition to the standard for purchasing components free of hazardous substances and the requirement for the suppliers to sign the "Environmental Protection Statement". From design to development, whether it is assembling printed circuit boards or finished products, the inspection reports from chemical laboratories certified by ISO 17025 or other equivalent standards should be provided.

✓ Research and development:

- The unit responsible for green products collects and consolidates 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). Inventec 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 IPT/SQT or a third party laboratory for review to ensure that incoming materials meet the requirements of Inventec Hazardous Substance Free (HSF) Management Standard.
- In 2022, no fines were imposed on the provision or use of Inventec's products in violation of laws and regulations.

4.2.5 Full Material Disclosure

- ◆ As the restriction of hazardous substances continues to increase, Inventec's Enterprise Business Group can provide full material disclosure reports corresponding to its products according to customer needs, such as Full Material Disclosure (FMD) based on the international standard IPC-1752A, the International Material Data System (IMDS), and China Automotive Material Data System (CAMDS) for vehicles, in order to respond to the requirements of different green product laws and regulations in advance.

4.2.6 Green Packaging

- ◆ In order to protect the environment, Inventec's packaging design follows the principle of using recycled materials and uses recycled paper as the cushioning material for the packaging design.
- ◆ The packaging design reduces the use of plastic EPE material, and the accessories are fixed with cushioning design of corrugated paper, which reduces the plastic material usage by approximately 10%. Customers are also encouraged to use recycled EPE plastics. In 2022, Inventec began to cooperate with customers to develop bags with recycled materials and plans to partially introduce them into mass production in 2024.
- ◆ Inventec continues to research into replacing and reducing plastic materials with corrugated paper materials for PCBA Inbound packaging design and minimizes the use of bubble bags. The corrugated cardboard compartments are also adjusted to increase the loading capacity.
- ◆ 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.

4.3 Intellectual Property

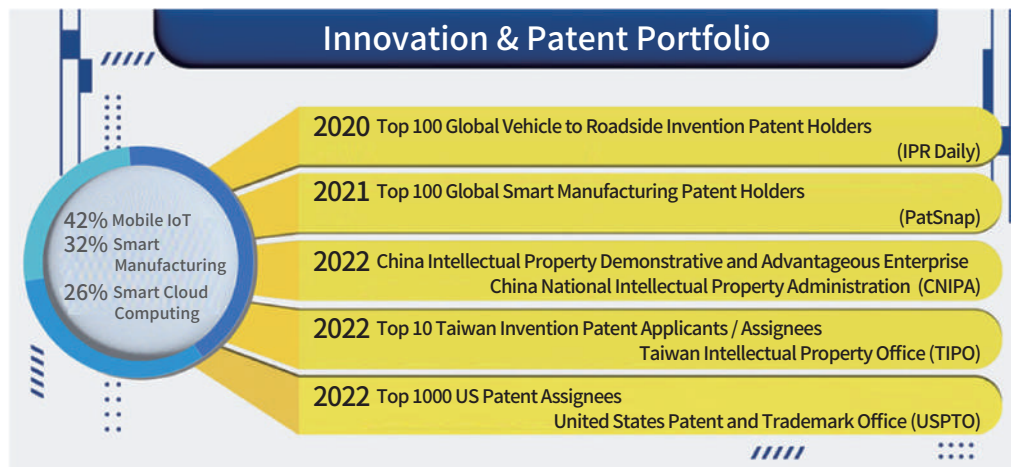
4.3.1 Intellectual Property Innovation and Patent Portfolio

Intellectual Property Innovation Management

- ◆ Intellectual property strategy: “Innovation, Quality, Open mind, and Execution” is the company’s corporate philosophy set up from the first day of the founding of Inventec. Among them, “Innovation” and “Quality” are the basis for the company’s sustainable operation requiring employees with innovative mindset and innovative spirit. Inventec Group has established legal and intellectual property (IP) teams for risk control and intellectual property protection for various types of intellectual assets produced by R&D and manufacturing sites, such as Taipei, Taoyuan, Shanghai, and Chongqing.
- ◆ Intellectual property management system: In order to actively create an environment of innovation, to be dedicated to establishing and cultivating diverse creative thoughts and innovative talent through internal intellectual property management, including promotion mechanisms, training, examinations, internal control and reward schemes, Inventec has successfully motivated employees to continuously develop diverse products according to the company portfolio, propose innovative ideas related to processes, and conduct innovative research and development.
- ◆ 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 2022, Inventec Group has obtained more than 17,000 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 2022, continues to rank among the top 1,000 U.S. patent grant companies in the world, and one of China's Intellectual Property Demonstrative and Advantageous Enterprises.
- ◆ Inventec 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 22 consecutive years
 - ✓ Top 3 patent proprietors among Taiwan ODM companies in China for over 16 consecutive years
 - ✓ TOP 1000 US Patent Assignees (2022)
 - ✓ China Intellectual Property Demonstrative Enterprise (IPT) (2022)
 - ✓ China Intellectual Property Advantageous Enterprise (ICC) (2022)
 - ✓ PatSnap TOP 100 Global Smart Manufacturing Patent Holders (2021)
 - ✓ 7th Taiwan Industrial Innovation Award (Smart Technology) (2021)



4.3 Intellectual Property

4.3.2 Intellectual Property Innovation and Patent Portfolio: Model

IPT Was Awarded the National Intellectual Property Demonstrative Enterprise (2022-2025)

- National intellectual property demonstrative enterprises refer to demonstration enterprises with intellectual property strategic management concepts, outstanding intellectual property creation, application, protection, and management capabilities, outstanding comprehensive intellectual property competitive advantages, and industry influence and benchmarking.
- This is a national honor, which is the highest recognition and evaluation given by the government to the management of intellectual property rights of enterprises.
- At the end of September 2022, the National Intellectual Property Administration announced that IPT was awarded the "National Intellectual Property Demonstrative Enterprise" certification. This recognition marks a new milestone in the intellectual property management of IPT, after being recognized as a "National Intellectual Property Advantageous Enterprise" in 2019.

IPT Won the Certification of Intellectual Property Standards Implementation and Analysis and Evaluation Projects

- The district-level projects are specifically divided into two sub-projects: the Intellectual Property Standards Implementation (the Minhang District intellectual property management standard system and operation transformation system construction demonstration project) and the Analysis and Evaluation (district-level intellectual property demonstration projects). It is the government's assessment of the enterprise's implementation of the national standard of the "Enterprise Intellectual Property Management".
- In February 2022, IPT was awarded the project certification and received a grant of RMB199,400 (equivalent to NT\$891,916). The Analysis and Evaluation project focused on smart manufacturing patents, which shows that the Minhang District Government affirms the intellectual property work of Inventec's smart manufacturing.



IPT Won the Certificate of Shanghai Transformation of New and High-tech Achievements Project

- The new and high-tech achievements applied for transformation projects must be based on core technology research and development (with core independent intellectual property rights), and have realized transformation for the first time to form samples, prototypes or services. Compared with other similar products (services), the overall technology of the project is innovative and advanced, and has potential economic benefits and good market prospects.
- In 2022, IPT's 1U high-performance cloud storage server won this honor, indicating the government's multi-level recognition of the Company's 1U server's technological innovation, economic benefits, and social benefits.

IPT Was Awarded the Certification of Shanghai Foreign-funded R&D Center

- This project is a major strategic deployment of Shanghai government for foreign-funded enterprises in recent years. Obtaining this qualification indicates that the government highly recognizes the Company's R&D innovation, technological achievements, and social benefits.
- In November 2022, Inventec's foreign-funded R&D center was certified by the Shanghai Municipal Commission of Commerce. Based on the IPT, Inventec's foreign-funded R&D center focuses on key common technologies such as "green energy saving, efficient heat dissipation, power management, and distributed architecture" of servers, and comprehensively carries out server development and industrial application under the background of "big data, cloud computing, and AI", which have achieved fruitful results. Through independent innovation, the Company has mastered the core technology of server product manufacturing and has been granted nearly a thousand invention patents. Meanwhile, the Company has continuously enhanced its capabilities of engineering research and development, design, and testing in line with the trend of server industry development and strengthened the transformation of scientific research achievements.

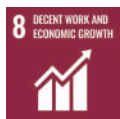


5. LOHAS Enterprise

| | | | |
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| 5.1 Talent Management Policy and Sustainability Actions.... | 106 | 5.4 Health and LOHAS..... | 121 |
| 5.2 Talent Acquisition | 109 | 5.5 Communication Management ... | 132 |
| 5.3 Talent Development | 112 | 5.6 Human Rights Due Diligence..... | 134 |



SDGs Index



LOHAS Enterprise Performance



Won Best Companies to Work for in **Asia** Award.



5 health lectures attended by **2,003** people were held.

Won Talent Quality-management System - **Silver Award.**



Employee benefits and training investment amounted to **NT\$ 1.218 billion.**



Staff bonus due to English and Japanese proficiency increased by **6.1%**, **4,025** people in total.



To create job opportunities, a total of **28,297** individuals were recruited.

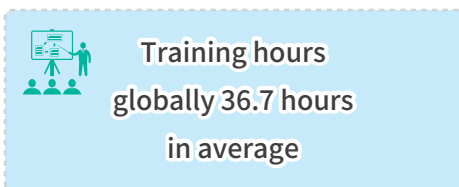
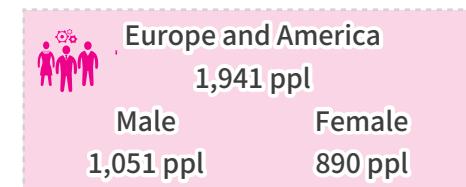


- ◆ **Material topics** : Talent acquisition, talent cultivation, labor rights, and occupational safety and health.
- ◆ **Key practices** : Formulate talent management policies, optimize human resources service management systems, promote employee relations, conduct satisfaction surveys, promote welfare 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.

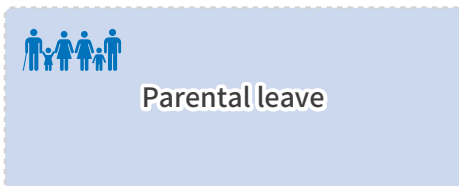
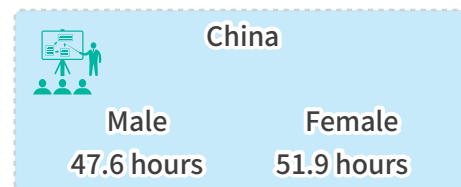
LOHAS Enterprise Summarized Index



5.1 Talent Management Policy and Sustainability Actions



5.3 Talent Development



5.4 Health and LOHAS

Taiwan

| | Male | Female |
|---------------------|---------------------------|-------------------------------|
| Application rate | 3.30% (7 ppl./212 ppl) | 26.50% (31 people/117 ppl) |
| Return to work rate | 55.56% (5 ppl/9 ppl) | 76.47% (26 people/34 ppl) |
| Retention rate | 83.33% (5 ppl/6 ppl) | 78.57% (11 people/14 ppl) |


Europe and America

| | Male | Female |
|---------------------|---------------------------|---------------------------|
| Application rate | 100% (18 ppl/18 ppl) | 72.00% (36 ppl/50 ppl) |
| Return to work rate | 100% (18 ppl/18 ppl) | 93.94% (31 ppl/33 ppl) |
| Retention rate | 83.33% (15 ppl/18 ppl) | 95.24% (20 ppl/21 ppl) |

Note: Please refer to p.136 for data definition and formula description.

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

LOHAS Enterprise Summarized Index

|  Employee work injury | Region | Gender | Total working hours | Work-related injuries | Work-related injury rate | Near Misses | Near miss frequency rate |
|---|--------------------|--------|---------------------|-----------------------|--------------------------|-------------|--------------------------|
| | Taiwan | Male | 6,603,704 | 0 | 0 | 2 | 0.06 |
| | | Female | 4,455,128 | 1 | 0.04 | 1 | 0.04 |
| | China | Male | 14,330,448 | 7 | 0.10 | 0 | 0 |
| | | Female | 9,061,608 | 2 | 0.04 | 0 | 0 |
| | Europe and America | Male | 7,335,635 | 14 | 0.38 | 7 | 0.19 |
| | | Female | 7,245,970 | 17 | 0.47 | 7 | 0.19 |

*Statistics on directly employed staff at Inventec

*No high-consequence work-related injury and fatality

| Types of work-related injury | Cutting injury / laceration | Collision injury | Sprain | Contusion | Crush injury | Scalding | Nip | Fall injury | Dislocated finger | Skeletal muscle injury | Dysergonomic conditions and cumulative trauma |
|------------------------------|-----------------------------|------------------|--------|-----------|--------------|----------|-----|-------------|-------------------|------------------------|---|
| Number | 19 | 2 | 3 | 9 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |

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

5.1 Talent Management Policy and Sustainability Actions

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”.

Inventec Talent Sustainability Actions

The cultivation and development of talents have always been important operational development goals for Inventec. In order to strengthen the competitiveness of talents in Taiwan, and respond to the ESG and DEI trends, as well as global companies' emphasis on the social responsibility of talents, at this critical moment, Inventec officially announced to join the “TALENT, in Taiwan, Taiwan Talent Sustainable Action Alliance”.

We are committed to promoting the initiative indicators, including “Meaning and Value”, “Diversity and Inclusion”, “Organizational Communication”, “Physical and Mental Health”, and “Talent Growth”, so as to maintain our competitiveness of talent sustainability amid the rapidly changing industry.



5.1 Talent Management Policy and Sustainability Actions

Initiative Indicators of Talent Sustainability Action

● Meaning and Value

Adhering to the core values of “Innovation, Quality, Open Mind, and Execution”, Inventec continues to focus on ESG issues and goals of net zero emissions and digital transformation through experience inheritance and resource sharing internally and strives for continuous growth with the spirit of “care more, take more responsibility” and “face challenges and engage in the game” to cope with the challenging business environment. Moreover, by maintaining a competitive advantage in the important ABCD5Q technologies, the Company is able to bring better profits to all shareholders and colleagues while pursuing sustainable development of the enterprise.

● Diversity and Inclusion

“Diversity and inclusion” is an important key to creating a diverse and inclusive culture in the workplace. In this regard, Inventec is committed to establishing an equal, respectful, and open working environment.

In terms of talent recruitment, Inventec is guided by the principle of talent sustainability. In addition to explicitly and publicly promising to treat all applicants fairly, the Company also operates through various strategic mechanisms to attract global talents to join the Inventec family. Moreover, Inventec treats every employee equally and respects that each employee is an independent and different individual, with an aim to provide diverse training and development opportunities so that every employee can fully utilize their expertise and creativity. With “talent-oriented” belief, Inventec explicitly stipulates that all global factories should treat employees of different races, classes, languages, ideologies, religions, parties, genders, marital statuses, physical and mental disabilities, and sexual orientations equally and fairly.

● Diversity and Inclusion Organizational Communication

Inventec is actively committed to building diversified and smooth communication channels. In addition to conducting employee satisfaction surveys on a regular basis, Inventec also provides employees with instant feedback and regular communication channels through multiple communication mechanisms to listen to their voices. During the epidemic, in addition to the existing communication platform, Inventec’s digital app continued to optimize and develop a number of functions, allowing colleagues to conduct two-way communication while reducing group gatherings. In terms of talent development training courses and soft activities, Inventec conducts “training and development needs” surveys regularly to understand the training and development needs of departments and colleagues in professional skills and soft seminar topics. In recent years, Inventec has been actively operating social media to expand the channels of interaction with colleagues and the public.

● Physical and Mental Health

“Employee health care” is an important element for the sustainable operation of enterprises. To this end, Inventec has established a safety, health, and environment committee and its 8 factories around the world have been certified by the International Occupational Health and Safety Management System (ISO 45001) in order to ensure that safety and health management is properly implemented. Moreover, Inventec has a flexible working hours system that allows all employees to adjust their working hours according to their personal and business conditions. At the same time, the Company has also introduced EAP and promoted various healthy and happy living projects to help employees achieve a work-life balance, thereby enhancing employees’ cohesion and sense of job security, and creating a happy and healthy workplace.

● Talent Growth

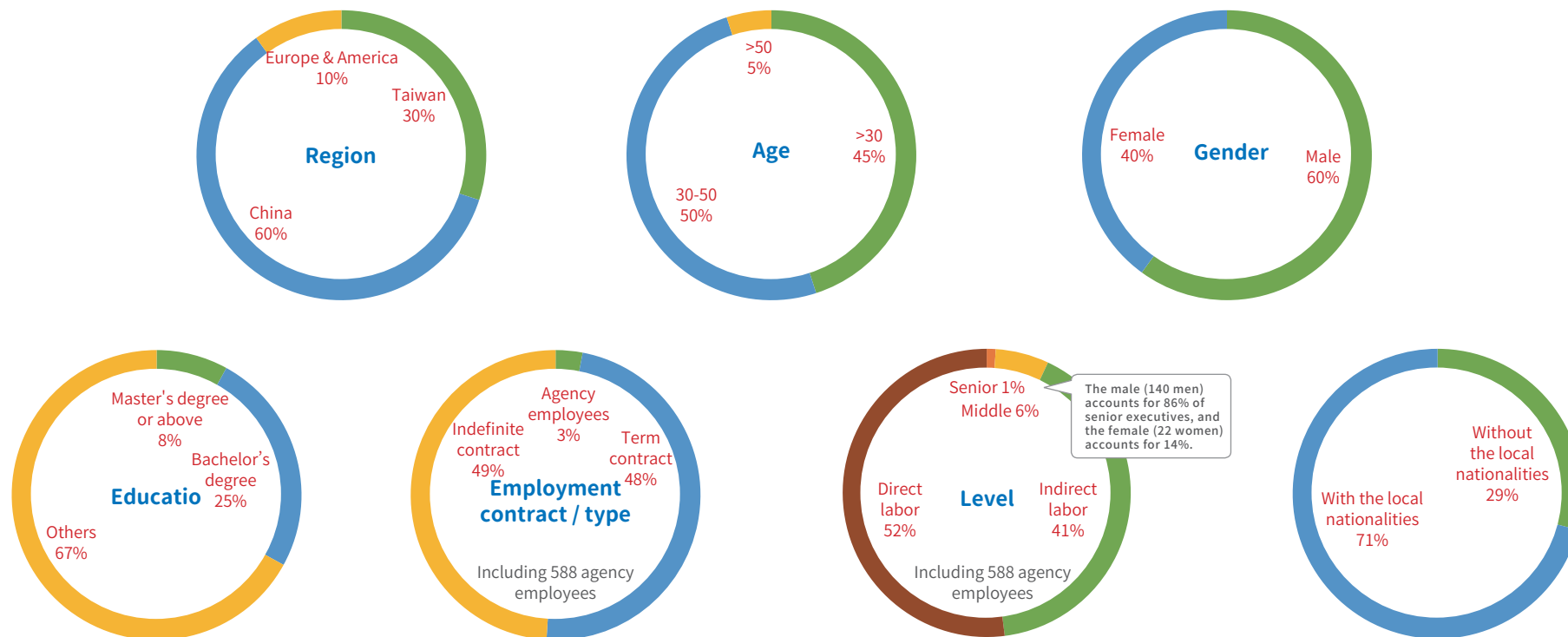
“Talent-oriented” is the most important one of Inventec’s top ten beliefs. Inventec believes that only by enhancing employees’ recognition of the Company’s core values can it truly cultivate, retain and attract talents, which will further strengthen Inventec’s high-quality human capital. Inventec’s talent management policy is “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”. Inventec creates a learning organization that is constantly innovating and improving, providing a good cultivation environment for employees. Based on the Company’s operating goals and development strategies, and guided by the actual needs of employees, Inventec provides professional services such as talent cultivation and development consultation and promotes various training activities.

Note: The alphabets and number of ABCD5Q, respectively, mean artificial intelligence, blockchain, cloud computing, big data, 5G, and quantum computer.

5.1 Talent Management Policy and Sustainability Actions

- ◆ The analysis of Inventec’s manpower by region, age, gender, educational background, labor contract and type, and job grade as of December 31st, 2022, is shown in the figure on this page.
- ◆ The analysis of the nationality of directors above the department level in 2022 is shown in the figure on this page.

Manpower statistics : 19,639 employees



The Numbers of Employees with Disabilities

| Taiwan | China | Europe & America | Total |
|--------|-------|------------------|-------|
| 35 | 120 | 10 | 165 |

5.2 Talent Acquisition

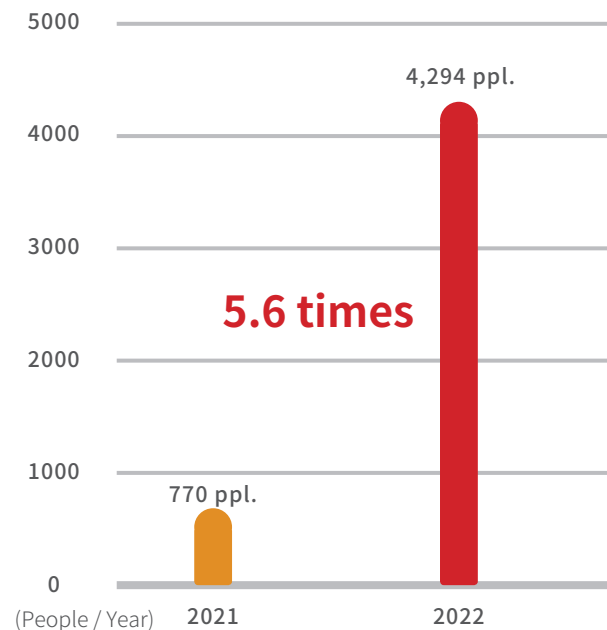
Establishment of diverse recruitment channels

In order to enhance overall R&D capabilities and achieve the goal of business growth, Inventec strives to develop a diversified recruitment mechanism to attract local and overseas top R&D talents to join the Company. At the same time, Inventec has improved its overall recruitment efficiency through a comprehensive online interview process. In 2022, the number of new hires in Taiwan reached 4,294, mainly consisting of R&D talents under 30 years old, continuously strengthening the Company’s innovative R&D capabilities. Inventec uses diverse recruitment channels, including human resource platforms, industry-academic cooperation, internal referrals, social media, campus recruitment, and international talent recruitment.

