



# 2021 Sustainability Report

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Message from the Chairperson	01
Editorial Policy	02

## 1 Identification of Stakeholders and Material Topics 04

1.1 Sustainability Committee	05
1.2 Confirmation of Stakeholders	06
1.3 Stakeholder Communication Channels and Issues of Concern	06
1.4 Identification of Material Topics	07
1.5 Sustainable Development Goals	11

## 4 Green Sustainability 38

4.1 Environmental Management Policy	39
4.2 Water Resource Management	40
4.2.1 Water Resource Use	40
4.2.2 Wastewater Management	40
4.3 Energy and Carbon Emissions	41
4.3.1 Energy Consumption	41
4.3.2 GHG Emissions	41
4.3.3 Energy Conservation and Carbon Reduction Measures	42
4.4 Waste Treatment	42
4.5 Sustainable Supply Chain	43

## 2 About INPAQ 12

2.1 Company Profile	13
2.2 Business Philosophy	17
2.3 Earned Awards and Management System	17
2.4 Participation in External Organizations	19

## 5 Social Concern 44

5.1 Staff Conditions	45
5.1.1 Human Rights Protection	45
5.1.2 Employee Statistics	46
5.2 Optimal Utilization of Talent	48
5.2.1 Salary & Benefits	48
5.2.2 Talent Cultivation	52
5.2.3 Labor-Management Communication	53
5.3 Occupational Health & Safety	53
5.3.1 Occupational Health & Safety Management	54
5.3.2 Employee Health Promotion	55
5.4 Social Welfare Initiatives	56

## 3 Ethical Corporate Governance 20

3.1 Governance Practices	21
3.1.1 Board of Directors	23
3.1.2 Functional Committees	25
3.1.3 Internal Audits	26
3.1.4 Ethics & Integrity	27
3.2 Risk Management	28
3.3 Legal Compliance	30
3.4 Operational Performance	31
3.5 Products & Services	33
3.5.1 Innovative R&D	33
3.5.2 Customer Relations	36
3.6 Information Security	37

## Appendix 57

GRI Content Index	57
Verification Statement	62



## Message from the Chairperson

Looking back on 2021, the whole world continued to be ravaged by the COVID-19 pandemic which has been raging for more than two years. The more recent outbreak of the Omicron variant has caused renewed hardship. However, as a result of the rapidly rising vaccination coverage in major economies and the successive easing of stringent control measures by national governments worldwide, business activities are back on track. Due to the added impact of the successive implementation of financial policies by countries all over the world, the global economy is staging a slow recovery. New technology applications such as 5G and automotive electronics are highly conducive to the continued expansion of the global electronics supply chain. Finally, the reactivation of supply chains against the backdrop of the abating pandemic has caused demand in the electronics industry to pick up steam in addition to generating an economic climate of steady growth.

INPAQ Technology Co., Ltd. (below referred to as "INPAQ") is a professional manufacturer of electronics parts & components. Its business operations are centered around the areas of IoT, IoV, mobile payment, smart wearable devices, wireless charging, automotive electronics, and 5G communications. Following the rise of IoT applications coupled with ongoing advances in the field of wireless communications technology, INPAQ made an unwavering commitment to developing new products and technologies and expanding its markets with the ultimate goal of enhancing its product quality, securing orders from renowned international customers, and ensuring stable revenue growth.

In the face of a fiercely competitive business environment, INPAQ spares no effort in devising ways to realize sustainable corporate operations and strengthen board performance in the corporate governance dimension. In recent years, our Board of Directors has enlisted experts from all fields to participate in its operations. Board diversity has been enhanced to facilitate solicitation of a wide range of opinions. In addition, the board has approved the appointment of a Corporate Governance Officer, who is responsible for the provision of data required for the execution of board duties and assistance in legal compliance by the board. Rules for Performance Evaluation of the Board of Directors have been formulated to raise the quality of board decision-making. We also disclose important rules and regulations, corporate governance practices, and stakeholder communication conditions on the official INPAQ website to enhance information transparency. A Sustainability Committee has been formed to officially demonstrate our commitment to implementing Environmental (E), Social (S), and Governance (G) concepts in our daily operations to internal and external audiences. On the whole, the Company performs very well in the corporate governance dimension.

Furthermore, INPAQ strives to constantly enhance and refine its environmental management operations and control measures in response to the worsening impact of global warming and climate change with the ultimate goal of minimizing negative impacts on the environment. In the field of water resource management, INPAQ has adopted an approach of ongoing process improvements and reinforcement of wastewater controls. In 2021, the Company implemented improvements of its electroplating line, which is expected to reduce average daily water consumption by 12.5%. A large-scale increase in production capacities in the most recent three years has resulted in rising energy consumption and carbon emissions. As a result of determined efforts to raise the effectiveness of energy conservation and carbon reduction measures, our average energy conservation rate consistently reached 1% or more in the most recent three years.

In the field of supply chain management, INPAQ has a solid supplier audit and evaluation system in place. We conduct annual on-site evaluations of all our Taiwanese suppliers to ensure that their products,

quality, technologies, and ESH policies conform to applicable laws and regulations and our own requirements. We also ensure that our raw material suppliers refrain from using hazardous substances listed in the REACH Regulation and RoSH Directive. In the future, we will forge ahead on our path toward a sustainable supply chain and persist in our efforts to realize corporate sustainability in cooperation with our supply partners.

As a leading provider of circuit protection components and antenna products, INPAQ attributes its success in the development of innovative products to its outstanding manpower resources. We offer highly competitive salary and benefits packages to attract promising talent. Sound annual training systems are in place to ensure continued learning and professional growth of our employees. Various welfare measures have been adopted to enhance employee identification with the company and achieve work-life balance. We also implement occupational safety management and provide our employees with a safe work environment based on an ongoing commitment to safeguarding the mental and physical well-being of our employees. Furthermore, we strictly abide by the business continuity guidelines promulgated by the Central Epidemic Command Center in response to the raging COVID-19 pandemic. We have formulated an epidemic prevention and contingency plan required by local government units to implement effective controls in the fields of personnel entry and exit, environmental hygiene, dietary sanitation, and self-protection measures and thereby mitigate the impact of the pandemic on the Company's operations.

In the social engagement dimension, INPAQ ensures that valuable resources are channeled to individuals in need of assistance through collaboration with its operating sites and local organizations. In addition to our social welfare engagement, we respond to calls for action by the group and make charitable donations to the charity foundation established by the group. The ultimate goal lies in the most effective utilization of resources for the benefit of society by relying on the kindness and compassion of many individuals.

Looking ahead, INPAQ will continue to place equal emphasis on profit growth and reinforced efforts in the ESG dimension which involves protection of shareholders' equity, development of green products to reduce environmental impacts, employee care to ensure their mental and physical well-being, and social welfare engagement with the ultimate goal of realizing corporate sustainability.



INPAQ Technology Chairperson

## Editorial Policy

INPAQ has released its 2021 Sustainability Report (below referred to as “This Report”) on a voluntary basis to demonstrate its commitment to the pursuit of corporate sustainability and enhancement of information transparency. This Report has been issued to provide a detailed description of the Company’s actions and performance in the fields of ethical corporate governance implementation, environmental protection and occupational safety measures, and employee compensation and benefits enhancements to all stakeholders on the foundation of sustainable development goals. INPAQ hopes to make strides on the path toward corporate sustainability by relying on the ongoing concern and valuable suggestions by all stakeholders.