Accelerating the integration of newcomers into the organization

To strengthen the ability of new employees to quickly adapt to the Company’s environment, Inventec constantly optimizes the “onboarding process” and “newcomer training”. Through the digital process, regular newcomer training and Mentor system, Inventec’s new employees can integrate into the organization and understand the Company in a short period of time and can give full play to their own strengths.

The Total Numbers of New Employees in Taiwan



Recruitment Channel

- Expand recruitment through job banks
- Encourage the employees to recommend talented people
- Introduce the overseas professionals
- Employment service agency and jobs expo
- AI and 5G cutting-edge technological 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
- Scholarship system to encourage campus talents to join the industry
- R&D cooperation plan for the integration of industry and academia



Employer brand

- Diversified community management to enhance corporate reputation
- Recruitment environment optimization and strengthening of the software and hardware for promotion
- Optimize the welfare system to enhance employee recognition



Digital transformation

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



5.2 Talent Acquisition

Campus Cultivation

08

Industry Master Special Program

Inventec cooperates with the Institute of Power Mechanical Engineering of National Tsing Hua University, the Institute of Electrical Engineering of National Cheng Kung University, and the Institute of Computer Science and Information Engineering of National Taiwan University of Science and Technology to jointly cultivate top R&D professionals.

07

Enterprise Special Program

Inventec cooperates with the Department of Mechanical Engineering of National Central University and the Department of Electrical and Computer Engineering of Tamkang University to cultivate potential R&D talents to achieve the goal of integration of industry and academy.

06

Internship Cooperation

Inventec cooperates with more than 10 public and private colleges and more than 20 departments in Taiwan, so that students can enter the industry as soon as possible, and can quickly adapt to the pace of the industry in the future.

05

Excellent Talent Scholarship

Available for students from colleges and universities across the country. In 2022, a total of more than one million scholarships were issued to encourage students to enter the technology research and development industry in the future.

04

Research Institute

Inventec cooperates with National Taiwan University of Science and Technology to jointly plan college courses, cultivate AI talents on a long-term and continuous basis, establish connections with students, and increase students' willingness to join the workforce after graduation.

03

Collaborative Teaching with Mentors

In cooperation with the Department of Mechanical Engineering, National Taipei University of Technology, a total of 65 students participated in the course, and the overall course satisfaction reached 98.2%.

02

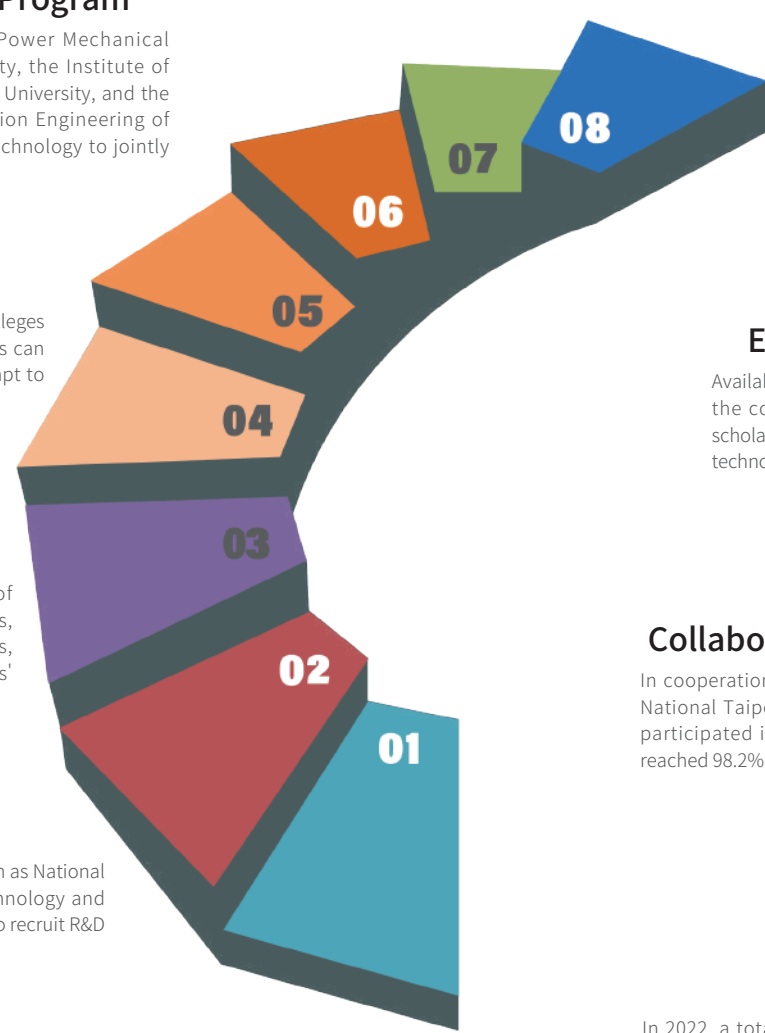
Campus Recruitment

Inventec participates in campus recruitment events such as National Taiwan University, National Taipei University of Technology and National Taiwan University of Science and Technology to recruit R&D talents with potential on campus.

01

Corporate Visit

In 2022, a total of 2 corporate visits were arranged for National Taiwan University and Tamkang University, attracting nearly 100 future potential R&D talents to participate, and enhancing corporate visibility and recognition.



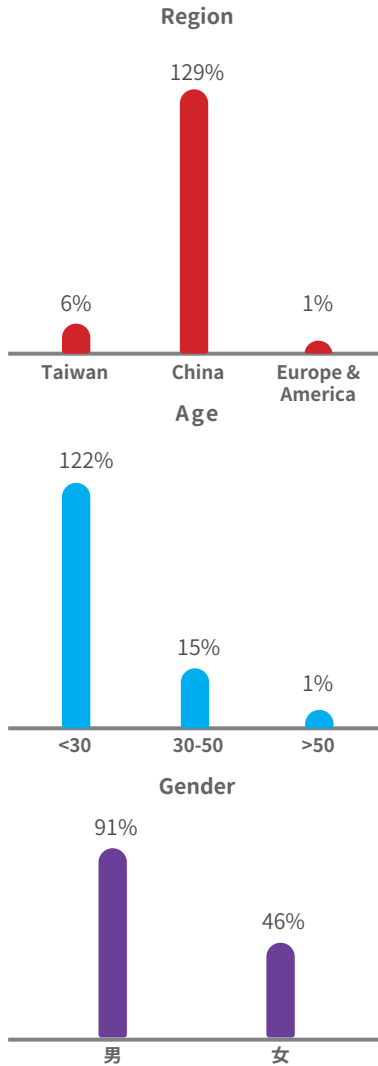
5.2 Talent Acquisition

Talent Mobility Analysis

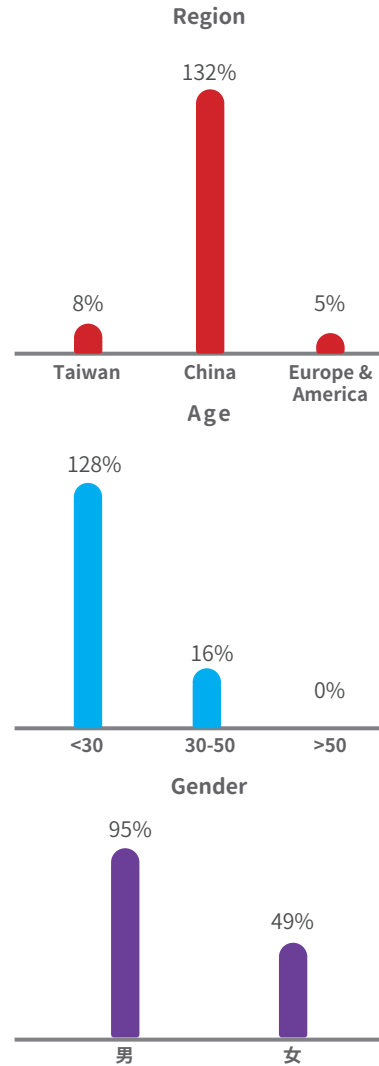
The Analysis of New Hires and Staff Turnover

(Based on the total number of employees as of December 31, 2022)

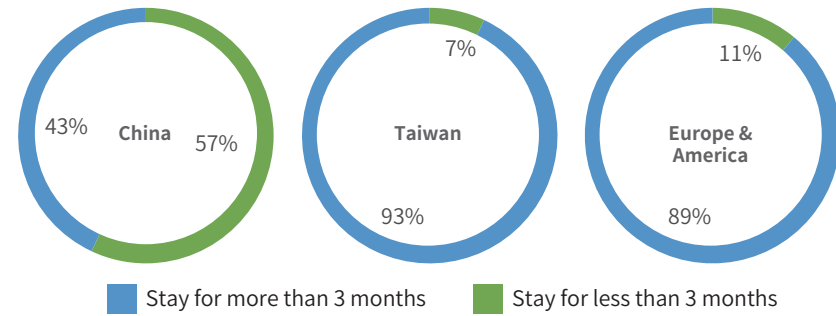
Employee turnover



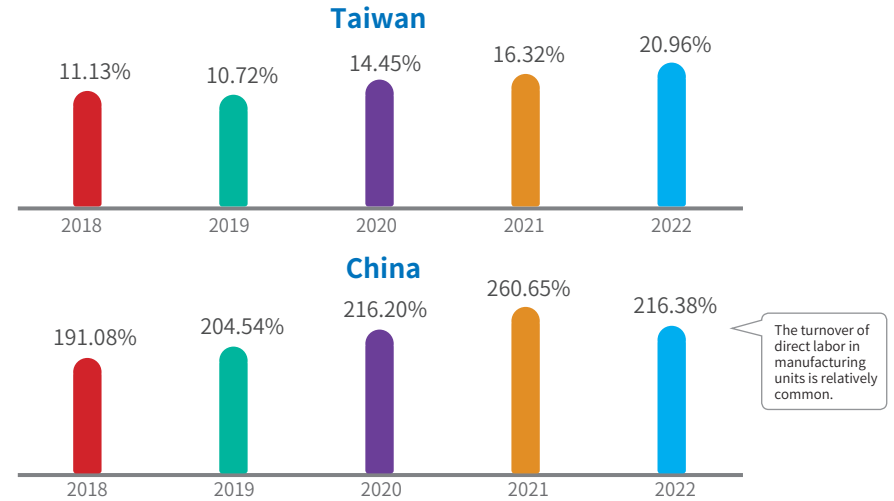
New employees



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 28,297 people in 2022. New hires and staff turnover in 2022 were analyzed according to region, gender, and age, and new hires and staff turnover within 3 months in 2022 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.
- ◆ Inventec prohibits the employment of child labor and understands the ages of new employees during the recruitment process. Also, Inventec prohibits forced labor and other violations of human rights in order to comply with local government laws and regulations.

5.3 Talent Development

| | | | | | | |
|---------------------|--|-------------------------------------|---|---|---|--|
| | 1 | “Talent-oriented” corporate culture | 2 | A learning organization that is constantly innovating and improving | 3 | Equal emphasis on training and development |
| Core Objectives | Enhancing relevant management capabilities and professional competence in a planned way to strengthen Inventec’s international competitive advantages through continuous innovation, improvement and learning exchanges. | | With the purpose of achieving corporate operation goals and development strategy, and based on the actual needs of colleagues, we aim to provide internal employees with a good training environment and as well as professional services for talent development. | | With “Learning together, Growing together” as the core value, we strive to provide diverse training channels and excellent internal and external instructors for colleagues to choose from. | |
| Execution Direction | Core competence and system Cultivation and development of key talents to strengthen leadership competitiveness | | Utilizing external resources to check the quality of training Focusing on meeting the needs of internal organizations and trainees | | Providing diverse and excellent internal and external instructors Enriching learning resources and expanding their use in different areas | |

Valuing talent assets, employing people on their merits, and placing right talents in the right positions
Creating an environment for the co-development of colleagues and the enterprise



Principles of Talent Development Management

- ◆ "Talent-oriented" corporate culture: In addition to the planned improvement of relevant management capabilities and professional competencies, we focus on improving language skills and strengthen the tracking and feedback of results to enhance international competitive advantage.
- ◆ Creating a learning organization that is constantly innovating and improving: Avoid training being mere formalities or misalignment with corporate goals and provide professional services such as talent development and education consulting based on the actual needs of employees.
- ◆ Equal emphasis on training and development: provide diversified training channels and excellent internal and external instructors for employees to choose from.

Training System and Framework

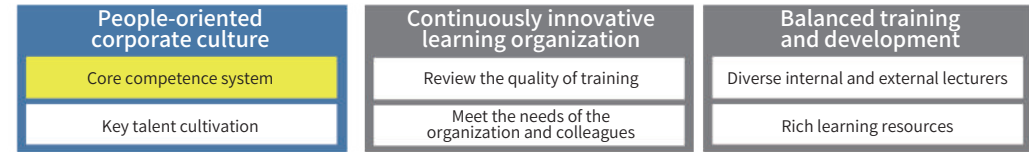
- ◆ Linking management strategies and training programs: The Company cultivates supervisors’ teaching and authorization ability of the succession team, promotes basic and advanced management training to improve managerial capabilities and accountability, and pursues streamlining hierarchy and management optimization.
- ◆ Closely integrated with business units: according to the ability of key talents of business units to be strengthened, the Company formulates and implements individual development plans.
- ◆ Each new employee receives orientation and training programs related to human rights and anticorruption. 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.

5.3 Talent Development

Core Competence System

Management Principle of Talent Development

◆ In order to fully implement "Innovation, Quality, Open Mind, and Execution" (i.e., the core competences of "innovation, teamwork, continuous learning, execution, and initiative"), to meet the Company's organization and colleagues' individual development needs, and to enhance core competitiveness, Inventec has developed the "Core Competence Learning Map" to combine organizational needs and individual career development as the main orientation, so that talent cultivation can be carried out in a more targeted and systematic direction. Through this tool, colleagues can clearly understand the necessary capabilities and corresponding training resources for individuals at each stage of the Company, which assists supervisors to effectively develop talents, so as to achieve the goal of fully utilizing the talents and abilities of each person.



Honor about Talent Development

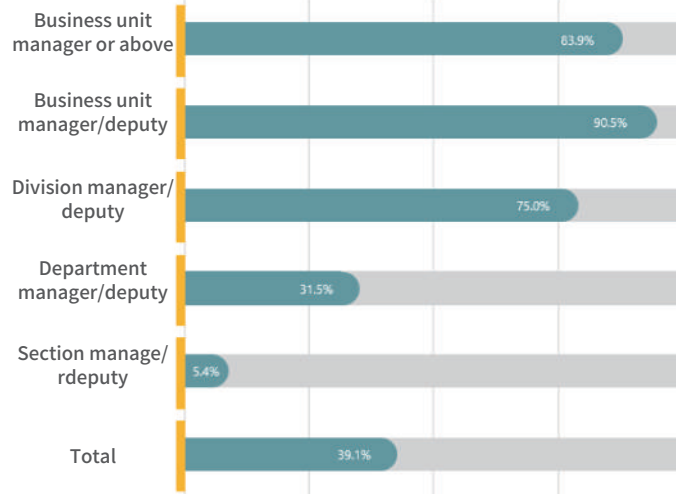


5.3 Talent Development

Key Talent Cultivation

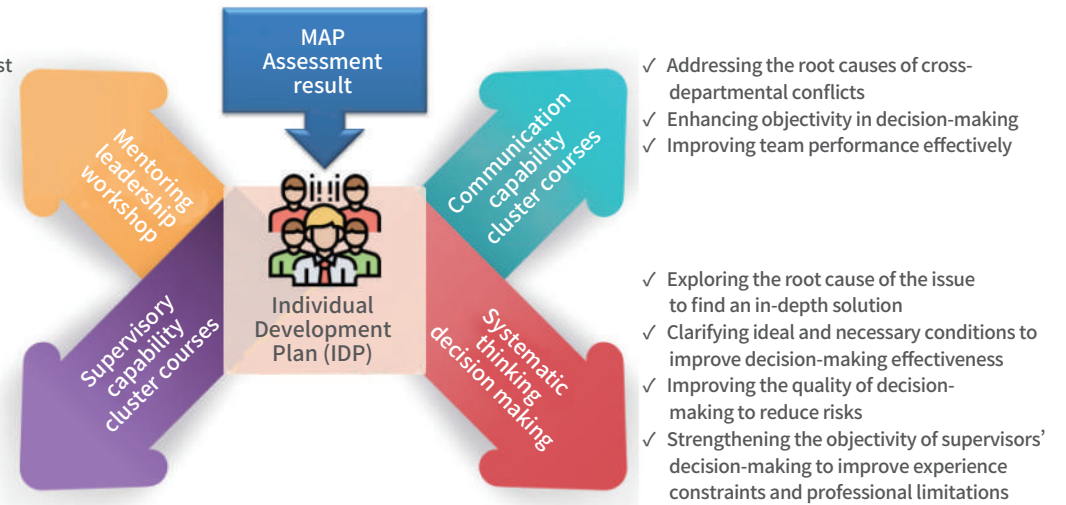
Middle and Senior Management Leadership Project

- ◆ Based on the gap in the overall ability of the evaluation results, the Company plans supporting training programs to reinforce it, and launch leadership evaluation projects layer by layer, from top to bottom, and continue to cultivate talent echelons.
- ◆ HR will assist the supervisors of each BU to formally discuss and reach a consensus on the content of the IDP with the trainees, and regularly understand and track feedback.



- ✓ Enhancing leadership skills to assist subordinates in achieving results
- ✓ Discovering the potential of subordinates and assisting in their development to enrich the talent pool of the organization
- ✓ Improving team performance and talent development, and building a talent foundation for sustainable growth
- ✓ Driving each supervisor to develop at least one high-potential talent
- ✓ Identifying high-potential talents.

| | | |
|---|---|--|
| People-oriented corporate culture Core competence system Key talent cultivation | Continuously innovative learning organization Review the quality of training Meet the needs of the organization and colleagues | Balanced training and development Diverse internal and external lecturers Rich learning resources |
|---|---|--|



Management Development Project for Junior and Mid-level Managers

- ◆ In order to continuously improve the management and leadership capabilities of junior and middle-level managers, Inventec continues to implement the "New/Junior and Middle-level Managers Development Project", and conducts the "Right in Talent Evaluation" project for supervisors below the manager level.
- ◆ Through the courses, the testees are able to understand the meaning of various personality indicators and the characteristics of self-behavior, and they are more familiar with the indicators through case study and discussion.



RiTE Right in Talent Evaluation

經由主管推薦，人才暨管理中心已邀請各位完成「RiTE人才適性檢測」。為使大家能瞭解各項性格的意義以及自我行為特質，將於5/20(五)舉辦「RiTE人才適性檢測」報告解析與應用課程，詳細資訊參考如下：

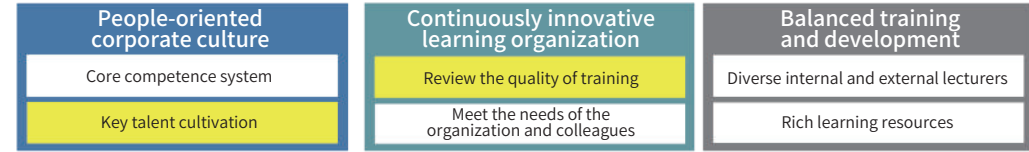
- 課程名稱：RiTE人才適性報告解析
- 上課時間：5月20日(五)10:00-12:00；請提前5分鐘上線完成課程並到手續
- 上課方式：Teams 雲端教室 (請按一下這裡以加入會議)
- 注意事項：
 1. 本評測及課程為您的BU/CU主管推薦您參加，須全程參與課程並完成測驗/簽退才視為完訓，公無法參加者，請務必取得直屬主管同意並通知承辦人(Mandy Yang #21916)進行請假。
 2. 本課程完訓者將獲得學習證照點數「2點」。
 3. 請安排「安靜的空間」參加課程，避免於容易被打擾的公共空間參加課程。

5.3 Talent Development

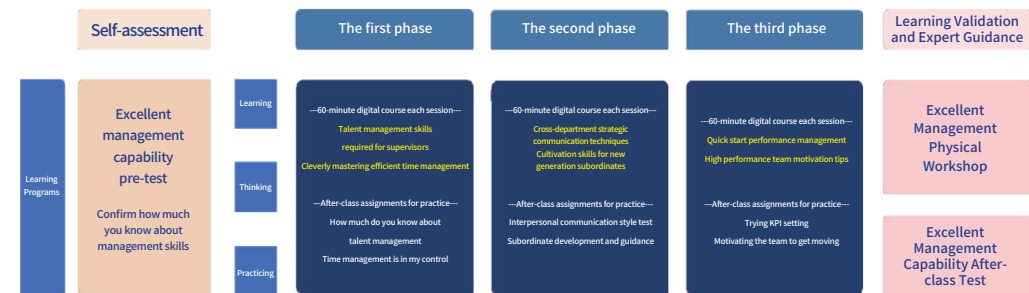
Key Talent Cultivation

Training for Excellent Management New Supervisors

- ◆ In order to assist each unit in developing and improving the management capabilities of new/junior and middle-level supervisors, the Company provided [Training for Excellent Management] hybrid training course – digital course + final practical workshop in 2022.
- ◆ Through six E-Learning digital courses from April 2022 to November 2022, including "Talent Management for Supervisors", "Effective Time Management", "Cross-departmental Communication", "Cultivation of Subordinates", "Performance Management", and "Team Motivation", the systematic courses help to enhance supervisors' implementation capability in the process of planning, execution, tracking, and assessment, in order to achieve goals efficiently.



A Diverse and Rich Management Learning Journey



Review the Quality of Training

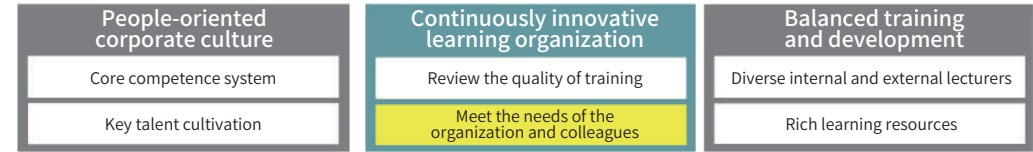
- ◆ The "Talent Quality-management System (TTQS)" of the Workforce Development Agency of the Ministry of Labor, Executive Yuan is one of the highest certification standards for Taiwan's planning and execution of education and training.
- ◆ After receiving the TTQS Bronze Award in 2016 and the Silver Award in 2019, Inventec was once again awarded the Silver Award for Inventec Talent Development by the government in 2021. Moving forward, Inventec will aim at the TTQS Gold Award, continue to reinforce and improve the strategy and action plan of talent cultivation and development, actively train talents, strengthen the competitiveness of employees, and allow the company to continue to grow.
- ◆ Inventec attaches great importance to talent training. In recent years, we have actively deployed digital training courses through e-learning platforms and mobile applications (apps). As a result, even in the face of the pandemic, where physical courses cannot be conducted, our achievements in talent development and training remain impressive. This also demonstrates our determination to actively pursue digital transformation.
- ◆ Through the integration of virtual and real, more new technological tools are applied to allow talent cultivation and development to continue without interruption. At the same time, Dashboard is also being developed to present results in real time as relevant management and decision-making information for middle and high-level management.

5.3 Talent Development

Meet the Needs of the Organization and Colleagues

Inventec defines annual talent development goals comprehensively through the following ways:

- Annual need survey: The Company can understand the training needs and expectations of all colleagues, and the Company can also review the quality of the annual training courses for continuous optimization and improvement.
- One-on-one supervisor interviews: Analyze the gap between capabilities and goals based on actual business conditions.
- Performance Interviews: By utilizing performance interviews, feedback on colleagues' competency development items is collected to gather and consolidate annual training needs.
- Combine the training courses corresponding to the "Core Competence Framework and Learning Map".



2022 Learning and Development Need Survey

From now until December 23 (Thursday) Complete the questionnaire to be eligible for the lucky draw

In 2021, IET conducted 864 digital and physical courses, with a total of 14,770 participants and 23,524 learning hours. In the face of changes in the external environment, through a diverse learning and development mechanism, we aim to enhance the value of talents, develop potential, and improve the competitive advantage for the organization!

In order to continuously enhance the competitiveness of the organization and understand the training needs of all colleagues, we invite you to take some time to fill out the "Training Needs Questionnaire" so that we can use it as a reference for the 2022 talent development planning.

Completion Deadline December 23, 2021 (Thursday)

Target Respondents All IET supervisors and colleagues, as well as ITO PSG supervisors and colleagues

Activity Participation Complete the questionnaire to be eligible for the lucky draw, click on the link below to fill it out

Training Needs Survey

Supervisor Training Needs Survey (for supervisors only)

Participation Gift | Participants who complete the questionnaire will have a chance to win a NT\$100 FamilyMart gift voucher, with a total of 100 places available.

The data and personal information provided in this questionnaire will be used solely for training planning and analysis purposes. All responses and personal information will be kept strictly confidential. Please feel free to fill out the questionnaire, thank you.

Management Core Competence and course objectives

| | |
|----------------------------|-------|
| Improving performance | 13.5% |
| Building a successful team | 33.7% |
| Guidance | 18.0% |
| Planning organization | 19.1% |
| Continuous improvement | 15.7% |

- Communication across generations 21.6%
- Team building 19.6%
- Analysis and thinking 13.7%
- Downward management and cultivation 13.7%
- System establishment 7.8%
- Performance and goal setting 5.9%
- Communication/negotiation 5.9%
- Time management 3.9%

Employee core competence and course objectives

| | |
|---------------------------------------|-------|
| Work management | 10.3% |
| Time management | 10.3% |
| From responsibility to accountability | 30.8% |
| Creative thinking | 8.4% |
| Process improvement | 9.3% |
| The question behind the question | 5.6% |
| Upward communication | 0.9% |
| Horizontal communication | 5.6% |
| Collaborating to resolve conflicts | 18.7% |

- Professional courses 26.7%
- Industry/political and economic trends 13.3%
- Performance and accountability 13.3%
- ESG 10.0%
- Language 10.0%
- innovation 6.7%
- Regulatory certificate 6.7%
- Others 13.3%

2022 training category_management courses

| | | |
|--|--|---------------------------|
| Cultivation of new supervisors | Communication across generations | Team building |
| Business negotiations | Business decision and analysis | ESG strategy and practice |
| Subordinates/potential talents cultivation | Industry/Political and Economic Trends | |

2022 training category_course for all colleagues

| | | |
|--|-----------------------------|---|
| Performance and accountability | Emotional stress management | Communication across generations |
| Professional courses | Creative thinking | Primary communication Text/Questioning Skills horizontal/upward communication |
| Industry/politics and economy/ESG trends | Problem solving | Time management |

5.3 Talent Development

Diverse Internal and External Lecturers

- ◆ In order to assist supervisors to quickly cultivate organizational combat capability, improve the inheritance of technical experience, make good use of internal instructors, and give full play to the synergy of 1+1>2 team learning, a reserved lecturer certification course is launched. Through 70-minute systematic digital course on E-Learning, consisting of "Lecturer System", "Course Design", and "Presentation and Digital Course Production", the Company aims to improve the professional skills and experience of colleagues as internal lecturers, and reserved lecturer teams have 10 minutes of physical trial teaching.
- ◆ The supervisor of the unit will give professional and technical guidance to the internal lecturers and continue to cultivate potential talents in the unit through the encouragement of the supervisor and the presentation of improvement recommendations, and then the internal lecturers of the unit will assist the supervisor in cultivating the colleagues of the unit and continue to inherit technology; in 2022, a total of 13 reserved lecturers were successfully cultivated.



| | | |
|-----------------------------------|---|---|
| People-oriented corporate culture | Continuously innovative learning organization | Balanced training and development |
| Core competence system | Review the quality of training | Diverse internal and external lecturers |
| Key talent cultivation | Meet the needs of the organization and colleagues | Rich learning resources |

- ◆ In cooperation with the Institute for Information Industry, Taiwan Institute of Economic Research, and Industrial Technology Research Institute, Inventec provides colleagues with diverse learning resources based on course needs and arrangements for professional lecturers. Looking at the industry and international trends from the perspective of external lecturers will help to expand the diverse thinking of colleagues in business strategies.

【Live+Teams雲端教室】 2022.11.10(四) 14:00~16:00 | 人才暨管理中心 | Talent and Management Center

2023 Global Industry and Economy Trend

孫明德 博士 | 台灣經濟研究院/景氣預測中心主任

課程大綱:

1. 全球及主要經濟體政經情勢
2. 新興市場
3. 台灣經濟及產業展望
4. 未來經濟變數

【雲端教室】 2022.7.27(三) 14:00~16:00 | 人才暨管理中心 | Talent and Management Center

Application Metaverse: Observation of Focus Applications and Technical Issues

林巧珍 資深產業分析師 | 財團法人資訊工業策進會 (MIC)

課程大綱:

1. 元宇宙的5個W
2. 應用「元宇宙化」五大驅動力
3. 關聯廠商動向
4. 應用&技術焦點面觀
5. 重點終端載具與產品進化趨勢
6. 結論與啟發

【Teams雲端教室】 2022.9.29(四) 14:00~16:00 | 人才暨管理中心 | Talent and Management Center

Analysis of the Development Trend of Digital Twin

李震華 資深產業分析師 | 財團法人資訊工業策進會 (MIC)

課程大綱:

1. 數位雙生發展現況
2. 產業應用案例觀測
3. 關鍵議題解析
4. 趨勢與展望

5.3 Talent Development

Abundant Learning Resources

◆ Developing diverse digital and physical courses, promoting a hybrid learning environment, and providing various learning methods under the ever-changing epidemic environment

| | | |
|---|--|---|
| People-oriented corporate culture Core competence system Key talent cultivation | Continuously innovative learning organization Review the quality of training Meet the needs of the organization and colleagues | Balanced training and development Diverse internal and external lecturers Rich learning resources |
|---|--|---|



2022 Learning Passport

The Second Round of Point Redemption has Started!

★請把握今年最後一次兌換機會★

點數查詢：請至「iService APP → 快樂生活 → 學習護照」查詢

兌換期間：至2023年1月9日止 (點數年度結算歸零，不得累積延期)

兌換項目：
 累計10點：超商100元禮券
 累計15點：星巴克150元咖啡券

點我填寫兌換表單

請先確認點數！
需有足夠點數方能兌換。

繼續累積點數吧！ (數位賦能) Digital Twin 數位雙生發展態勢解析【12/31前完成得2點】

◆ 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. Digital transformation is proactively deployed, and comprehensive updates on the e-Learning platform and e-Learning APP functions were added to provide a channel for training and learning during the epidemic period in IET, ITO, TAO, IPT, SQT, ICC and Tianjin.

◆ In 2022, the number of users of the digital platform reached 299,671, the highest number of users in the past years, with an increase of 75,000 users compared with 2021 and a growth of 33.6%. 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 2022, the cumulative number of learners was 998,605.



E-Learning Under the Wave of Energy Transition Development of Automotive Electronics and New Industrial Layout

全球正處在能源轉型的關鍵時代，綠色低碳發展扮演著引領第三次工業革命的重要角色，且國際油價上漲，消費者「棄油轉電」，使電動車的換車意願大幅提升。各家廠商積極推動電動車供應鏈自主設計與研發實力，但面對供應鏈缺料、車用半導體短缺，造成的影響與衝擊該如何改變與調整？

透過課程，一起探究電動車從能源轉型的交通工具，加入智慧化運用，促使資訊產業全方位轉型的發展過程與產業新布局。

課程大綱

- 車用半導體關鍵議題
- 車用電子關鍵議題

05/31前完成線上學習即可獲得學習護照點數 1點

Product Carbon Footprint and Hotspot Analysis Carbon Reduction

為了對抗全球暖化，全球致力於2030、2050完成階段性的減碳任務，碳中和、低碳經濟、淨零排放、碳足跡盤查逐漸成為投資者與企業的重大議題。學習盤查、管理與碳足跡計算，共同致力於開發低碳排放產品，邁向綠色永續未來。

課程大綱

1. 產品碳足跡概念
2. 國際碳足跡標準介紹
3. 產品碳足跡的執行程序與產品碳標籤介紹
4. 持續碳足跡管理建議
5. Q&A

07/31前完成線上學習即可獲得學習護照點數 2點

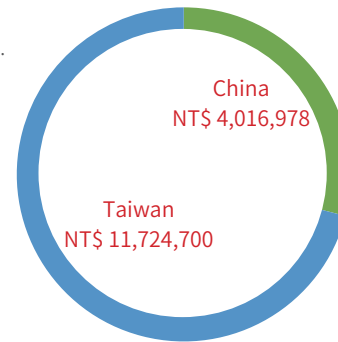
工研院綠能所 黃文輝 博士

5.3 Talent Development

Abundant Learning Resources

- ◆ The Workforce Development Agency, Ministry of Labor subsidizes institutions with the funds for in-service employee training, aiming to expand training benefits, continuously improve manpower quality, accumulate human capital, and enhance competitiveness.
- ◆ From 2022, in addition to the core competency courses conducted by the Talent and Management Center, the Company also invites and assists various business units to submit funding applications and reimbursements, effectively using the resources provided by the government to increase professional training while reducing the Company's training expenditures. In 2022, the numbers of application, approval, training hours and execution rate are all the highest in history.
- ◆ In 2022, there were a total of 386 subsidized hours with a subsidy amount of NT\$463,222. The Company has been recognized as an "Excellent Training Enterprise" issued by the Workforce Development Agency, Ministry of Labor, and participated in the annual seminar to share relevant experience and work together to improve the quality of industrial training.
- ◆ The training expenditures in Taiwan and China in 2022 is shown in the figure on this page.

| | | |
|---|--|---|
| People-oriented corporate culture Core competence system Key talent cultivation | Continuously innovative learning organization Review the quality of training Meet the needs of the organization and colleagues | Balanced training and development Diverse internal and external lecturers Rich learning resources |
|---|--|---|



Training Expenditures (New Taiwan Dollar)



2022 Corporate Human Resources Improvement Plan

Collection of Departmental Professional Training Plan

All unit supervisors are welcome to provide information on the 2022 professional training courses that have been arranged, utilizing government resources to enhance the professional capabilities of colleagues and enrich our training resources!

◆ We invite all supervisors to attend "Enterprise Human Resource Enhancement Program - teams online briefing" on March 25 (Friday) from 14:00 to 15:00.

Training Period/Course Category

During the period from **June 1, 2022 to October 31, 2022**, the following categories of training courses will be conducted:

- R&D and Innovation Course
- Information and Technology Application Course
- Operating Systems, Production Expertise and Certification Course

Hours/Attendance Requirements

- A minimum of 2 hours per day, with a maximum of 8 hours in a single day.
- Internal training: minimum of 5 participants, maximum of 50 participants (excluding foreign colleagues).
- External training: minimum of 1 participant, maximum of 8 participants for the same course (exclusive course for the Company is not allowed).

Subsidies (Course Fees)

- Internal training: internal instructors - hourly rate of NT\$500, external instructors - hourly rate of NT\$2,000.
- External training: 50% of the course fee, policy-related courses/colleagues under 29 years old can be increased to 70%.

Implementation Notes

- The list of instructors/trainees should be provided two weeks before the course starts, and the list of participants should be reported within one week after the course.
- For temporary changes or cancellation of the course, HR must be notified one week before the course.
- The Ministry of Labor will send staff to visit the course without notice to randomly check the actual status of the course.

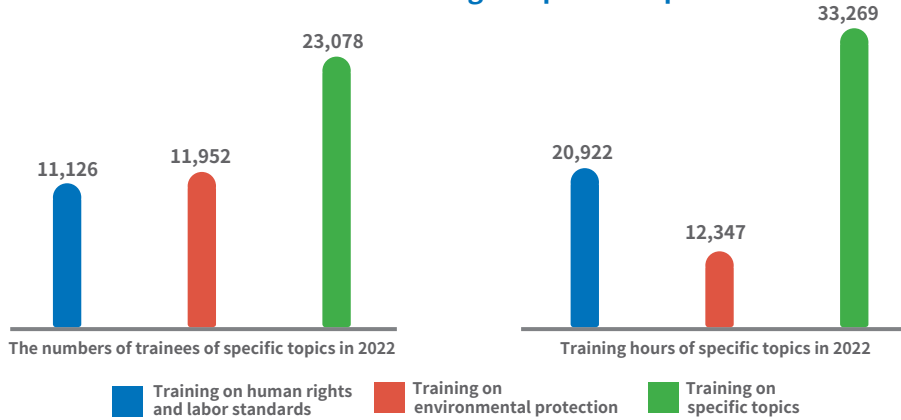
Deadline for Submission: April 13, 2022 (Wednesday). HR will collectively apply for the subsidy of the Ministry of Labor's "Human Resource Enhancement Program" and will notify you of the final review results.

If you have any questions, please contact:
 Corporate Talent and Management Center / Talent Development and Service Department
 Migo #21968 / Afra #21505 / Albee #21984

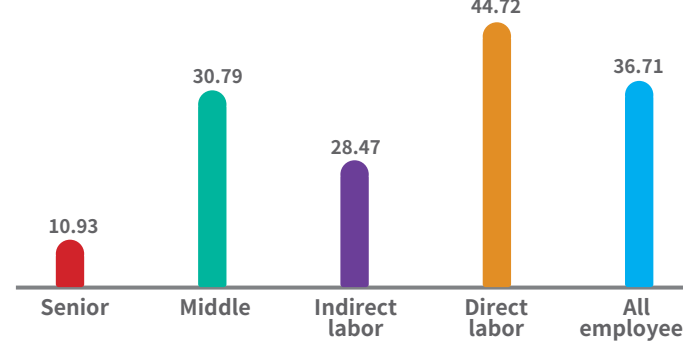
5.3 Talent Development

Critical Numbers of Talent Development

The results of training on specific topics

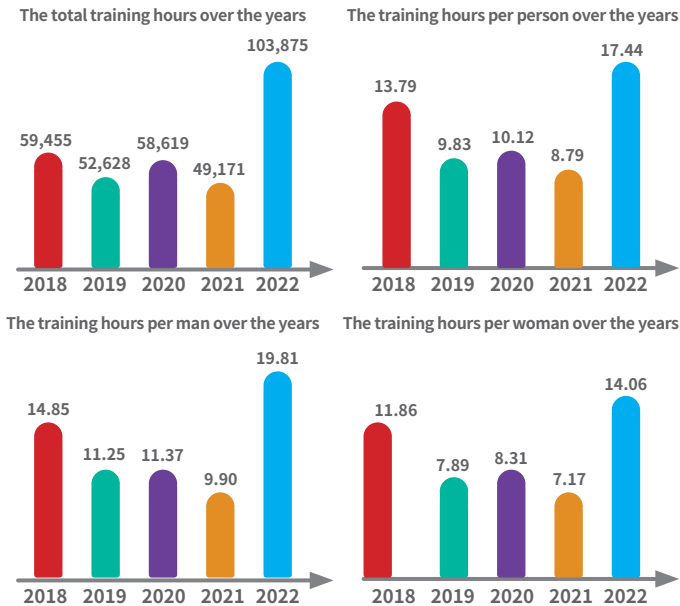


The average number of training hours per employee in each category (average hours)

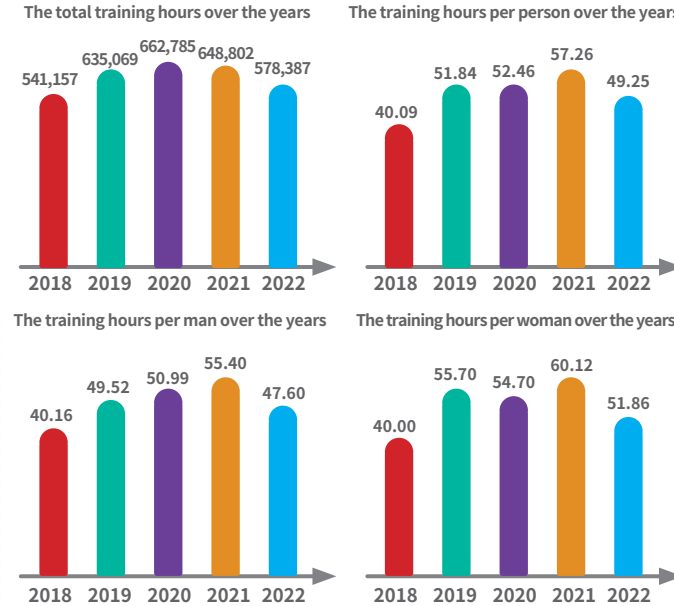


◆ The average number of training hours per employee in each category, the results of training on specific topics, and the total numbers of training hours and the numbers of training hours per person in Taiwan, China, Europe and America over the years are shown on this page.

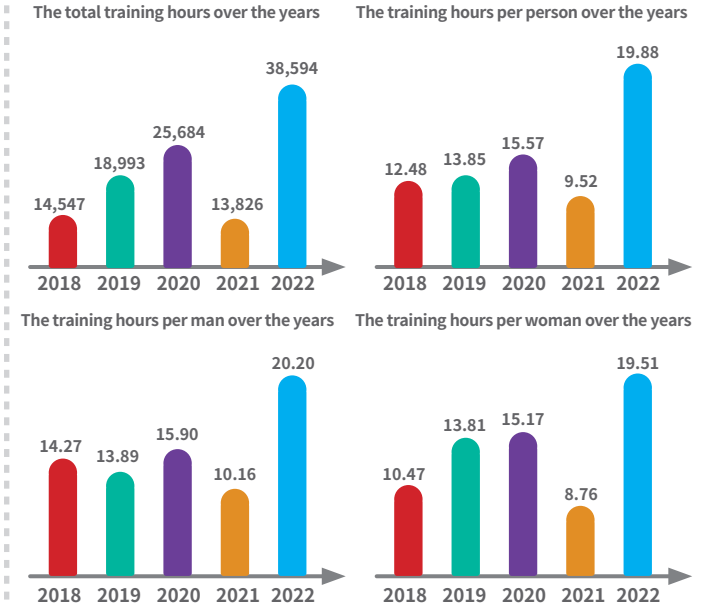
Taiwan



China



Europe and America



Note: Please refer to p.136 for data definition and formula description.