### ESG Information Disclosure

Categories	Scope
Period	Jan-Dec 2021 (in consideration of data integrity, business activities spanning different years have been included in the scope of disclosures as explained in detail in this Report)
Operating Sites	Plants in Taiwan (Chunan HQ, Taichung Plant) Plants in China (Suzhou Plant, Yongzhou Plant, Wuxi Plant) Subsidiary (Taiwan Inpaq Electronic Co., Ltd.)
Financial Data	Consistent with the data disclosed in the Consolidated Financial Statements released by INPAQ
ESH data	Plants in Taiwan (Chunan HQ, Taichung Plant) Plants in China (Suzhou Plant, Yongzhou Plant, Wuxi Plant) Subsidiary (Taiwan Inpaq Electronic Co., Ltd.)
Employee Data	Plants in Taiwan (Chunan HQ, Taichung Plant) Subsidiary (Taiwan Inpaq Electronic Co., Ltd.)
Social welfare achievements	INPAQ, PSA Charitable Foundation

### Report Preparation Principles and Data Verification

- The report compilation framework is based on the Core Options set out in the GRI Standards 2016 issued by the Global Reporting Initiative (GRI) and conforms to the requirements set forth in the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies. A GRI Content Index has been attached to this report as a reference for the Company’s stakeholders.
- The financial data disclosed in this Report has been audited and attested by KPMG Taiwan in accordance with the International Financial Reporting Standards (IFRS) with 1000 NTD as the basic calculation unit. Environmental protection, employee, and occupational safety data has been compiled and organized by competent departments and verified by department heads. It is presented based on calculations conducted with reference to international generic indicators (IGI).
- With a view to enhancing the quality of disclosures in this Report, GREAT Certification has been commissioned to conduct an assessment and verification of the disclosed data pursuant to the requirements of the AA1000AS Type I (Moderate) Assurance Standards to confirm conformity to the core options of the GRI Standards 2016. A verification statement has been acquired and included in the Appendix for reference purposes.
- Management system accreditations earned and maintained by INPAQ plants to ensure continued validity of awarded certificates are shown in the table below

Operating site	Accreditations				
	ISO 9001 : 2015	IATF 16949 : 2016	QC 080000 : 2017	ISO 14001 : 2015	SO 45001 : 2018
Accredited company	DQS	DQS	DQS	DQS	DQS
INPAQ Chunan HQ	V	V	V	V	V
INPAQ Taichung Plant	V	V	V	V	V
INPAQ Suzhou Plant	V	V	V	V	V
INPAQ Wuxi Plant	V	V	V	V	V
Taiwan Inpaq Electronic Co., Ltd.	V	V	V	V	V
Accredited company	AFNOR	AFNOR	Shanghai NQA Certification Co., Ltd.	Shenzhen S. Authentication Co., Ltd.	Shenzhen S. Authentication Co., Ltd.
INPAQ Yongzhou Plant	V	V	V	V	V

### Publication Frequency

This is the first ESG report issued on a voluntary basis by INPAQ. The company is committed to releasing ESG reports on an annual basis. With a view to enhancing the transparency and accessibility of the information disclosed in the report, an electronic file of the complete report will be provided on the official INPAQ website for download.

Publication of this issue: June 2022

Planned publication of the next issue: June 2023

### Suggestions and Feedback

Don't hesitate to contact us if you have any comments or suggestions regarding the contents of this Report.

#### INPAQ Spokesperson

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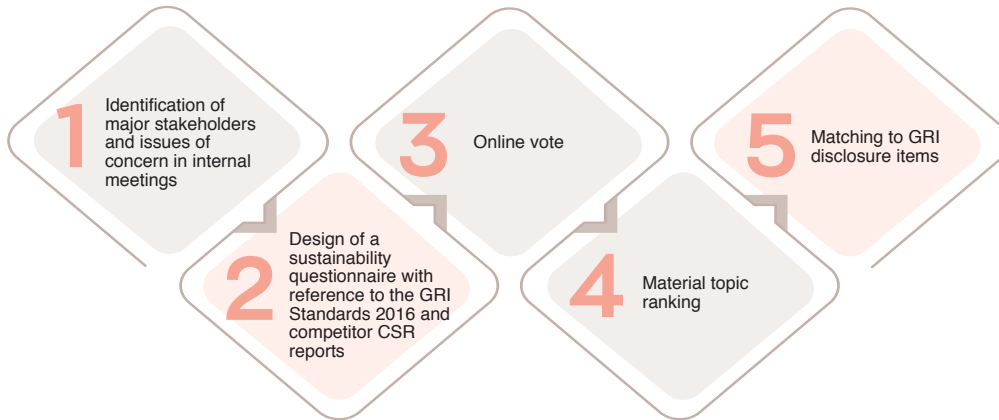
# 1