5.4 Health and LOHAS

Occupational Safety and Health Management System

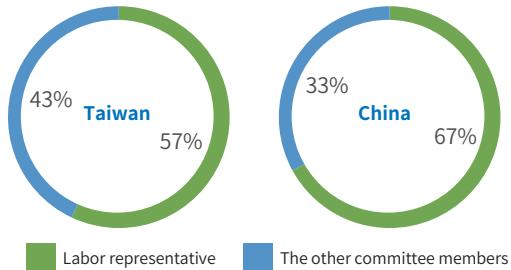
Management System

◆ To achieve the goals of sustainable operation, the first and foremost task of the company is to implement safety and health management. The eight 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. It also ensures that employees or non-employees whose work and/or workplaces are controlled by Inventec have 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 2022, Inventec had 41 cases of work-related injuries, without any severe work-related injuries requiring rest for more than 6 months, deaths due to work-related injuries, and work-related ill health. 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.

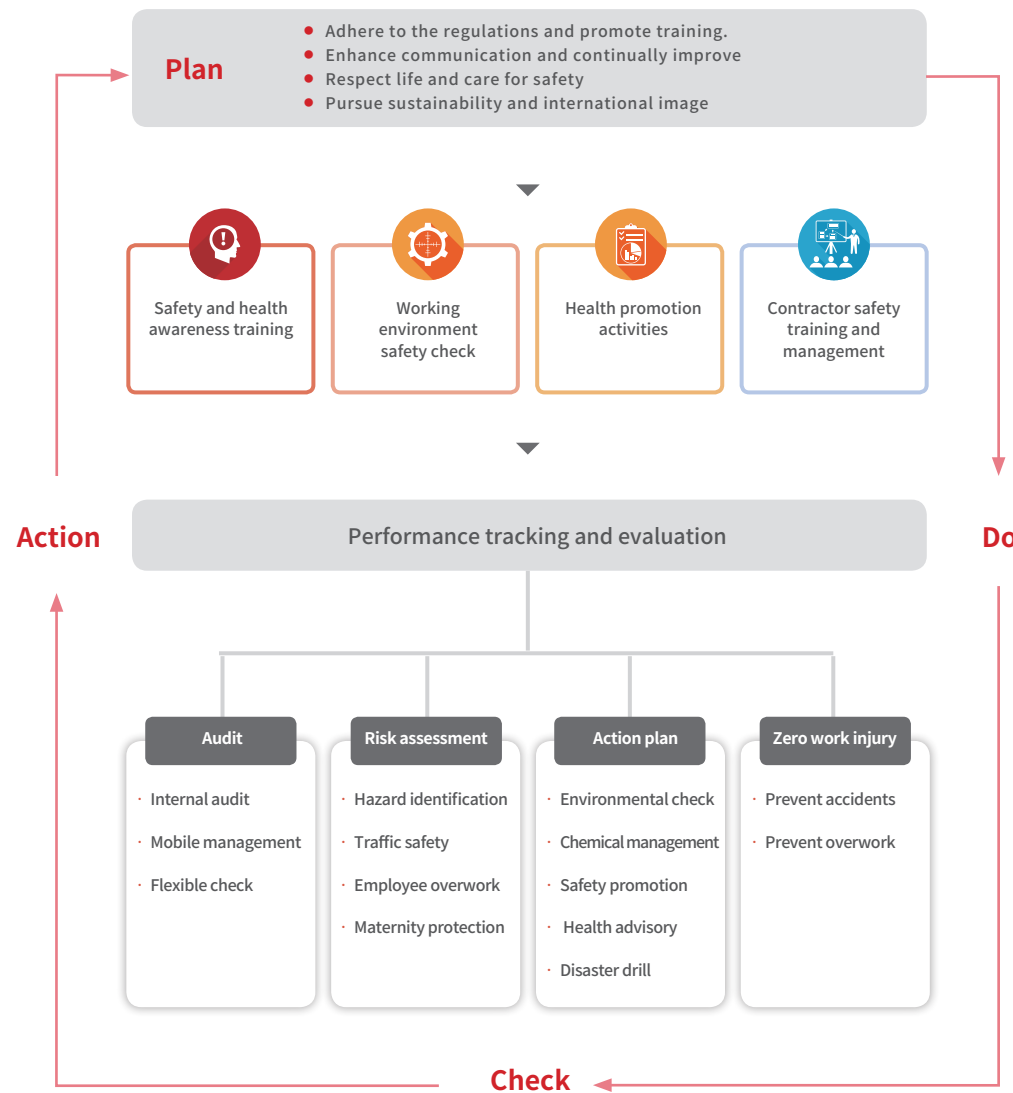
Proportions of Safety, Health, and Environment Committee Members



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

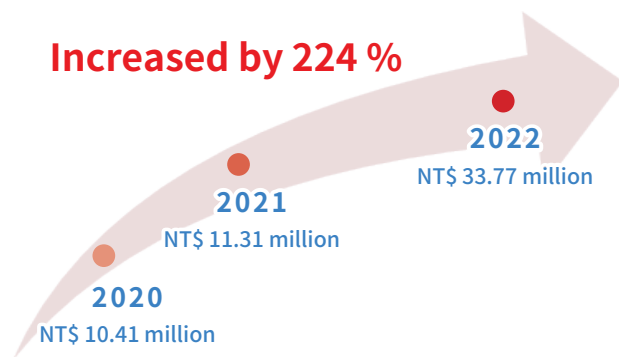
- ✓ Safety, health, and environment-related regulations
- ✓ Educational implementation plan
- ✓ Prevent mechanical, equipment, and raw materials hazards
- ✓ Investigate and plan countermeasures aimed at the monitoring results of the operating environment
- ✓ Health management
- ✓ Regularly review the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

Promote a safety and health culture and move towards a sustainable and excellent workplace.



5.4 Health and LOHAS

Occupational Safety and Health Management System



The management expenditure of occupational safety and health of IET

Safety and Health Management Funds and Proposal Improvement

- ◆ Inventec has been gradually increasing its investment in occupational safety and health management. In addition to increasing manpower, it has also raised the budget for automatic inspection of machinery and equipment to prevent disasters from happening. In order to purchase anti-epidemic materials, the management expenditure of occupational safety and health of IET in 2022 increased by 224% 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.

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.

Taiwan Occupational Safety and Health Management System



ISO 45001 Occupational Health and Safety Management System



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 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 are 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 2022 were related to the use of chemicals, electrical maintenance and repair, and sudden infectious diseases. The improvement targets of these items are all prioritized in accordance with procedures and regulations, and risk control is implemented through project management and engineering improvement methods.

5.4 Health and LOHAS

Workplace Safety & Health



Supervisor safety and health training



Special operator training



3-minute training before work



Emergency response drills

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, occupational safety & health 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, etc., the completion rate of training reached 100% in 2022. Inventec cares about the health of employees and communicates from the perspective of employees. For example, IET 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 firefighting 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. The fire drills in the plants of China are conducted once every six months. In 2022, a total of six fire drills were completed, along with 20 critical emergency response drills.
- ◆ Inventec has formulated regulations governing chemical safety and conducts risk assessment at the time of chemical purchase. In terms of the control measures for chemical substances used in the plant, according to the condition of health hazards, distribution status, amount of usage, etc., the risk level is evaluated. A temporary storage area for hazardous chemicals that is monitored 24 hours a day has been set up in the factory. Furthermore, the Globally Harmonized System (GHS) and the management of related hazardous substances are promoted through in-service training and online promotional materials.

5.4 Health and LOHAS

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. In 2022, a total of 4 health talks (physical talks and E-learning) were held in Taiwan, with a total of 1,911 participants, and the average satisfaction degree of participants was 4.36 points (out of 5). 1 health talk was held in China, with a total of 92 participants, and the average satisfaction degree of participants was 4.98 points (out of 5).
- ◆ In response to the Labor Department's promotion of hazard-free work schedules, in 2022, Inventec was honored by the Labor Department for hazard-free work hours of more than 65,334,018 hours which is accumulated steadily.

Medical Consulting Service

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

One-on-one Professional Psychological Counseling Service
Employee physical and mental health assistance service

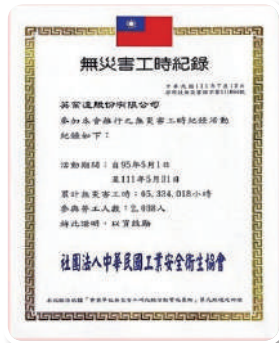
Statistical Analysis of Employee Health Services in 2022



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
 No Accident Labor-Hour Record Award of Ministry of Labor



Excellent Breastfeeding Room Certification of Taipei City



AED Location Certification

Special Health Check Arranged for the Special Operations

| Factory | Factories in Taiwan | | | |
|----------------------------|---------------------|-------------|----------|-------------|
| Special health check items | Ionizing radiation | Dust | n-Hexane | |
| Factory | Factories in China | | | |
| Special health check items | Tin Dioxide | Isopropanol | Noise | Lead fume |
| | Ionizing radiation | Dust | Ethanol | Ultraviolet |

5.4 Health and LOHAS

Workplace Safety & Health

Safety and Health Management of Stationed Agents

Agency employee

- ◆ The agency employee that provides services to Inventec is included in Inventec's Health and Safety management system. Regarding the agency employee whose workplaces were controlled by Inventec in 2022, each factory has set up 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 2022, except for 5 cases of lacerations, 3 cases of contusions, and 1 case of fracture in Europe and America, no work-related accidents or absences due to loss of ability to work were reported to Inventec. No severe work-related injuries requiring more than 6 months of rest occurred, and there were no cases of deaths due to work-related injuries and work-related ill health.

Contractors

- ◆ Inventec's Health and Safety management system includes the contractors that provide services to Inventec. 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 2022, 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. There were no cases of deaths due to work-related injuries and work-related ill health.
- ◆ We regularly hold contractor briefing sessions to convey the various management regulations about safety and health, onsite hazards notification and precautions, etc. A total of 20 contractors (51 people) participated in the contractor briefing session held on December 24th, 2022, and December 30th, 2022. A total of approximately 441 contractors completed training throughout the year.

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.

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, Inventec follows BCP (Business Continuity Plan) and 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) Participate in the training of COVID-19 prevention measures held by customers and cooperate with customers in epidemic prevention and response.
- 3) According to the requirements of the customer value chain, adjust the products manufacturing in off-site factories to ensure fulfilment of local customer demands.

Continuous supply chain management:

- 1) Confirm 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 video and hardware equipment and connect 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: Combine smart factory to create the world's first open architecture 5G independent enterprise private network.

5.4 Health and LOHAS

ICC Won the Title and Medal of "Healthy Enterprise"

Chongqing Municipal Health Commission issued the "Healthy Enterprise" medal



The creation of "Healthy Enterprise" is an important initiative by the Chongqing Municipal Health Commission to implement the Healthy China Chongqing Action and promote occupational health protection. In order to successfully create a "Healthy Enterprise", ICC has made key improvements in management systems, healthy environment, health management and services, and health culture while ensuring adequate occupational health management and safeguarding employee health. For example, it has established an employee psychological counseling room and formulated an employee mental health care plan, optimized and upgraded the reading room in the living area, and upgraded and transformed the lactation room in the plant area. While doing a good job in occupational health management and occupational disease control over the years, ICC has also carried out publicity activities on the "Occupational Disease Prevention and Control Law" to prevent the occurrence of occupational diseases, promote employee occupational health, and publicize health culture.

After half a year of work, ICC was awarded the title and medal of "Healthy Enterprise" by the Chongqing Municipal Health Commission on April 26th, 2022. Only 10 companies in the entire Chongqing city were awarded this honor in the creation of "Healthy Enterprise", and among the 5 ODM manufacturers in Chongqing city, ICC was the only one to receive this award.

Decrease in Work Injury

- ◆ In 2022, ICC had a total of 4 work-related accidents, all of which were minor injuries. Compared with the 7 work-related accidents that occurred in 2021, there are 3 fewer work-related accidents, showing a downward trend and a drop of 43%. The main reason for the improvement is that the OKR zero-accident special project was implemented in 2022 to increase the attention of supervisors, and the supervisors of each unit will lead a team to conduct regular inspections; safety training was conducted for the popularization of safety knowledge for all employees and special positions; the identification of hazards has been strengthened, and identify the hazards in a timely manner for departments with abnormalities; the factory has established a daily safety inspection system for production units; weekly safety inspection for department heads and monthly safety inspection for division heads; the Environmental Safety Office organizes daily patrol inspections, and promptly notifies the responsible unit for rectification of hidden dangers, identifies possible risks in advance and formulates control measures to reduce the frequency and severity of employee injuries and reduce the occurrence of safety accidents.

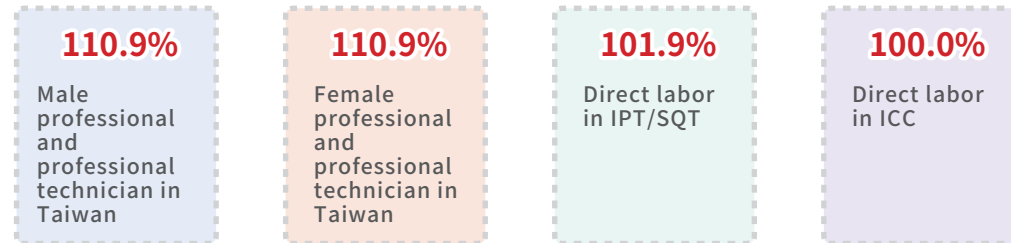


- ◆ ICC set up a psychological counseling room and a vent room in July 2022 to provide counseling services and a channel to vent stress.
- ◆ ICC provides instant psychological counseling and 24-hour psychological counseling services. In 2022, a total of 175 counseling services have been completed, mainly related to psychological and life counseling services.

5.4 Health and LOHAS

The Care of Employees

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



Pay and Remuneration

- ◆ In 2022, Inventec had 5,174 full-time non-supervisory employees in Taiwan. The average salary of full-time non-supervisory employees was NT\$1.121 million, and the median was NT\$0.939 million. In 2021, there were 5,427 employees, with an average of NT\$1.024 million and a median of NT\$0.838 million. Difference analysis: In 2022, the number of employees decreased by 253, the average salary of employees increased by NT\$97,000, and the median increased by NT\$101,000.
- ◆ 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.

Flexible Work Schedules

- ◆ Inventec Taiwan offers a flexible working hours that allows all employees to adjust their commuting time according to their personal conditions. Furthermore, the employees only need to work at the factory for 4 hours a day. After reporting to the supervisors, employees can leave the factory early without applying for leave. The total monthly working hours should not be less than the monthly basic working hours. Also, the make-up workdays according to the calendar announced by the Directorate-General of Personnel Administration were all adjusted to holidays by Inventec so that nobody must work a make-up day, which is 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 onsite 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.

Awarded Best Companies to Work for in Asia In recognition of Inventec's all-round care for employees



5.4 Health and LOHAS

Enjoying LOHAS Lifestyle and Caring for the Physical and Mental Health of Employees

Inventec values the health of employees, and only healthy and happy employees can bring the energy of sustainable development to the enterprise. In addition to being committed to providing a safe and hygienic working environment, Inventec promotes "Enjoying LOHAS Lifestyle" to let colleagues enjoy life happily through providing a workplace environment of LOHAS, and the design of various activities. The Company hopes that employees can work happily and live happily.

Focusing on Both Epidemic Prevention and Employee Benefits and Conducting Online Lectures to Build Cohesion

Under the impact of the epidemic, to protect the welfare of employees while considering the health of employees and avoidance of the risk of infection, Inventec conducts the lectures online. A variety of topics and knowledge content are launched every month, covering health care, diet, gender communication, etc. Professional speakers are invited to give online lectures and record them as online teaching materials. The course content is collected through the internal learning platform, so that all employees can accumulate creativity and vitality while joining the courses.

The number of participants is as high as 2,897.

What exactly is focus?

- A little force at the beginning, but then very relaxed and indulged
- Almost multi-tasking is actually very slow, but concentration makes one elegant and efficient
- Concentration is an excellent remedy for purifying the brain, mind, and even the magnetic field

Five steps to learning to focus

Awareness Breathing Relaxation Feeling Concentration

Learn the four signals of life aesthetics

- Always being able to realize that I am in a hurry and consistently entering the four-step adjustment process.
- Tasting the true essence of relaxation, feeling recharged and happy, which is different from being "laze and lay".
- The body and breath often remain in a state of ease and smoothness.
- Having the "third eye" to see beauty and happiness everywhere, accompanied by a spontaneous sense of gratitude.
- The side effect of the combination is to start having a "lucky physique".

Change Home style at your fingertips
Small budget to create quality space

Who said that home design always requires major renovations? Want to have your own style but don't know where to start? How to use decorative items and storage tools to create a space that reflects your personal style. Enjoying breakfast before heading out to work in the morning. Lazy afternoons lounging on the sofa during weekends. Create a space with a sense of quality, making your mood more beautiful.

Lecturer: Soft Furnishing Consultant Carel

Course Content: Selecting great personal interests, soft lighting and plants to warm up the space, the best way to choose for a gift furnishing, focused approach to home improvement, how to use decorative items and storage tools, create practical and personalized spaces. Online and offline courses are available for you. Online course materials are available for you. You can also attend our courses and gain the most from our courses, learn and attach their own paths to work-life development.

This course is not included in the reference. Get more on the Learning before 4/30 to get 1 point of LOHAS passport.



LOHAS

Enjoy Life

- L**ife: Work-life balance measures
- O**bservation: Observing needs and providing proper services
- H**ealthy: Creating healthy and happy environment
- A**bundant: Providing rich and diversified activity content
- S**afely: Friendly workplace with full support

LOHAS Passports
Points Redemption

Redemption Period
From now until December 26

- Earn 10 points:** Convenience store NT\$100 gift voucher. Each person can redeem a maximum of 2 vouchers per year.
- Earn 15 points:** Starbucks NT\$150 coffee voucher. Each person can redeem a maximum of 2 vouchers per year.

Description of earning points

| | | | |
|--|--|---------------------------------------|---|
| Club Activities: Maximum of 2 points per month | Lectures/Events: Maximum of 2 points per month | Club Competitions: No limit per month | Blood Donation: 50cc - 2 points, 100cc - 4 points |
|--|--|---------------------------------------|---|

Point Inquiry
Please go to "Service APP" → Happy Life → LOHAS Passport" for point inquiries.

Participation

Points: 9,003 Participants: 2,119
Up 64% from 2021

| | | |
|-----|--------------|--------------------|
| IET | 6,455 points | 1,403 participants |
| TAO | 2,548 points | 716 participants |

Calculated as of 2022/12/14

Encouraging employees to participate in club activities, LOHAS passports promote work-life balance

Inventec encourages employees to live a harmonious life physically and mentally after work, and supports employees to participate in club activities by subsidizing club funds. In addition, in order to encourage colleagues to pay attention to work-life balance, the "Lohas Passport" was launched to redeem gifts by participating in activities and lectures. The number of participants reached 2,119, and the accumulated points reached 9,003 points.

5.4 Health and LOHAS

Enriching Activities to Stimulate Enthusiasm and Motivation for Enhancing Centripetal Force

The rich and diverse activities not only strengthen the interaction with colleagues and promote cross-departmental communication, but also make colleagues feel that the Company attaches great importance to them through different activities. Through the accumulation of each activity bit by bit, enthusiasm and vitality are spread to deepen colleagues' sense of identification with Inventec, which enables colleagues to have continuous motivation to grow together with the Company.



Festival Activities
6 activities
 The number of participants
885 people

Arts and Cultural Activities
4 activities
 The number of participants
257 people

E-sports competition
1 competition
 The number of participants
636 people

Optimizing Dining Environment

In order to improve the Company's overall environmental experience, Inventec renovated and optimized the original C restaurant in 2022. Through this renovation, a series of activities such as "C Restaurant Naming Event", "Route 66 Opening Celebration", and "Community Posting" have been launched, and we joined hands with colleagues to celebrate this historic moment. The colleagues of the Company have given good feedback on these activities. A total of more than 1,100 colleagues participated in the series of activities, and the related posts of Route 66 FB/IG fan group also accumulated a reach of nearly 2,600 people. It has good effects on improving internal colleagues' recognition of the Company and external employer brand building.

"Route 66" is named after Route 66 in the United States. Route 66 is one of the main transversal highways, carrying the heavy burden of construction in American history. The restaurant in Building C is located at No. 66 Hougang Street. It also undertakes the important task of providing meals for colleagues and is a common memory of colleagues. The name Route 66 symbolizes the key significance of the restaurant's spanning the ages and inheriting the past.



Inventec Written by the editor!

Striking a Balance between Work and Life

▶ Check out what we did this year \ (•̀ω•́) \ ◀

Nothing is more important than eating

Lunch has been fully upgraded, with the food truck brought to IET. Restaurant C is newly remodeled, and its new name is determined by all colleagues' votes. **Route 66 was elected with the highest number of votes!** Something extra from the editor! Featured fun names: Still Fantasy, Fun Meal, Shubala C, Lunchtime Dining.

Play hard with fun

Inventec League of Legends Esports Tournament: Organized under the standard of professional league. Total prize reaches NT\$200,000. Christmas Season Activities: Gift exchange, Christmas installation art moving into IET, celebrating Christmas.

Caring for your health

Feeling tight in the shoulders and need to relax? Want to exercise after work? Free professional masseurs, massage chairs, gym, and table tennis. We have it all to meet your needs!

Masters in the community

Regular photography and painting exhibitions. They are the most artistic corners in the company, full of art atmosphere.

5.4 Health and LOHAS

Health Promotion

Diversified Health Promotion Activities

In order to promote the work-life balance of colleagues and improve physical and mental health, Inventec has set up sports incentives since 2020 to encourage colleagues to continue exercising habits and develop a healthy attitude towards life. In addition, during the peak period of the epidemic, an online course that challenged 20 consecutive days of uninterrupted exercise was held to help colleagues forget the complicated pressure in life for a short time, so that the senses and limbs can be fully rested, to achieve the purpose of soothing the body and mind.

20 days to exercise early to challenge the new self

歡迎來到20天健康計畫。在這20天當中，每天都會有10-15分鐘的運動影片，讓你循序漸進。儘管沒有運動習慣，也可以擁有健康好身形，跟著一起動，養成一個習慣，讓我們一起邁向健康！

【活動日期】6月13日(一)至7月8日(五)
 【活動時間】 每周一至周五 12:45-13:00
 【活動辦法】

- 6月13日(一)起 12:45 在此連結觀看影片
- 跟著一起動，提振精神，邁向健康
- 每日需全程參與始算完成當日挑戰

【獎勵辦法】完成連續指定天數，就可獲得不同獎項

| | |
|-------|-----------------------|
| 連續10天 | 樂活護照 點數5點 |
| 連續15天 | 全家商品卡 200元 |
| 連續20天 | 全家商品卡300元 加碼抽好禮共3名 |

加碼好禮
Fitbit Charge 3 健康智慧手錶

Sports Incentive

即日起開始兌換至1月13日(五)

兌換內容

- 領取/兌換點數：每日運動點數1000分，每日上限3000分
- 兌換限制：每日兌換點數以扣除前日未領完點數為準
- 兌換限制：每日兌換點數以扣除前日未領完點數為準

兌換方式

兌換地點：各分公司/廠辦事處

兌換時間：每日上午9:00至下午5:00

兌換資格：凡持有 Inventec 員工證者均可參加



2022 Result

Sports Incentive

The number of participants is **361**
 The amount distributed is **NT\$529,800**

20 days to exercise early to challenge the new self

The number of participants is **160**

Encouraging the Atmosphere of Exercise and Won the Exercise Enterprise Certification

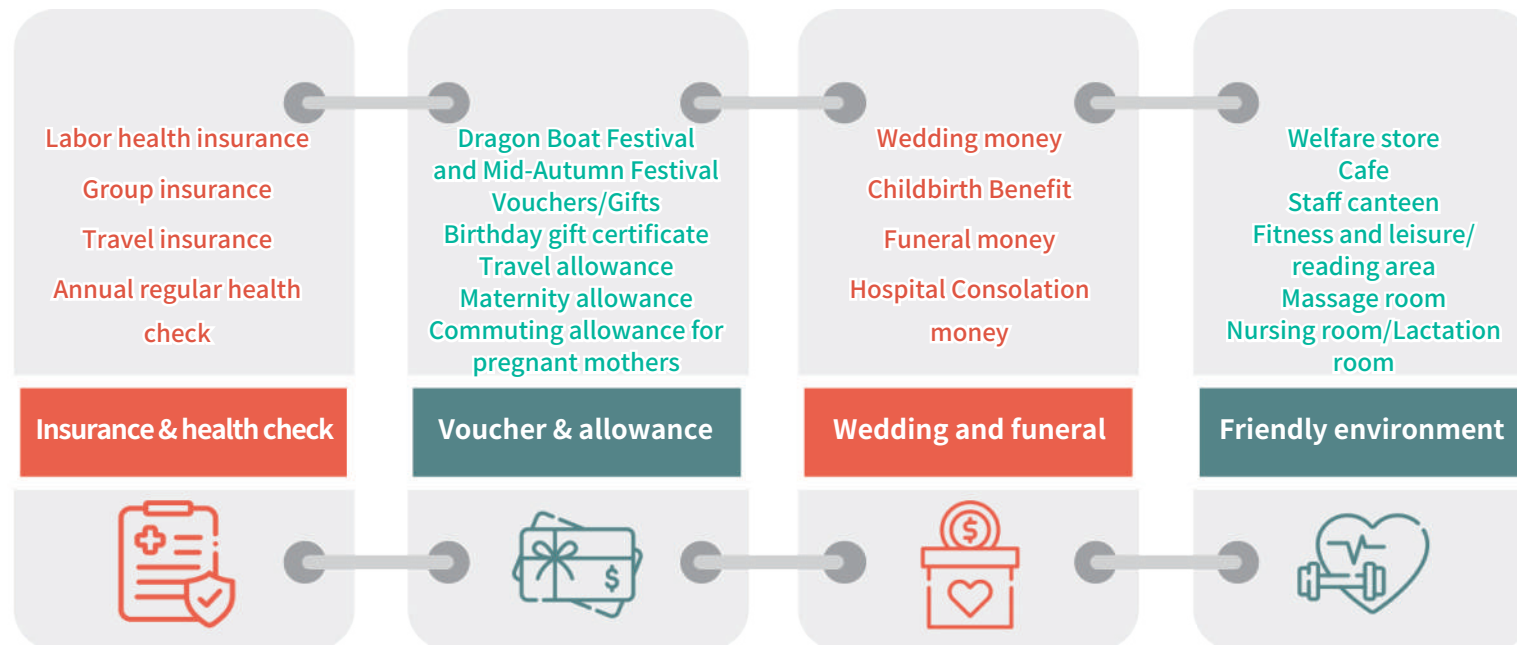
Inventec is committed to taking care of the physical and mental health of colleagues and implementing sports and healthy workplace environment. The Company creates a sports corporate culture through 20-day healthy sports activity, free low-calorie meals, fitness equipment remodeling and various incentive measures. In 2022, Inventec was once again awarded the "Exercise Enterprise Certification" issued by the Sports Administration of the Ministry of Education, demonstrating the Company's efforts to actively encourage and cultivate an exercise atmosphere and enhance employees' health awareness and vitality.



5.4 Health and LOHAS

Welfare Care

Inventec hopes that every employee can have a healthy body and mind, and also ensures their adequate living conditions. In addition to providing basic guarantees in accordance with the law, a comprehensive welfare system and various measures are provided to satisfy employees with appropriate leisure and entertainment outside of work and enrich collective life. In response to the widespread impact of COVID-19 epidemic, an epidemic prevention care team was established to distribute epidemic prevention care packages and vaccination incentives, to play a friendly workplace spirit, and to jointly take care of the physical and mental health of employees.



IPT/SQT Summer Health Campaign

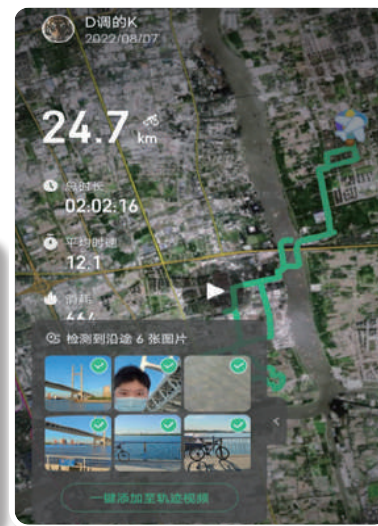
Fat Burning Fitness Challenge

In 2022, due to the impact of the epidemic, in order to avoid the gathering of employees, the offline weighing process was cancelled, and a 4-week sign-in challenge was launched in the form of independent exercise + sign-in. This event attracted a total of 298 people to sign up and participate. Colleagues were expected to clock in for 28 days in total. 69 colleagues have clocked in full attendance and 131 colleagues have clocked in for more than 20 days.



Summer Health Ambassador Recruitment

Employees were invited to upload and share exclusive summer health science knowledge. Employees presented their works through text, pictures, short videos, and various visual ways. 6 health ambassadors were selected to consolidate excellent works and publish a summer health column in the official account. While conveying information, this event enhanced the sense of honor of employees. This event attracted a total of 34 people to sign up and contribute.



5.5 Communication Management

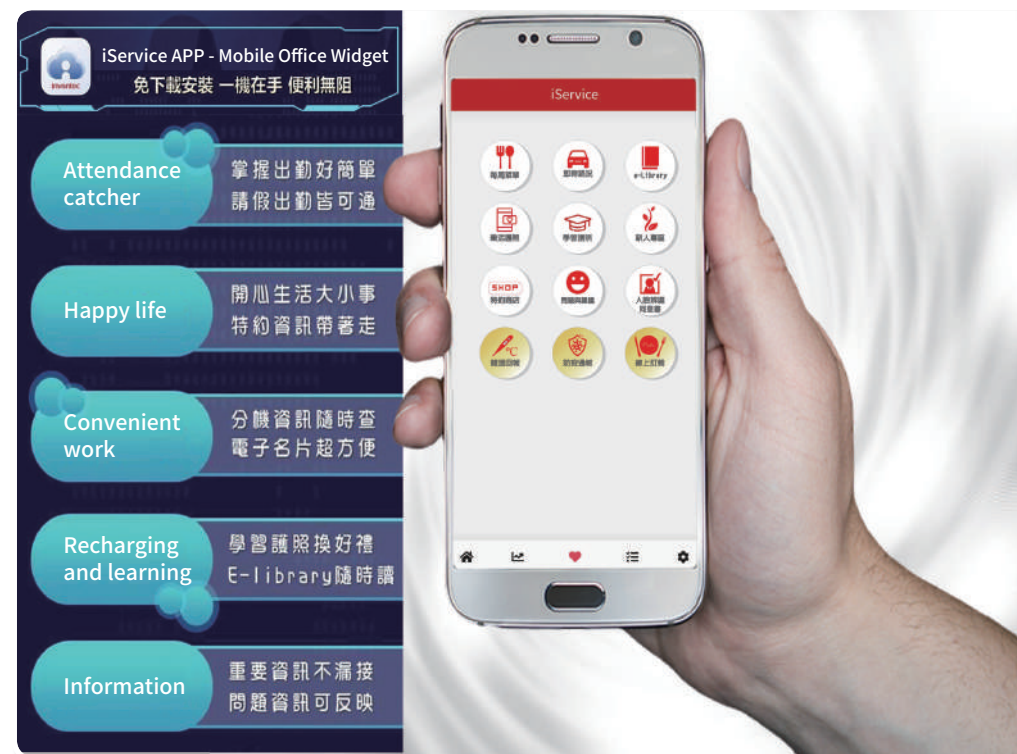
Workplace Partnership

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. There is a labor union at IPT/SQT, with employee participation accounting for 80.7% of local workforce and 12.6% of total workforce of Inventec. Since Taiwan has no trade union, communication is conducted through quarterly management and labor council meetings. No employment contracts of Inventec are signed in the form of collective bargaining agreements.



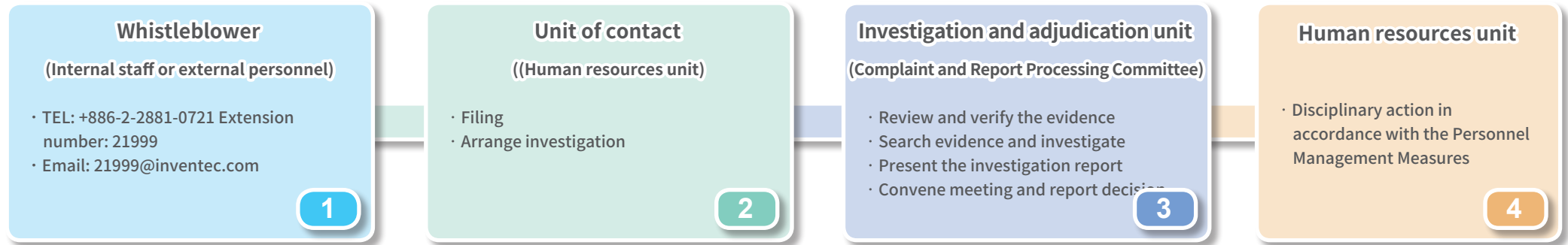
Use APP digital tools to facilitate the employees' work and life

APP Digital Convenience Tool

- ◆ Some Inventec factories have developed APP digital convenience tools for employees to use. The factories in Taiwan provide 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.

5.5 Communication Management

Inventec Internal and External Grievance Process

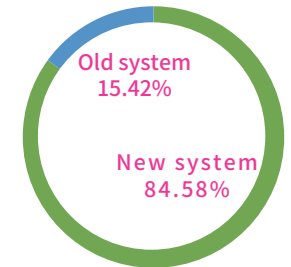


Internal and External Grievance Mechanisms

- ◆ 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 terms of labor complaints in 2022, there were 5 cases in China. The main reason is that the parties involved did not understand the labor laws thoroughly and did not comply with the factory’s regulations, resulting in litigation claims. All cases have been closed. Follow-up measures have been taken to improve the training of employees and contractors to avoid recurrence of similar cases. No formal employee complaint was filed in Taiwan, Europe, and America in 2022. 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. In 2022, there were no labor disputes that lead to work stoppages, and the number of related work stoppages and the total number of days of work stoppages were 0.

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.
- ◆ Inventec had no large-scale layoffs or job reductions in 2022.
- ◆ In Taiwan, four violations of Labor Standards Act were found according to the results of the labor inspection in 2022, with a fine of NT\$ 690 thousand adjudicated. The advocacy is strengthened, and the supervisors are required to ensure proper work arrangements.



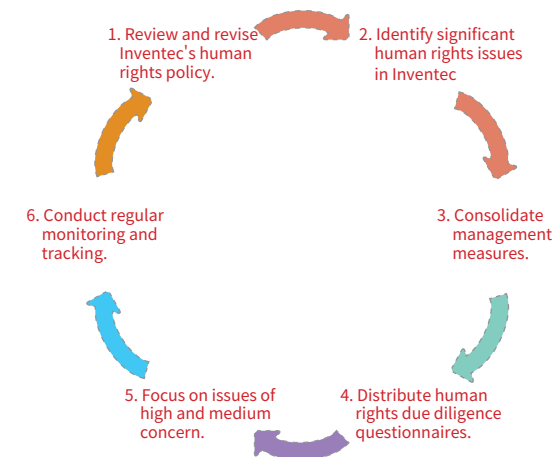
The proportion of Taiwanese employees participating in the new and old retirement systems

5.6 Human Rights Due Diligence

In early 2022, the European Commission announced a draft of the Corporate Sustainability Due Diligence Directive. One of the proposed human rights and environmental due diligence standards is to ensure that companies take appropriate measures in relation to their own operations, subsidiaries, and entire supply chain to address actual or potential negative impacts on human rights and environment. The human rights part includes: it is required to disclose how human rights considerations are incorporated into the company's operational strategy, policy and procedure, whether human rights impact assessment is conducted and corresponding policy is adopted, and whether there are review and enhancement of complaint mechanism and reporting plan, etc. Therefore, the trend of human rights due diligence has emerged. In light of this, Inventec launched a human rights due diligence project in 2022, and followed the core spirit of the international norms and principles, including the Responsible Business Alliance Code of Conduct, the UN Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, to ensure human rights protection. In the future, Inventec will conduct human rights due diligence on a regular basis, and comprehensively review and improve the identification process of human rights risk, while incorporating it into daily management thinking. In terms of law, it can meet the increasingly stringent domestic and foreign human rights norms in the future. For the Company itself, it can internalize the importance of human rights into the corporate culture, thereby enhancing the trust and confidence of employees, investors and other stakeholders.

Inventec's human rights due diligence includes the following contents:

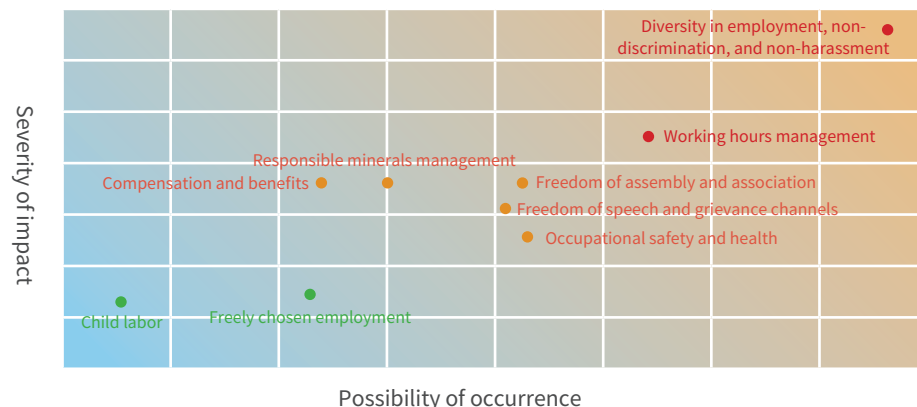
1. Review and revise Inventec's human rights policy. The revised human rights policy will be announced in Inventec's sustainability section and shared with colleagues through email. Inventec's human rights policy applies to all group companies, including all employees and overall operational activities, and sets the same standards to guide suppliers, partners, customers, and other value chain partners to adhere to.
2. Identify the list of Inventec's material human rights issues, including: "occupational safety and health", "diversity in employment, non-discrimination, and non-harassment", "freely chosen employment", "child labor", "working hours, compensation, and benefits", "freedom of assembly and association", "freedom of speech and grievance channels", and "responsible minerals management", a total of 8 items.
3. Adjust and review the content of internal documents and management measures to ensure the best interests of colleagues and the supply chain.
4. Send human rights due diligence questionnaires to colleagues and suppliers in Inventec's domestic and overseas factories for the further understanding of human rights risks.
5. Prioritize and focus on issues of high and medium concern, and carry out mitigation, remedial measures or improvement plans.
6. Regularly monitor and track the effectiveness while continuously improving.



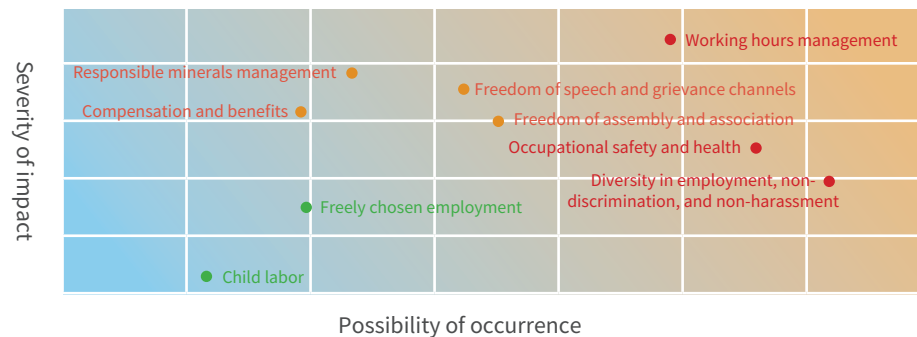
5.6 Human Rights Due Diligence

In 2023, we issued human rights due diligence questionnaires to our colleagues and suppliers in Taiwan, Mainland China, and Europe and the Americas regions. Based on the "severity of impact" and "possibility of occurrence", we have developed the human rights risk matrix for Inventec. For the category of high concern, we have formulated the following policies and plan to finalize the mitigation and remedial measures for the categories of high and medium concern in the second half of 2023.

Inventec Employee Human Rights Due Diligence Matrix





Inventec Supplier Human Rights Due Diligence Matrix



- Diversity in Employment, Non-discrimination, and Non-harassment**
 Our talent recruitment units treat individuals of different races, classes, languages, thoughts, religions, political affiliations, genders, sexual orientation, marital statuses, and disabilities with fairness. It is strictly prohibited to use any of these factors as assessment criteria in the recruitment and hiring process. We have established a diverse human resources recruitment system, including campus recruitment, alternative military service for research and development, employee referrals, self-developed talent pools, and labor banks, to meet our manpower development needs. We are committed to providing a harassment-free and non-discriminatory workplace. We adopt a zero-tolerance policy towards any form of discrimination, including but not limited to recruitment, hiring, training, rewards and punishments, performance evaluations, promotions, resignation, and other employment-related measures. We do not engage in discriminatory behavior based on any legally protected status. Except for situations required by relevant laws or for prudent considerations regarding workplace safety, we do not require employees to undergo discriminatory medical examinations (including pregnancy or drug testing) or physical examinations, and we do not make improper discrimination based on the results of such tests.
- Management of Working Hours, Compensation, and Benefits**
 All employment must fully comply with relevant laws in the respective operating locations, and strict adherence to local laws or international standards is followed, including working hours, overtime hours, and other regulatory requirements for benefits. All overtime work is voluntary, and employees are provided with equal compensation and treatment in accordance with legal requirements and job performance, including minimum wages, overtime pay, legally mandated paid leave, and other lawful benefits. Wage deductions shall not be used as a disciplinary measure. A detailed salary statement should be provided to inform employees about the salary structure and payment cycle.
- Occupational Safety and Health**
 We are committed to providing all employees with a safe, healthy, and clean working environment. To ensure better protection, we have established occupational health and safety management systems and comply with relevant regulatory requirements to reduce health and safety risks. Regular education and training sessions are conducted for all employees. We strive for zero work-related injuries and accidents and take reasonable measures to keep pregnant and breastfeeding women away from high-risk working environments, aiming to eliminate or mitigate any occupational health-related risks associated with the assigned tasks for pregnant and breastfeeding women. Additionally, appropriate lactation facilities are provided for breastfeeding women. Employees can freely voice their health and safety concerns or suggestions without fear of inappropriate treatment.