## Identification of Stakeholders and Material Topics

- 1.1 Sustainability Committee
- 1.2 Confirmation of Stakeholders
- 1.3 Stakeholder Communication  
Channels and Issues of Concern
- 1.4 Identification of Material Topics
- 1.5 Sustainable Development Goals



Stakeholder and Material Topic Identification Procedures



### 1.1 Sustainability Committee

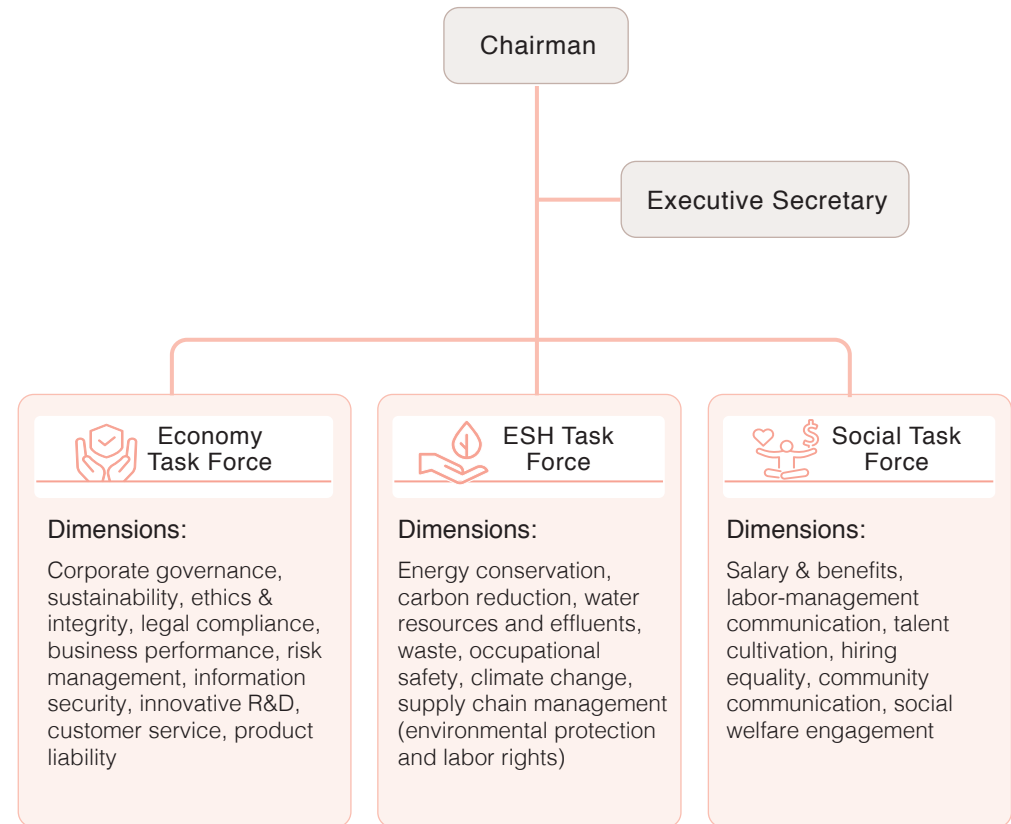
In addition to ratifying the Corporate Social Responsibility Best Practice Principles, the Board of Directors has authorized the President to form a Sustainability Committee with him serving as chairman. The Sustainability Committee is responsible for the formulation of sustainable development policies, internal execution and implementation of initiatives, and gradual incorporation of sustainability concepts into the Company's corporate culture.