Definitions in LOHAS Enterprise

| Data Definition and Formula Description   | Corresponding pages |
|--|---------------------|
| <ul style="list-style-type: none"> Statistics based on the numbers of employees by job grades | |
| <p>1. 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. 2. Senior supervisors (director level or above) and intermediate supervisors (manager level and section chief level) are the personnel having subordinates</p> | p. 108 |
| <ul style="list-style-type: none"> Total number of new employee hires and employee turnover. | |
| <p>1. Rate of new employee hires: the number of new employee hires by region, age group, and gender / the total number of employees on 2022.12.31 * 100% 2. Rate of employee turnover: the number of employee turnover by region, age group, and gender / the total number of employees on 2022.12.31 * 100%.</p> | p.111 |
| <ul style="list-style-type: none"> Rates of total new employee hires and total employee turnover in each region | |
| <p>1.Rate of new employee hires: the regional number of new employee hires / the total number of regional employees on 2022.12.31 * 100% 2.Rate of total employee turnover: the regional number of employee turnover / the total number of regional employees on 2022.12.31 * 100%.</p> | p.111 |
| <ul style="list-style-type: none"> Turnover for newly recruited employees within three months | |
| <p>1. Turnover for newly recruited employees within three months = the number of turnovers within 3 months / the total number of new employees in 2022 * 100%. 2. The total number of new employees hires in 2022 includes total number of employee turnover.</p> | p.111 |
| <ul style="list-style-type: none"> Parental leave | |
| <p>1.Total number of employees that were entitled to parental leave: 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. 2.Application rate: in 2022, the number of employees by gender that took parental leave (Include the left employees) / in 2022, the number of employees that were entitled to parental leave (Do not include the left employees) 3.Return to work rate: in 2022, the number of employees who actually returned to work (Include the left employees) / in 2022, the number of employees who expected to return to work after parental leave ended (Include the left employees) 4.Retention rate: the number of employees who returned to work after parental leave ended in 2021 and were employed for at least another 12 months after their return to work (Include the left employees) / in 2021, the number of employees who actually return to work after parental leave ended (Include the left employees)</p> | p.104 |
| <ul style="list-style-type: none"> Training hours in each region | |
| <p>1. The total number is the employees counted on 2022.12.31. The range of training hours is the personnel having training in 2022 among the employees counted on 2022.12.31. The employee turnover is excluded. 2. 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.</p> | p.120 |
| <ul style="list-style-type: none"> The achievements of training on specific topics in each region | |
| <p>1. Percentage of trained employees = the number of trainees by topic category and by region / the total number of regional employees on 2022.12.31 * 100% 2. The scopes of the trainee numbers and training hours are the personnel having training in 2022 among the employees counted on 2022.12.31. The employee turnover is excluded. 3. The training on specific topics is completed through new employee orientation</p> | p.120 |

Definitions in LOHAS Enterprise



2022 Statistics

Corresponding pages

The numbers of employees by employment contract / type

| Region | Gender | Indefinite contract | Term contract | Agency employees | |
|--------------------|--------|---------------------|---------------|------------------|--------|
| Taiwan | Male | 3,407 | 100 | 286 | p. 108 |
| | Female | 1,631 | 817 | 261 | |
| China | Male | 1,756 | 5,438 | 0 | |
| | Female | 1,257 | 3,292 | 0 | |
| Europe and America | Male | 975 | 65 | 23 | |
| | Female | 812 | 89 | 18 | |

New employee hires and employee turnover

| Category | | New employee hires | Employee turnover | |
|----------|--------------------|--------------------|-------------------|-------|
| Age | Under 30 years old | 25,131 | 23,920 | p.111 |
| | 30-50 years old | 3,079 | 2,861 | |
| | Over 50 years old | 87 | 144 | |
| Gender | Male | 18,601 | 17,793 | |
| | Female | 9,696 | 9,132 | |
| Region | Taiwan | 1,555 | 1,248 | |
| | China | 25,857 | 25,410 | |
| | Europe and America | 885 | 267 | |

* The tenor of the term contract is at least 3 months.

Definitions in LOHAS Enterprise

The proportion of employees receiving performance appraisals in 2022

| Employee category | Senior management (directors or above) | Middle management (managers and section managers) | Indirect labor | Director labor |
|--|--|---|---------------------------|---------------------------|
| The proportion of employees receiving performance appraisals | Male 80.71% Female 90.91% | Male 91.64% Female 101.77% | Male 90.98% Female 91.50% | Male 90.96% Female 76.17% |

*Based on the total number of employees as of December 31, 2022

*Statistics are based on the scope of employees who should receive performance appraisals as stipulated by each factory, and maternity leave and parental leave will affect the proportion of female employees who receive performance appraisals.

Data Definition and Formula Description

● Safety and health indicator statistics

| | | Corresponding pages |
|---|---|---------------------|
| Glossary | 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. | p. 105 |
| | 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. | |
| 3. Total working hours = the total number of hours at the factory in each month of 2022. (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.) | | |
| 4. The total number of work-related injuries does not include near misses. | | |
| Calculation instructions | 1. Work-related injury rate (including deaths) = [Total number of work-related injuries (cases) / Total number of hours worked (hours)] x 200,000. The calculation results of work-related injury rate are rounded to two decimal places. | p. 105 |
| | 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. There were no serious work-related injuries during this year, so there was no relevant disclosure. | |
| | 3. Work-related injury death rate = [The number of work-related injury deaths (people) / Total number of hours worked (hours)] x 200,000. There were no fatalities during this year, so there was no relevant disclosure. | |
| | 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. | |
| | 5. Near miss frequency rate = [Total number of near misses (cases) / Total number of hours worked (hours)] x 200,000. The calculation results of near miss frequency rate are rounded to two decimal places. | |
| 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 ≥ the basic working hours of the month (the number of working days per month X 8 hours). | p. 127 | |

2022 Statistics

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 | 697,539 | 0 | 0 | 0 | 0 | p. 125 |
| | | Female | 556,193 | 0 | 0 | 0 | 0 | |
| | China | Male | 0 | 0 | 0 | 0 | 0 | |
| | | Female | 0 | 0 | 0 | 0 | 0 | |
| | Europe and America | Male | 525,717 | 4 | 1.52 | 0 | 0 | |
| | | Female | 546,123 | 5 | 1.83 | 2 | 0.73 | |
| Region | | Gender | The total number of working hours | Injuries | Work-related Injury rate | Near misses | Near miss frequency rate | |
| Contractors | Taiwan | Male | 383,717 | 0 | 0 | 0 | 0 | p. 125 |
| | | Female | 127,132 | 0 | 0 | 0 | 0 | |
| | China (The long-term on-site contractors) | Male | 256,968 | 0 | 0 | 0 | 0 | |
| | | Female | 213,144 | 0 | 0 | 0 | 0 | |
| | Europe and America | Male | 315,175 | 0 | 0 | 0 | 0 | |
| | | Female | 989,669 | 0 | 0 | 0 | 0 | |

*No serious work-related injury or death

*The agency employees had 5 cases of lacerations, 3 cases of contusions, and 1 case of fracture.

6. Social Inclusion

6.1 Foundation 141

6.2 Social Participation ... 145

6.3 Inclusive Growth 147



SDGs Index



Social Inclusion and Community Involvement Performance

Social donation to charitable partners

More than NT\$ 12 million



“Shoebox Passing on Love” event has supported **871** underprivileged children over the years



Employees' involvement in volunteer team with charitable partners served for

12 thousand hours



Park adoption over the years of service Labor cost

44 thousand hours

NT\$ 9.42 million



14,088 employees have donated **5,485,200 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 and charitable partners, 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 charitable partners to assist socially disadvantaged people in obtaining sufficient resources to improve their lives and better protect their rights and interests.

Inventec Group Charity Foundation



- Education and culture affairs
- Scholarships and support funds for students of lower income family

- Social welfare affairs for children, adolescents, women, senior citizens, and individuals with disabilities
- Support events of other charitable organizations
- Other social welfare affairs



- Environmental protection affairs



- Emergency aids and disaster relief affairs
- Healthcare assistance
- Other social welfare or charity affairs

- The affairs instructed by the supervisory authority

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 2022 the Foundation interacted with 49 public welfare organizations, focusing on environmental conservation, art and culture, social welfare such as the elderly, physical and mental disability, children, adolescents, women, etc.

Social and Public Welfare

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.

Disability Welfare



Child Welfare



Sponsored an age-friendly community kitchen to revitalize the physical and mental health of the elderly with disabilities and dementia.



6.1 Foundation

Ecological Preservation

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 11 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 2022, we sponsored 12 sessions of wetland environmental education programs for 297 teachers and students from the schools in remote areas. A total of 79 sessions were held from 2013 to 2022, with a cumulative number of 2,067 participants to truly appreciate the beauty of wetlands.



Art, Education, and Culture

Inventec Group Charity Foundation has long been investing resources into cultural and artistic activities or the cultural and creative industries to support the development of arts and culture in Taiwan. In addition to sponsoring charity concerts organized by the Taipei Philharmonic Foundation for Culture and Education over the years, in 2022, we sponsored the “World Music Festival @ Taiwan” and participated in the opening of the Taipei Arts Center... and other events. In 2023, we sponsored the Taipei Lantern Festival and participated in the lighting ceremony in the Shilin Lantern Area, actively supporting social arts and cultural activities with practical actions and using the power of technology to change the world.

We sponsored the Taipei Philharmonic Foundation for Culture and Education to hold a charity concert.



Art and cultural sponsorship



6.1 Foundation

Emergency Relief, Medical Assistance, and Supporting Activities of the Supervisory Authority

- ◆ In response to the changing situation of the epidemic, Inventec spared no effort in supporting epidemic prevention operations and dedicating efforts to prevent the spread of the disease. As a result, we have been honored with a certificate of appreciation from the government authority.
- ◆ We donated 1,600 sets of rapid screening reagents and 1,600 N95 masks to the aborigines in Hualien and Taitung to facilitate the preparation for epidemic prevention in the original hometown.
- ◆ Inventec fulfills its corporate social responsibility and invites the employees to roll up their sleeves and donate blood to contribute their efforts to the blood bank: We have been responding to blood donation activities for 29 years. Nowadays, we regularly organize 4 blood donation activities every year, serving as a stable blood supply cooperative unit of the blood center. All colleagues responded positively, accumulating 14,088 blood donors, and the total blood donation amounted to 5,485,200 ml.

Support epidemic prevention



Healthcare and hygiene



Long-term blood donation campaign



6.2 Social Participation

6.2.1 Employee Social Participation

Care more, take more responsibility.
Shoulder the responsibility for those in need.

◆ Since 2013, Inventec has been supporting World Vision Taiwan to hold “30 Hour Famine.” The warm action in 2022 was not detracted by the epidemic but gathered love through the “Personal 12 Hour Famine. For every additional employee who signs up, Inventec will donate an additional NT\$100.



Support the 30 Hour Famine Campaign.

◆ Through the “Shoebbox Passing on Love” events, Inventec calls on its employees to collect gift boxes of stationery and daily necessities to donate. From 2017 to 2022, a cumulative total of 871 gifts were given to the schoolchildren from disadvantaged families.



“Shoebbox Passing on Love” event conveyed love to underprivileged schoolchildren

◆ 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 22 years, with a total investment of 44,176 hours in environmental maintenance services and NT\$ 9,424,800 in labor costs.



Inventec actively maintains the community environment’s quality.

◆ The 2022 LET’S RUN Studio Classroom 1919 Charity Run was held on October 29th at Bitan East Bank Plaza. Inventec supported public welfare volunteers on the spot.



LET’S RUN Studio Classroom 1919 Charity Run

6.2 Social Participation

6.2.1 Employee Social Participation

◆ Inventec donated 5,000 Malaysian Ringgit, equivalent to approximately NT\$34,545, to two charitable organizations in Penang at the "All the Way with You" banquet in Penang. Beneficiary public welfare organizations include Ru Yi Home Association and Penang Together Charity for Special Home. Chairman Tom Cho personally attended the event and had fun together.



"All the Way with You" Charity Event



Chairman Tom Cho delivered a speech in person

◆ Inventec displays its multi-faceted efforts for social welfare participation by showing care and concern for low-income students, blood donation, etc. in mainland China. We organized a series of activities titled "Investing Together for Earth Protection" to promote World Earth Day 2022. A total of 2,045 people participated in the online knowledge quiz and 26 people participated in the "Turning Waste into Treasure" handicraft collection.



A series of activities titled "Investing Together for Earth Protection"



A total of 157 people participated in the blood donation campaign.



We sent school aid gifts with love to 100 impoverished school children.

6.3 Inclusive Growth

6.3.1 Social Care

◆ 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.

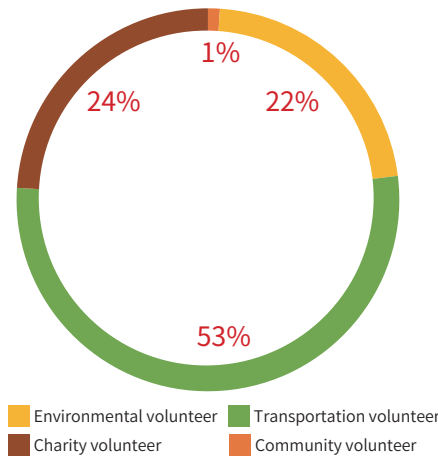


Inventec's Long-term Focus

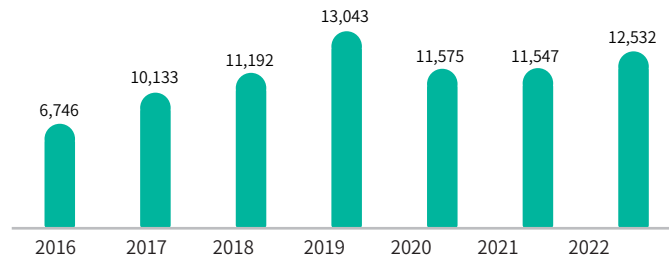


◆ Inventec actively encourages colleagues to participate in socially relevant public welfare activities. In 2022, the total number of public welfare hours reached 12,532 hours. The service categories and the number of public welfare hours over the years are shown in the table on this page.

Inventec's numbers of public welfare hours in 2022



Inventec's numbers of public welfare hours over the years

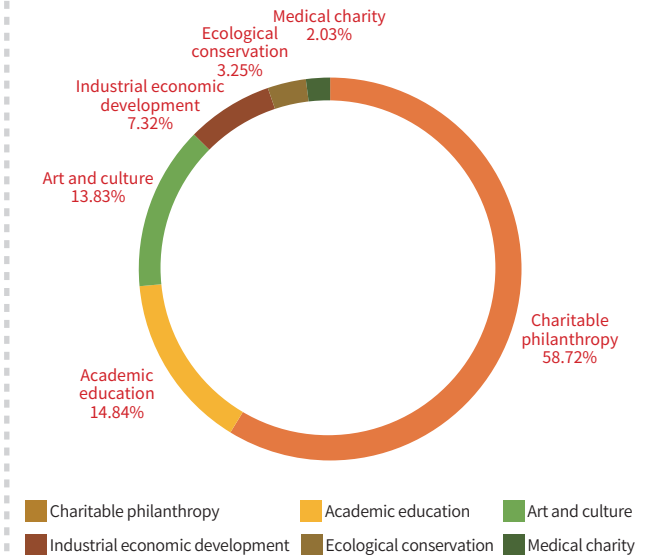


Public welfare hours in 2022 increased by 86% compared to 2016.

◆ In 2022, the social donations of Inventec and the Inventec Group Charity Foundation reached a total of **NT\$ 12,294,877**.



Social donation ratios



7. Appendix

7.1 GRI Content Index 149

7.2 SASB Content Index 152

7.3 SDGs Reference Table 157

7.4 ISAE 3000 and AA1000 Statement 158

7.5 International Management System ... 165



7.1 GRI Content Index

| | |
|------------------|---|
| Statement of use | Inventec has reported the information cited in this GRI content index for the period from January 1st, 2022, to December 31st, 2022, with reference to the GRI Standards. |
| GRI 1 used | GRI 1: Foundation 2021 |

| GRI 2: General Disclosures | | | |
|--|---|---|---------|
| Disclosure | | Chapter/ Explanation | Page |
| 1. The organization and its reporting practices | | | |
| 2-1 | Organizational details | About the Sustainability Report | 4 |
| 2-2 | Entities included in the organization's sustainability reporting | About the Sustainability Report | 4 |
| 2-3 | Reporting period, frequency and contact point | About the Sustainability Report | 4 |
| 2-4 | Restatements of information | The evaluation methods used in 2022 sustainability report have no impact on 2021 sustainability report. | - |
| 2-5 | External assurance | 7.4 ISAE 3000 and AA1000 Statement | 158-164 |
| 2. Activities and workers | | | |
| 2-6 | Activities, value chain and other business relationships | 2.4 Sustainable Supply Chain Management | 59 – 63 |
| 2-7 | Employees | 5.1 Talent Management Policy and Sustainability Actions | 108 |
| 2-8 | Workers who are not employees | 5.1 Talent Management Policy and Sustainability Actions | 108 |
| 3. Governance | | | |
| 2-9 | Governance structure and composition | 1.3 Corporate Governance | 18 –20 |
| 2-10 | Nomination and selection of the highest governance body | 1.3 Corporate Governance | 18 –20 |
| 2-11 | Chair of the highest governance body | 1.3 Corporate Governance | 18 –20 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | 1.3 Corporate Governance | 18 –20 |
| 2-13 | Delegation of responsibility for managing impacts | 1.3 Corporate Governance | 18 –20 |
| 2-14 | Role of the highest governance body in sustainability reporting | 1.3 Corporate Governance | 18 –20 |
| 2-15 | Conflicts of interest | 1.3 Corporate Governance | 18 –20 |
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| 2-17 | Collective knowledge of the highest governance body | 1.3 Corporate Governance | 18 –20 |
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| 2-19 | Remuneration policies | 1.3 Corporate Governance | 18 –20 |
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| 2-21 | Annual total compensation ratio | 1.3 Corporate Governance | - |
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| GRI 2: General Disclosures | | | |
|-------------------------------------|--|--|-----------------|
| Disclosure | | Chapter/ Explanation | Page |
| 4. Strategy, policies and practices | | | |
| 2-22 | Statement on sustainable development strategy | Message from Top Management | 6–7 |
| 2-23 | Policy commitments | Message from Top Management | 6–7 |
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| 2-25 | Processes to remediate negative impacts | 5.6 Human Rights Due Diligence | 134-135 |
| 2-26 | Mechanisms for seeking advice and raising concerns | 1.4 Business Ethics 5.5 Communication Management | 21 132-133 |
| 2-27 | Compliance with laws and regulations | 3.2 Environmentally Friendly 4.2 Green Innovation 5.5 Communication Management | 76 99 133 |
| 2-28 | Membership associations | 2.2 Stakeholder Communication | 54 |
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| 2-29 | Approach to stakeholder engagement | 2.2 Stakeholder Communication | 38-46 |
| 2-30 | Collective bargaining agreements | 5.5 Communication Management | 132 |

| GRI 3 : Material Topics | | | |
|-------------------------|--------------------------------------|-------------------------------|-------|
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| 3-2 | List of material topics | 2.2 Stakeholder Communication | 47 |
| 3-3 | Management of material topics | 2.2 Stakeholder Communication | 48-52 |

7.1 GRI Content Index

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|---|--|---|---------|
| Disclosure | | Chapter/ Explanation | Page |
| 201-1 | Direct economic value generated and distributed | 1.2 Business Performance | 15 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 3.1 Climate Resilience | 66 – 70 |
| 201-3 | Defined benefit plan obligations and other retirement plans | 5.5 Communication Management | 133 |
| 201-4 | Financial assistance received from government | 1.2 Business Performance | 15 |
| 204-1 | Proportion of spending on local suppliers | 2.4 Sustainable Supply Chain Management | 63 |
| 205-1 | Operations assessed for risks related to corruption | 1.4 Business Ethics | 22 |
| 205-2 | Communication and training about anti-corruption policies and procedures | 1.4 Business Ethics | 21-22 |
| 205-3 | Confirmed incidents of corruption and actions taken | 1.4 Business Ethics | 22 |

| GRI 302: Energy, GRI 303: water and Effluents, GRI 305: Emissions, GRI 306: Waste, GRI 308: Supplier Environmental Assessment | | | |
|---|--|---------------------------------|-------|
| Disclosure | | Chapter/ Explanation | Page |
| 302-1 | Energy consumption within the organization | 3.1 Climate Resilience | 74 |
| 302-2 | Energy consumption outside of the organization | 3.1 Climate Resilience | 73 |
| 302-3 | Energy intensity | 3.1 Climate Resilience | 74 |
| 302-4 | Reduction of energy consumption | 3.1 Climate Resilience | 74-75 |
| 302-5 | Reductions in energy requirements of products and services | 4.2 Green Innovation | 98 |
| 303-1 | Interactions with water as a shared resource | 3.2.4 Water Resource Management | 81-83 |
| 303-2 | Management of water discharge-related impacts | 3.2.4 Water Resource Management | 83 |
| 303-3 | Water withdrawal | 3.2.4 Water Resource Management | 82 |
| 303-4 | Water discharge | 3.2.4 Water Resource Management | 82 |
| 303-5 | Water consumption | 3.2.4 Water Resource Management | 82 |

| GRI 302: Energy, GRI 303: water and Effluents, GRI 305: Emissions, GRI 306: Waste, GRI 308: Supplier Environmental Assessment | | | |
|---|---|---|---------|
| Disclosure | | Chapter/ Explanation | Page |
| 305-1 | Direct (Scope 1) GHG emissions | 3.1 Climate Resilience | 72 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 3.1 Climate Resilience | 72 |
| 305-3 | Other indirect (Scope 3) GHG emissions | 3.1 Climate Resilience | 73 |
| 305-4 | GHG emissions intensity | 3.1 Climate Resilience | 71 |
| 305-5 | Reduction of GHG emissions | 3.1 Climate Resilience | 74-75 |
| 305-6 | Emissions of ozone-depleting substances (ODS) | 3.2 Environmentally Friendly | 76 |
| 305-7 | Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions | 3.2 Environmentally Friendly | 76 |
| 306-1 | Waste generation and significant waste-related impacts | 3.2.3 Waste Management | 78-80 |
| 306-2 | Management of significant waste-related impacts | 3.2.3 Waste Management | 78-80 |
| 306-3 | Waste generated | 3.2.3 Waste Management | 78-80 |
| 306-4 | Waste diverted from disposal | 3.2.3 Waste Management | 78-80 |
| 306-5 | Waste directed to disposal | 3.2.3 Waste Management | 78-80 |
| 308-1 | New suppliers that were screened using environmental criteria | 2.4 Sustainable Supply Chain Management | 59 – 63 |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | 2.4 Sustainable Supply Chain Management | 59 – 63 |

7.1 GRI Content Index

| GRI 401: Employment, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 409: Forced or Compulsory Labor, GRI 414: Supplier Social Assessment, GRI 416: Customer Health and Safety, GRI 418: Customer Privacy | | | |
|---|---|-----------------------------------|-----------|
| Disclosure | | Chapter/ Explanation | Page |
| 401-1 | New employee hires and employee turnover | 5.2 Talent Acquisition | 111 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 5.4 Health and LOHAS | 127-131 |
| 401-3 | Parental leave | LOHAS Enterprise Summarized Index | 104 |
| 403-1 | Occupational health and safety management system | 5.4 Health and LOHAS | 121-122 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | 5.4 Health and LOHAS | 121-126 |
| 403-3 | Occupational health services | 5.4 Health and LOHAS | 123-126 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | 5.4 Health and LOHAS | 121-122 |
| 403-5 | Worker training on occupational health and safety | 5.4 Health and LOHAS | 123-126 |
| 403-6 | Promotion of worker health | 5.4 Health and LOHAS | 123-126 |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 5.4 Health and LOHAS | 123-126 |
| 403-8 | Workers covered by an occupational health and safety management system | 5.4 Health and LOHAS | 121-122 |
| 403-9 | Work-related injuries | 5.4 Health and LOHAS | 105 \ 138 |
| 403-10 | Work-related ill health | 5.4 Health and LOHAS | 121 \ 125 |

| GRI 401: Employment, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 409: Forced or Compulsory Labor, GRI 414: Supplier Social Assessment, GRI 416: Customer Health and Safety, GRI 418: Customer Privacy | | | |
|---|---|--|---------------|
| Disclosure | | Chapter/ Explanation | Page |
| 404-1 | Average hours of training per year per employee | 5.3 Talent Development | 120 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | 5.3 Talent Development | 112-120 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 5.3 Talent Development | 138 |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 2.2 Stakeholder Communication 2.4 Sustainable Supply Chain Management | 55 59 – 63 |
| 414-1 | New suppliers that were screened using social criteria | 2.4 Sustainable Supply Chain Management | 59 – 63 |
| 414-2 | Negative social impacts in the supply chain and actions taken | 2.4 Sustainable Supply Chain Management | 59 – 63 |
| 416-1 | Assessment of the health and safety impacts of product and service categories | 4.2 Green Innovation | 97 – 99 |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 4.2 Green Innovation | 99 |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 1.5 Risk Management | 31 |

7.2 SASB Content 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 | About the Sustainability Report |
| TC-ES-000.B | Area of manufacturing facilities | 7,829,551.54 ft ² | 7.2 |
| TC-ES-000.C | Number of employees | 19,639 people | 5.1 |

SASB Sustainability Disclosure Topics & Accounting Metrics Index

| SASB Code | Topic | Content | Chapter | | |
|--------------|------------------|---|-----------|-----------|-----------|
| TC-ES-140a.1 | Water management | Total water withdrawn and total water consumed by Inventec | | | |
| | | | 2020 | 2021 | 2022 |
| | | Total water withdrawn (m3) | 1,307,056 | 1,081,588 | 1,052,902 |
| | | Total water consumed (m3) | 697,601 | 266,907 | 313,698 |
| | | In accordance with the World Resources Institute 'Aqueduct Water Risk Atlas', the proportion of water withdrawal and water consumption in areas with high water stress levels identified by Inventec's global factories to Inventec's total water withdrawal and total water consumption. | | | |
| | | | 2020 | 2021 | 2022 |
| | | Factory with high water stress | IMX | IMX | IPT&SQT |
| | | Percentage of water withdrawn | 0.84% | 1.69% | 20.00% |
| | | Percentage of water consumed | 0.32% | 1.37% | 6.71% |
| TC-ES-150a.1 | Waste management | Amount of hazardous waste and percentage of reuse and recycling | | | |
| | | | 2020 | 2021 | 2022 |
| | | Amount of hazardous waste (Metric Ton) | 602.85 | 723.17 | 835.25 |
| | | Percentage of Reuse and Recycling | 11.21% | 6.31% | 1.85% |


7.2 SASB Content Index

SASB Sustainability Disclosure Topics & Accounting Metrics Index

| SASB Code | Topic | Content | | | | Chapter | | |
|--------------|------------------|--|------|--------------------|------|---------|------|------|
| TC-ES-310a.1 | Labor practices | Number of work stoppages and total days idle due to serious labor disputes | | | | 5.5 | | |
| | | | 2020 | 2021 | 2022 | | | |
| | | Number of serious labor disputes | | | | | | |
| | | Number of work stoppage days | | | | | | |
| TC-ES-320a.1 | Labor conditions | Total recordable incident rate | | | | 5.4 | | |
| | | Direct employees | | Contract employees | | | | |
| | | 2020 | 2021 | 2022 | 2020 | | 2021 | 2022 |
| | | 0.20 | 0.19 | 0.17 | 2.06 | | 3.95 | 0.77 |
| | | Near miss frequency rate | | | | | | |
| | | Direct employees | | Contract employees | | | | |
| | | 2021 | 2022 | | 2021 | | 2022 | |
| | | 0.02 | 0.07 | | 0 | | 0.17 | |

7.2 SASB Content Index


SASB Sustainability Disclosure Topics & Accounting Metrics Index

| SASB Code | Topic | Content | | | | Chapter |
|--------------|------------------------------|--|--|---|---|---------|
| TC-ES-320a.2 | Labor conditions | Company | Facility | 2022 RBA Validated Audit Process (VAP) audit rates | | 2.4 |
| | | Inventec | All facilities | 14.29% | | |
| | | | High-risk facilities | No high-risk facility in 2022 | | |
| | | Tier 1 supplier | All facilities | 0.23% | | |
| | | | High-risk facilities | 16.67% | | |
| TC-ES-320a.3 | Labor conditions | Company | The classification of non-conformance with the RBA VAP | Non-conformance rate with the RBA Validated Audit Process (VAP) | Completion rate of corrective action plan (CAP) | |
| | | Inventec | Priority nonconformances | 0 | No priority nonconformances | |
| | | | Other non-conformances | 3 | 100% | |
| | | Tier 1 supplier | Priority nonconformances | 0 | No priority nonconformances | |
| | | | Other non-conformances | 12 | 0% | |
| TC-ES-410a.1 | Product lifecycle management | Scrap products and electronic waste | | Scrap materials (PCB scrap material) | | 3.2 |
| | | Weight (Metric Ton) | Recycling percentage | Weight (Metric Ton) | Recycling percentage | |
| | | 9.64 | 21.88% | 725.79 | 98.81% | |
| TC-ES-440a.1 | Materials sourcing | Please refer to Inventec responsible sourcing of minerals on Inventec's website for the description of risk management with the use of critical materials.  | | | | 2.4 |

7.2 SASB Content Index

| Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Computer and Peripheral Equipment Industry Sustainability Disclosure Index | | | | | | |
|--|--|---|--|---|---------|-----------|
| Number | Indicator | Annual Disclosure | | | Chapter | |
| 1 | Total energy consumption, percentage of purchased electricity and utilization rate of renewable energy | Total energy consumption | Percentage of purchased electricity | Utilization rate of renewable energy | 3.1 | |
| | | 923,055 GJ | Purchased electricity accounts for 94% of total energy consumption | Renewable energy accounts for 19.9% of total energy usage | | |
| 2 | Total water withdrawal and total water consumption | Total water withdrawn and total water consumed by Inventec | | | 3.2 | |
| | | | 2020 | 2021 | | 2022 |
| | | Total water withdrawn (1,000 m3) | 1,307.056 | 1,081.588 | | 1,052.902 |
| | | Total water consumed (1,000 m3) | 697.601 | 266.907 | | 313.698 |
| | | In accordance with the World Resources Institute 'Aqueduct Water Risk Atlas', the proportion of water withdrawal and water consumption in areas with high water stress levels identified by Inventec's global factories to Inventec's total water withdrawal and total water consumption. | | | | |
| | | | 2020 | 2021 | | 2022 |
| | | Factory with high water stress | IMX | IMX | | IPT&SQT |
| | | Percentage of water withdrawn | 0.84% | 1.69% | | 20.00% |
| Percentage of water consumed | 0.32% | 1.37% | 6.71% | | | |
| 3 | The weight and recycling percentage of hazardous waste generated | Amount of hazardous waste and percentage of reuse and recycling | | | 3.2 | |
| | | | 2020 | 2021 | | 2022 |
| | | Amount of hazardous waste (Metric Ton) | 602.85 | 723.17 | | 835.25 |
| | | Percentage of Reuse and Recycling | 11.21% | 6.31% | | 1.85% |

7.2 SASB Content Index

| Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Computer and Peripheral Equipment Industry Sustainability Disclosure Index | | | | | | | | |
|--|--|---|----------------------|--------------------------------------|----------------------|---------|-----|------|
| Number | Indicator | Annual Disclosure | | | | Chapter | | |
| 4 | Explain the type, number of people and percentage of occupational incidents | Total recordable incident rate | | | | | 5.4 | |
| | | Direct employees | | | Contract employees | | | |
| | | 2020 | 2021 | 2022 | 2020 | 2021 | | 2022 |
| | | 0.20 | 0.19 | 0.17 | 2.06 | 3.95 | | 0.77 |
| | | Near miss frequency rate | | | | | | |
| | | Direct employees | | | Contract employees | | | |
| | | 2021 | 2022 | | 2021 | 2022 | | |
| | | 0.02 | 0.07 | | 0 | 0.17 | | |
| 5 | Disclosure of product life cycle management: including the weight of scrap products and electronic waste and the percentage of recycling | Scrap products and electronic waste | | Scrap materials (PCB scrap material) | | 3.2 | | |
| | | Weight (Metric Ton) | Recycling percentage | Weight (Metric Ton) | Recycling percentage | | | |
| | | 9.64 | 21.88% | 725.79 | 98.81% | | | |
| 6 | The description of risk management associated with the use of critical materials | Please refer to Inventec responsible sourcing of minerals on Inventec's website for the description of risk management associated with the use of critical materials.  | | | | 2.4 | | |
| 7 | Total monetary losses resulting from legal proceedings related to anti-competitive conduct regulations | Inventec had no monetary loss resulting from legal proceedings related to anti-competitive conduct regulations in 2022. | | | | 7.2 | | |
| 8 | Output of main products by product category | Inventec's total output of computer-related products in 2022 (Note: This data includes the output of triangular trade) | | | | 7.2 | | |
| | | 95,229,479 (Unit: set/sheet/piece) | | | | | | |

7.3 SDGs Reference Table

| A mapping of Inventec’s disclosure aligns with Sustainable Development Goals (SDGs) | Chapter | Page |
|---|---------|-----------|
|  Goal 1. End poverty in all its forms everywhere. (Indirect) | 5.2 | 109 – 111 |
|  Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture. (Indirect) | 6.2 | 145 |
|  Goal 3. Ensure healthy lives and promote well-being for all at all ages. (Direct) | 5.4 | 121-126 |
|  Goal 4.. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Goal 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. (Direct) | 5.3 | 112-120 |
|  Goal 5. Achieve gender equality and empower all women and girls. (Direct) | 5.1 | 107 |
|  Goal 6. Ensure availability and sustainable management of water and sanitation for all. Goal 6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. Goal 6.4.. By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. (Direct) | 3.2 | 81-83 |
|  Goal 7.. Ensure access to affordable, reliable, sustainable and modern energy for all. (Direct) | 3.1 | 74-75 |
|  Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Goal 8. 2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors. Goal 8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. | 5 | 103-135 |

| A mapping of Inventec’s disclosure aligns with Sustainable Development Goals (SDGs) | Chapter | Page |
|--|------------|----------------|
|  Goal 8.7. Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.  Goal 8.8. Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. (Direct) | | |
|  Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. (Direct) | 4.1 | 94-96 |
|  Goal 10. Reduce inequality within and among countries. (Indirect) | 5.1 | 106-107 |
|  Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable. (Indirect) | 3.2 | 76-84 |
|  Goal 12. Ensure sustainable consumption and production patterns Goal 12.5.. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse Goal 12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. (Direct) | 3.2 | 78-80 |
|  Goal 13. Take urgent action to combat climate change and its impacts. Goal 13.3.. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. (Direct) | 3.1 | 66-73 |
|  Goal 14.. Conserve and sustainably use the oceans, seas and marine resources for sustainable development. (Indirect) | 3.3 | 87 |
|  Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.(Direct) | 3.3 | 87 |
|  Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.  Goal 16.5. Substantially reduce corruption and bribery in all their forms. (Direct) | 1.4 1.5 | 21-22 23-25 |
|  Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. (Direct) | 2.2 | 55 |

7.4 ISAE 3000 and AA1000 Statement

7.4.1 ISAE 3000 Statement



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Independent Limited Assurance Report

To Inventec Corporation:

We were engaged by Inventec Corporation ("Inventec") to provide limited assurance over the selected information attached as Appendix I ("the Underlying Subject Matters") on the 2022 Sustainability Report of Inventec ("the Report") for the year ended December 31, 2022.

Reporting Criteria of the Underlying Subject Matters

Inventec shall prepare the Underlying Subject Matters in accordance with reporting criteria required by Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ("the Regulation"), Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board and the Sustainability Accounting Standards for Electronic Manufacturing Services & Original Design Manufacturing Industry issued by Sustainability Accounting Standards Board ("SASB") as set forth in Appendix I.

Management's Responsibility for the Report

Inventec is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the reporting criteria to fairly prepare and present the Underlying Subject Matters. Inventec is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Underlying Subject Matters that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board and to issue a limited assurance conclusion on whether the Underlying Subject Matters is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

- 1 -



Summary of Work Performed

As stated in reporting criteria of the Underlying Subject Matters paragraph, our main work on the selected information included:

- Reading the Report of Inventec;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Underlying Subject Matters.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Underlying Subject Matters and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Underlying Subject Matters, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2022 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Inventec. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Underlying Subject Matters has not been properly prepared, in all material aspects, in accordance with the reporting criteria.

Other Matters

The management of Inventec is responsible for the maintenance of its website where includes the Limited Assurance Report, we shall not be responsible for any further changes on the Underlying Subject Matters or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of the Limited Assurance Report.

KPMG

Taipei, Taiwan (Republic of China)
Apr 28, 2023

Notes to reader

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

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7.4 ISAE 3000 and AA1000 Statement

7.4.1 ISAE 3000 Statement



Appendix I : Summary of the Underlying Subject Matters

| No. | Corresponding Section | Selected Information | Reporting Criteria | The Regulation/ GRI Standards |
|-----|--|---|--|--|
| 1 | 3.1.3 Energy Management 7.2 SASB Content Index | <ul style="list-style-type: none"> Total energy consumption: 923,055 GJ Percentage of purchased electricity: 94% Utilization rate of renewable energy: 19.9% | <ul style="list-style-type: none"> Statistical data of energy consumption of Inventec in 2022 | Taiwan Stock Exchange Corporation Rules Table 1-9 No.1 Total energy consumption, percentage of purchased electricity and utilization rate of renewable energy |
| 2 | 3.2.4 Water Resource Management 7.2 SASB Content Index | <ul style="list-style-type: none"> Total water withdrawn (1000 m3): 1,052,902 Total water consumed (1000 m3): 313,698 In accordance with the World Resources Institute 'Aquaduct Water Risk Atlas', the proportion of water withdrawal and water consumption in areas with high water stress levels identified by Inventec's global factories to Inventec's total water withdrawal and total water consumption. <ul style="list-style-type: none"> Factory with high water stress: IPT&SQT Percentage of water withdrawn: 20.00% Percentage of water consumed: 6.71% | <ul style="list-style-type: none"> Statistical data of water withdrawal and consumption of Inventec in 2022 | Taiwan Stock Exchange Corporation Rules Table 1-9 No.2 Total water withdrawal and total water consumption SASB TC-ES-140a.1 |
| 3 | 3.2.3 Waste Management 7.2 SASB Content Index | <ul style="list-style-type: none"> Amount of hazardous waste (Metric Ton): 835.25 Percentage of Reuse and Recycling: 1.85% | <ul style="list-style-type: none"> Statistical data of waste generated and disposal of Inventec in 2022 | Taiwan Stock Exchange Corporation Rules Table 1-9 No.3 The weight and recycling percentage of hazardous waste generated SASB TC-ES-150a.1 |
| 4 | 5. LOHAS Enterprise 7.2 SASB Content Index | <ul style="list-style-type: none"> 2022 occupational incidents of direct employees and contract employees <ul style="list-style-type: none"> Total recordable incident rate of direct employees: 0.17 Total recordable incident rate of contract employees: 0.77 Near miss frequency rate of direct employees: 0.07 Near miss frequency rate of contract employee: 0.17 | <ul style="list-style-type: none"> Statistical data of occupational incidents of Inventec in 2022 | Taiwan Stock Exchange Corporation Rules Table 1-9 No.4 Explain the type, number of people and percentage of occupational incidents |

~ 2 ~




| No. | Corresponding Section | Selected Information | Reporting Criteria | The Regulation/ GRI Standards |
|-----|-----------------------|--|--------------------|-------------------------------|
| | | <ul style="list-style-type: none"> Employee work injury : <ul style="list-style-type: none"> Taiwan-Male <ul style="list-style-type: none"> Total working hours: 6,603,704 Work-related injuries: 0 Work-related injury rate: 0 Near Misses: 2 Near miss frequency rate: 0.06 Taiwan-Female <ul style="list-style-type: none"> Total working hours: 4,455,128 Work-related injuries: 1 Work-related injury rate: 0.04 Near Misses: 1 Near miss frequency rate: 0.04 China-Male <ul style="list-style-type: none"> Total working hours: 14,330,448 Work-related injuries: 7 Work-related injury rate: 0.10 Near Misses: 0 Near miss frequency rate: 0 China-Female <ul style="list-style-type: none"> Total working hours: 9,061,608 Work-related injuries: 2 Work-related injury rate: 0.04 Near Misses: 0 Near miss frequency rate: 0 Europe and America-Male <ul style="list-style-type: none"> Total working hours: 7,335,635 Work-related injuries: 14 Work-related injury rate: 0.38 Near Misses: 7 Near miss frequency rate: 0.19 Europe and America-Female <ul style="list-style-type: none"> Total working hours: 7,245,970 Work-related injuries: 17 Work-related injury rate: 0.47 Near Misses: 7 Near miss frequency rate: 0.19 Types of work-related injury <ul style="list-style-type: none"> Cutting injury/ laceration: 19 Collision injury: 2 Sprain: 3 Contusion: 9 Crush injury: 1 Scalding: 1 Nip: 1 Fall injury: 1 Dislocated finger: 1 | | SASB TC-ES-320a.1 |

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7.4 ISAE 3000 and AA1000 Statement

7.4.1 ISAE 3000 Statement



| No. | Corresponding Section | Selected Information | Reporting Criteria | The Regulation/ GRI Standards |
|-----|-----------------------|--|--------------------|-------------------------------|
| | | <ul style="list-style-type: none"> - Skeletal muscle injury: 2 - Dyergonomic conditions and cumulative trauma: 1 ■ The number of work-related injuries of agency employees and contractors <ul style="list-style-type: none"> • Agency employees in Taiwan- Male <ul style="list-style-type: none"> - The total number of working hours: 697,539 - Injuries: 0 - Work-related Injury rate: 0 - Near misses: 0 - Near miss frequency rate: 0 • Agency employees in Taiwan- Female <ul style="list-style-type: none"> - The total number of working hours: 556,193 - Injuries: 0 - Work-related Injury rate: 0 - Near misses: 0 - Near miss frequency rate: 0 • Agency employees in China- Male <ul style="list-style-type: none"> - The total number of working hours: 0 - Injuries: 0 - Work-related Injury rate: 0 - Near misses: 0 - Near miss frequency rate: 0 • Agency employees in China- female <ul style="list-style-type: none"> - The total number of working hours: 0 - Injuries: 0 - Work-related Injury rate: 0 - Near misses: 0 - Near miss frequency rate: 0 • Agency employees in Europe and America- Male <ul style="list-style-type: none"> - The total number of working hours: 525,717 - Injuries: 4 - Work-related Injury rate: 1.52 - Near misses: 0 - Near miss frequency rate: 0 • Agency employees in Europe and America- Female <ul style="list-style-type: none"> - The total number of working hours: 546,123 - Injuries: 3 - Work-related Injury rate: 1.83 - Near misses: 2 - Near miss frequency rate: 0.73 | | |

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| No. | Corresponding Section | Selected Information | Reporting Criteria | The Regulation/ GRI Standards |
|-----|---|--|--|---|
| | | <ul style="list-style-type: none"> • The agency employees had 5 cases of lacerations, 3 cases of contusions, and 1 case of fracture. | | |
| 5 | 3.2.3 Waste Management 7.2 SASB Content Index | <ul style="list-style-type: none"> ■ Scrap products and electronic waste <ul style="list-style-type: none"> - Weight (Metric Ton): 9.64 - Recycling percentage: 21.88% ■ Scrap materials (PCB scrap material) : <ul style="list-style-type: none"> - Weight (Metric Ton): 725.79 - Recycling percentage: 98.81% | <ul style="list-style-type: none"> ■ Statistical data of waste generated and disposal of Inventec in 2022 | Taiwan Stock Exchange Corporation Rules Table 1-9 No.5 Disclosure of product life cycle management, including the weight of scrap products and electronic waste and the percentage of recycling SASB TC-ES-410a.1 |
| 6 | 2.4.4 Responsible Minerals 7.2 SASB Content Index | <ul style="list-style-type: none"> ■ 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 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 2022, all responsible minerals investigation reports conducted for Inventec's own suppliers were found to be 100% compliant with the RMI Smelter & Refiners Lists. The Company aims to maintain this 100% compliance in 2023. | <ul style="list-style-type: none"> ■ Management associated with the use of critical materials of Inventec in 2022 | Taiwan Stock Exchange Corporation Rules Table 1-9 No.6 The description of risk management associated with the use of critical materials SASB TC-ES-440a.1 |
| 7 | 7.2 SASB Content Index | <ul style="list-style-type: none"> ■ Inventec had no monetary loss resulting from legal proceedings related to anti-competitive conduct regulations in 2022. | <ul style="list-style-type: none"> ■ Details on amount of loss in legal proceedings of Inventec in 2022 | Taiwan Stock Exchange Corporation Rules Table 1-9 No.7 Total monetary losses resulting from legal proceedings related to anti-competitive conduct regulations |

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7.4 ISAE 3000 and AA1000 Statement

7.4.1 ISAE 3000 Statement

| No. | Corresponding Section | Selected Information | Reporting Criteria | The Regulation/ GRI Standards |
|-----|--|--|--|--|
| 8 | 7.2 SASB Content Index | <ul style="list-style-type: none"> ■ Inventec's total output of computer-related products in 2022 (Note: This data includes the output of triangular trade): 95,229,479 (Unit: set/sheet/piece) | <ul style="list-style-type: none"> ■ Details on Production of Inventec in 2022 | Taiwan Stock Exchange Corporation Rules Table 1-9 No.8 Output of main products by product category |
| 9 | 2.2.7 Association Participation and Initiatives 2.4.2 Sustainable Supply Chain Management Practices 7.2 SASB Content Index | <ul style="list-style-type: none"> ■ 2022 RBA Validated Audit Process (VAP) audit rates of Inventec <ul style="list-style-type: none"> - All facilities: 14.29% - High-risk facilities: No high-risk facility in 2022 ■ 2022 RBA Validated Audit Process (VAP) audit rates of Tier 1 supplier <ul style="list-style-type: none"> - All facilities: 0.23% - High-risk facilities: 16.67% | <ul style="list-style-type: none"> ■ Statistical data of RBA audit of Inventec in 2022 | SASB TC-ES-320a.2 |
| 10 | 2.2.7 Association Participation and Initiatives 2.4.2 Sustainable Supply Chain Management Practices 7.2 SASB Content Index | <ul style="list-style-type: none"> ■ Non-conformance with the RBA VAP of Inventec (Non-conformance rate; Completion rate of CAP) <ul style="list-style-type: none"> - Priority nonconformances: 0; No priority nonconformances - Other non-conformances: 3; 100% ■ Non-conformance with the RBA VAP of Tier 1 supplier (Non-conformance rate; Completion rate of CAP) <ul style="list-style-type: none"> - Priority nonconformances: 0; No priority nonconformances - Other non-conformances: 12; 0% | <ul style="list-style-type: none"> ■ Statistical data of RBA audit of Inventec in 2022 | SASB TC-ES-320a.3 |
| 11 | 5.5 Communication Management 7.2 SASB Content Index | <ul style="list-style-type: none"> ■ Number of work stoppages and total days idle due to serious labor disputes <ul style="list-style-type: none"> - Number of serious labor disputes: 0 - Number of work stoppage days: 0 | <ul style="list-style-type: none"> ■ labor disputes situation of Inventec in 2022 | SASB TC-ES-310a.1 |
| 12 | 7.2 SASB Content Index | <ul style="list-style-type: none"> ■ Number of manufacturing facilities: 8 facilities ■ Area of manufacturing facilities: 7,829,551.54 ft² ■ Number of employees: 19,639 people | <ul style="list-style-type: none"> ■ Statistical data on the number and area of Inventec's factories in 2022 ■ Statistics data of the number of Inventec's employees in 2022 | SASB TC-ES-000.A TC-ES-000.B TC-ES-000.C |

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| No. | Corresponding Section | Selected Information | Reporting Criteria | The Regulation/ GRI Standards |
|-----|---|---|--|--|
| 13 | 2.4.5 Partnerships | <ul style="list-style-type: none"> ■ In 2022, Inventec had transactions with a total of 1,184 suppliers. These suppliers are primarily located in the Greater China region, where Inventec's main operations are based. The transactions with these suppliers accounted for 36% of the total supplier transactions during that period. | <ul style="list-style-type: none"> ■ Statistics data on procurement of Inventec in 2022 | GRI 204-1 Proportion of spending on local suppliers |
| 14 | 1.4.1 Anti-corruption and Integrity Management 2.4.2 Sustainable Supply Chain Management Practices | <ul style="list-style-type: none"> ■ 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. ■ In 2022, a total of 11,756 people from Taiwan, China, and Europe and America received integrity management training. ■ 100% of the Board Members finish integrity management communication and training. ■ Statistics on the number of employees | <ul style="list-style-type: none"> ■ Statistics data on Inventec's anti-corruption communication and training in 2022 | GRI 205-2 Communication and training about anti-corruption policies and procedures |

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7.4 ISAE 3000 and AA1000 Statement

7.4.1 ISAE 3000 Statement



| No. | Corresponding Section | Selected Information | Reporting Criteria | The Regulation/ GRI Standards |
|-----|------------------------|---|---|--|
| | | <p>participated in integrity management training in 2022 (The number of people who have completed training; training completion rates)</p> <ul style="list-style-type: none"> Taiwan <ul style="list-style-type: none"> Senior Management: 44 : 32.12% Middle Management: 536 : 82.21% Indirect Labor: 3,589 : 86.11% Director Labor: 554 : 35.86% China <ul style="list-style-type: none"> Senior Management: 8 : 40.00% Middle Management: 115 : 26.14% Indirect Labor: 620 : 19.58% Director Labor: 4,308 : 53.08% Europe and America <ul style="list-style-type: none"> Senior Management: 5 : 100.00% Middle Management: 51 : 100.00% Indirect Labor: 1,034 : 100.00% Director Labor: 892 : 100.00% <p>Through the RBA specification, suppliers are required to sign the Declaration of Conformity of Responsible Business Alliance Code of Conduct (859 suppliers in Taiwan, China, Europe and America in 2022, reaching 100%).</p> | | |
| 15 | 5.2 Talent Acquisition | <ul style="list-style-type: none"> New employee hires and employee turnover <ul style="list-style-type: none"> New employee hires <ul style="list-style-type: none"> Region: Taiwan 1,555; China 25,857; Europe and America 885 Age: Under 30 years old 25,131; 30-50 years old 3,079; Over 50 years old : 87 人 Gender: Male 18,601; Female 9,696 Employee turnover <ul style="list-style-type: none"> Region: Taiwan 1,248; China 25,410; Europe and America 267 Age: Under 30 years old 23,920 人; 30-50 years old 2,861 人; Over 50 years old 144 Gender: Male 17,793; Female 9,132 The Analysis of New Hires and Staff Turnover (Based on the total number of employees as of December 31, 2022) <ul style="list-style-type: none"> Employee turnover <ul style="list-style-type: none"> Region: Taiwan 6%; China 129%; Europe & America 1% Age: <30: 122%; 30-50: 15%; >50: 1% | <ul style="list-style-type: none"> Statistics data on New employee hires and employee turnover of Inventec in 2022 | GRI 401-1 New employee hires and employee turnover |

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| No. | Corresponding Section | Selected Information | Reporting Criteria | The Regulation/ GRI Standards |
|-----|-----------------------|--|---|--------------------------------------|
| | | <ul style="list-style-type: none"> Gender: Male 91%; Female 46% New employees <ul style="list-style-type: none"> Region: Taiwan 8%; China 132%; Europe & America 5% Age: <30: 128%; 30-50: 16%; >50: 0% Gender: Male 95%; Female 49% | | |
| 16 | 5.4 Health and LOHAS | <ul style="list-style-type: none"> 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. 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. In 2022, a total of 4 health talks (physical talks and E-learning) were held in Taiwan, with a total of 1,911 participants, and the average satisfaction degree of participants was 4.36 points (out of 5). 1 health talk was held in China, with a total of 92 participants, and the average satisfaction degree of participants was 4.98 points (out of 5). Statistical Analysis of Employee Health Services in 2022 | <ul style="list-style-type: none"> Management of worker health Promotion of Inventec in 2022 | GRI 403-6 Promotion of worker health |

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| No. | Corresponding Section | Selected Information | Reporting Criteria | The Regulation/ GRI Standards |
|-----|------------------------|--|--|---|
| | | <ul style="list-style-type: none"> Factories in Taiwan <ul style="list-style-type: none"> Emergency medical treatments: 534 people Health consultations: 535 people Factories in China <ul style="list-style-type: none"> Emergency medical treatments: 746 people Health consultations: 956 people | | |
| 17 | 5.3 Talent Development | <ul style="list-style-type: none"> Training hours globally 36.7 hours in average <ul style="list-style-type: none"> Taiwan <ul style="list-style-type: none"> Male: 19.8 hours Female: 14.1 hours China <ul style="list-style-type: none"> Male: 47.6 hours Female: 51.9 hours Europe and America <ul style="list-style-type: none"> Male: 20.2 hours Female: 19.5 hours The average number of training hours per employee in each category (average hours) <ul style="list-style-type: none"> Senior: 10.93 hours Middle: 30.79 hours Indirect labor: 28.47 hours Direct labor: 44.72 hours | <ul style="list-style-type: none"> Statistics data on employee training of Inventec in 2022 | GRI 404-1 Average hours of training per year per employee |

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7.4 ISAE 3000 and AA1000 Statement

7.4.2 AA1000 Statement

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Independent Assurance Statement

INVENTEC CORPORATION'S 2022 SUSTAINABILITY REPORT

AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This verification work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR Group hereby provides a summary of INVENTEC CORPORATION'S Sustainability Report of 2022 (hereinafter referred to as "the Report") but was not involved in any way in its preparation.

AFNOR Group and INVENTEC CORPORATION (hereinafter referred to as "Inventec") are independent entities. AFNOR ASIA LTD., was commissioned by Inventec to conduct the assessment and assure the Sustainability Report of 2022 was in accordance with AA1000 Assurance Standard (v3) and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

SCOPE

The disclosure scope of the Report covers the economic, environmental and social activities and operational performance of the INVENTEC Group (INVENTEC CORPORATION, INVENTEC APPLIANCES CORPORATION and its subsidiaries, etc.) in Taiwan and overseas. AFNOR Asia is responsible for:

1. According to the Type 2 of the AA1000 Assurance Standard (v3), evaluate Inventec's compliance with the AA1000 Accountability Principle (2018), and verify the reliability and quality of the specific sustainability performance information and data disclosed in the Report. The verification scopes include sustainability issues, response mechanism, performance information, management systems of information, and the processes of materiality evaluation and stakeholder participation.
2. In accordance with the GRI Standards, we verified the statement options and material topics disclosed in the Report compiled by Inventec.

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REFERENCES

The scope of the assurance includes an assessment of the quality, accuracy and reliability of specific performance information, and assessment of adherence to the following reporting criteria :

- AA1000 Accountability Principles (2018)
- GRI Standards
- TCFD (Task Force on Climate-related Financial Disclosures)
- SASB Standard

METHODOLOGY

- Review the process and management of the principles of inclusivity, materiality, responsiveness and impact described in the Report related to the AA1000 Accountability Principles (2018).
- The Report is reported in reference with the GRI Standards, and the content of the Report is reviewed for general disclosures and specific topic disclosures that comply with the GRI Standards.
- Conduct interviews with the management team to confirm stakeholder communication and response mechanisms.
- The qualitative and quantitative information produced, collected, and disclosed by the Report was reviewed through a validated sampling plan.
- Interviews with members of the organization related to sustainable development management and report writing, including representatives of all levels and departments.
- The verification team inspected and reviewed the documents, materials and information related to the report by interviewing the responsible personnel of each group of Inventec.
- Check the sufficiency and completeness of supporting materials and evidence for the content of the Report.

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CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

Inventec has continued to implement a wide range of stakeholder engagement programs to identify and understand the important information generated by issues of concern to stakeholders. The report has fairly reported and disclosed economic, environmental and social information, which is sufficient to support appropriate plans and goals. In the future, the organization can continue to strengthen the stakeholder identification process to cope with continuous internal and external environmental changes, and stakeholders related to sustainable development can be regularly identified and evaluated.

Materiality

Inventec has released relevant information on sustainable management to enable stakeholders to judge the company's management and performance, and develop and implement a decision-making mechanism for material issues to accommodate issues from all parties. In the future, the organization can strengthen the decision-making process of material themes and incorporate them into the company's management operations, so that material issues can be updated in a timely manner and develop corresponding strategies, and spread to various regional departments for performance monitoring and response.

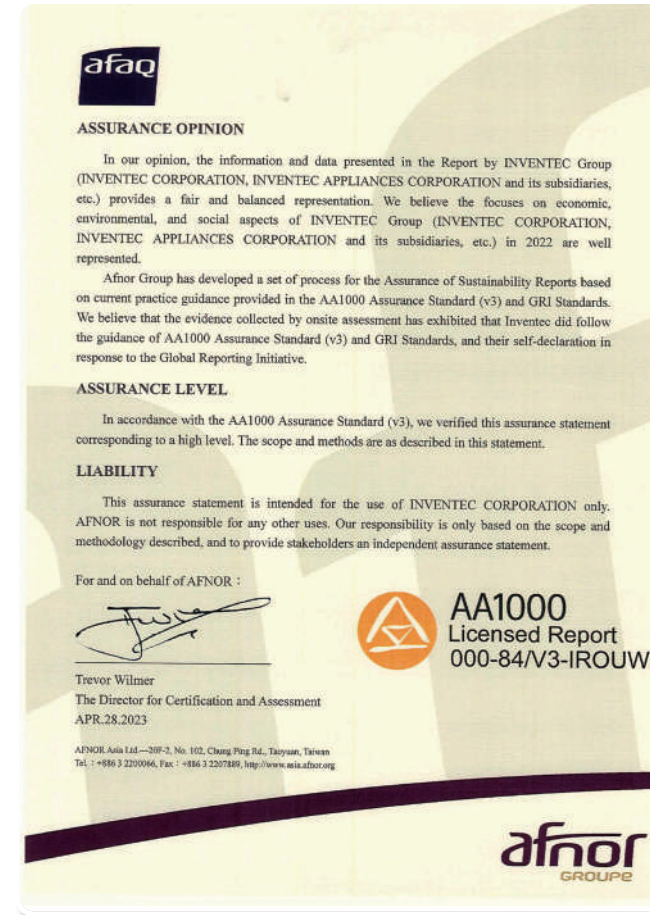
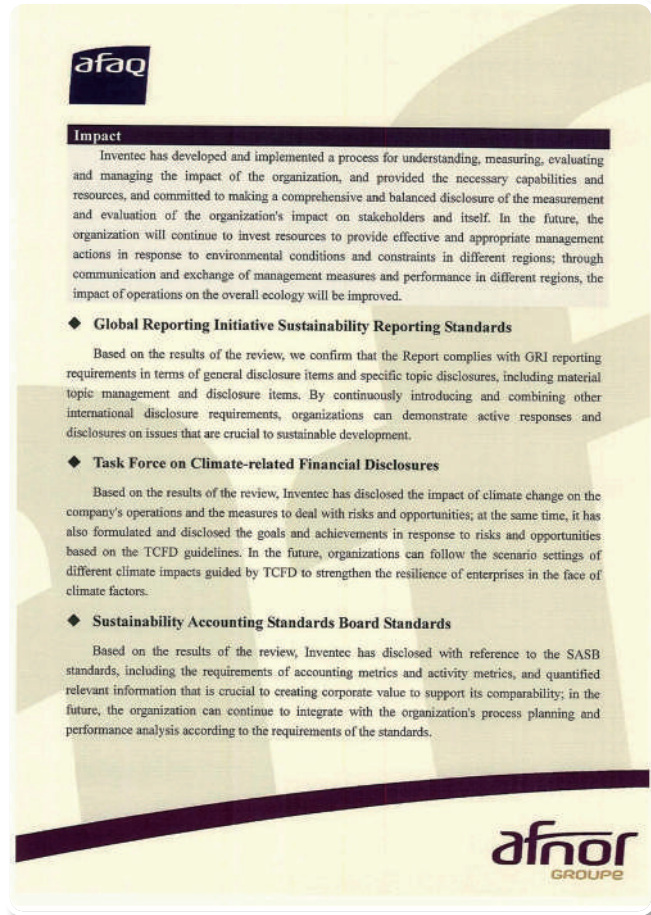
Responsiveness

Inventec has developed and implemented a stakeholder response mechanism, clearly declaring relevant policies and communicating with stakeholders, and responding to expectations and opinions from stakeholders. In the future, on the basis of the headquarters, the organization can strengthen the communication and planning of the various regions within the group, and further improve the collection of information related to sustainable management, so as to strengthen the depth, breadth, and context of the disclosed information to respond to stakeholders.

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GROUPE

7.4 ISAE 3000 and AA1000 Statement

7.4.2 AA1000 Statement



7.5 International Management System



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 | 1 |

The Numbers of Certified Factories

| | |
|--------------------|---|
| Taiwan | 2 |
| China | 3 |
| Europe and America | 2 |

7.5 International Management System



SA 8000 Social Accountability Management System



The Numbers of Certified Factories

| | |
|--------------------|---|
| Taiwan | 0 |
| China | 1 |
| Europe and America | 1 |



ISO 45001 Occupational Health and Safety Management System



The Numbers of Certified Factories

| | |
|--------------------|---|
| Taiwan | 2 |
| China | 3 |
| Europe and America | 2 |



Taiwan Occupational Safety and Health Management System



The Numbers of Certified Factories

| | |
|--------------------|---|
| Taiwan | 1 |
| China | 0 |
| Europe and America | 0 |

7.5 International Management System

ISO 9001

Quality Management System



The Numbers of Certified Factories

| | |
|----------------------|---|
| Taiwan | 3 |
| China | 3 |
| Europe and America 2 | |

IATF 16949

Automotive Quality Management System



The Numbers of Certified Factories

| | |
|----------------------|---|
| Taiwan | 2 |
| China | 2 |
| Europe and America 0 | |

ISO 26262

Road Vehicles — Functional Safety



The Numbers of Certified Factories

| | |
|----------------------|---|
| Taiwan | 1 |
| China | 1 |
| Europe and America 0 | |

7.5 International Management System

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 | 2 |

The Numbers of Certified Factories

| | |
|--------------------|---|
| Taiwan | 1 |
| China | 1 |
| Europe and America | 0 |



Inventec