Dedicated task forces subordinate to the Committee have been established in consideration of the fact that sustainable development encompasses environmental, social, and governance criteria (below referred to as ESG). Competent departments gather issues of concern to stakeholders in the dimensions of environmental protection, occupational safety, supply chain management, labor rights, operational performance, and corporate governance. Based on a firm commitment to safeguarding stakeholder rights and interests, a stakeholder section has been created on the corporate website to respond to key sustainability issues of concern to stakeholders in an adequate manner. It is also planned to deliver annual reports on ESG implementation results to the Board of Directors to raise the level of participation of the board in the implementation of ESG concepts.



INPAQ Corporate Social Responsibility Best Practice Principles

### INPAQ Technology Co., Ltd. Sustainability Committee



**Economy Task Force**

**Dimensions:**  
Corporate governance, sustainability, ethics & integrity, legal compliance, business performance, risk management, information security, innovative R&D, customer service, product liability

**ESH Task Force**

**Dimensions:**  
Energy conservation, carbon reduction, water resources and effluents, waste, occupational safety, climate change, supply chain management (environmental protection and labor rights)

**Social Task Force**

**Dimensions:**  
Salary & benefits, labor-management communication, talent cultivation, hiring equality, community communication, social welfare engagement

## 1.2 Confirmation of Stakeholders

### Confirmation of major stakeholders



Stakeholders are individuals or groups that influence or are influenced by INPAQ. A preliminary selection of stakeholder categories characterized by direct contact with the Company through routine business dealings was carried out by each department. Subsequently, four major stakeholder categories (shareholders/investors, customers, employees, suppliers) of primary importance to INPAQ were determined in internal meeting discussions and through consultation of competitor approaches based on key criteria such as frequency of interactions, degree of mutual influence, and degree of interdependence.

## 1.3 Stakeholder Communication Channels and Issues of Concern

Issues of concern to each major stakeholder category vary depending on stakeholder identities. All INPAQ departments proactively engage in ongoing positive interactions with stakeholders who show concern for INPAQ by relying on diversified channels to provide them with a timely understanding of the current state of operations. INPAQ utilizes these channels to maintain a firm grasp of stakeholder demands and expectations and provide real-time responses. The state of stakeholder communications is reported to the Board of Directors on an annual basis.

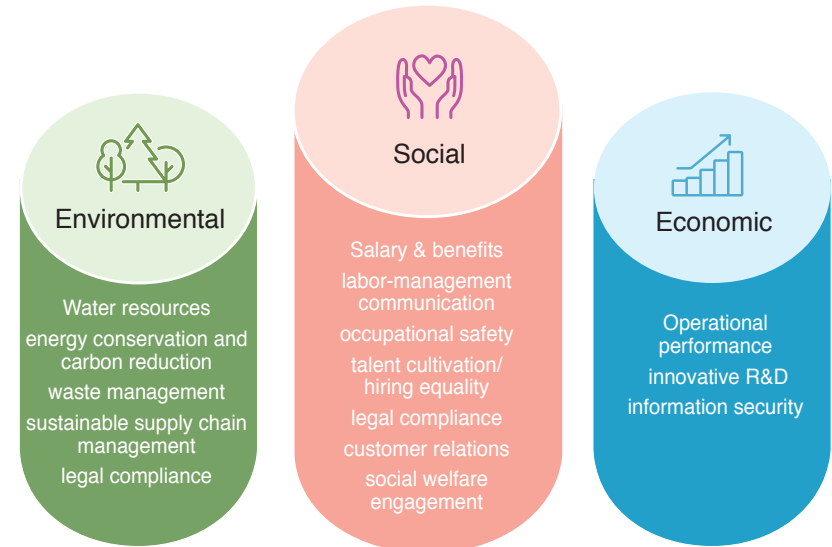
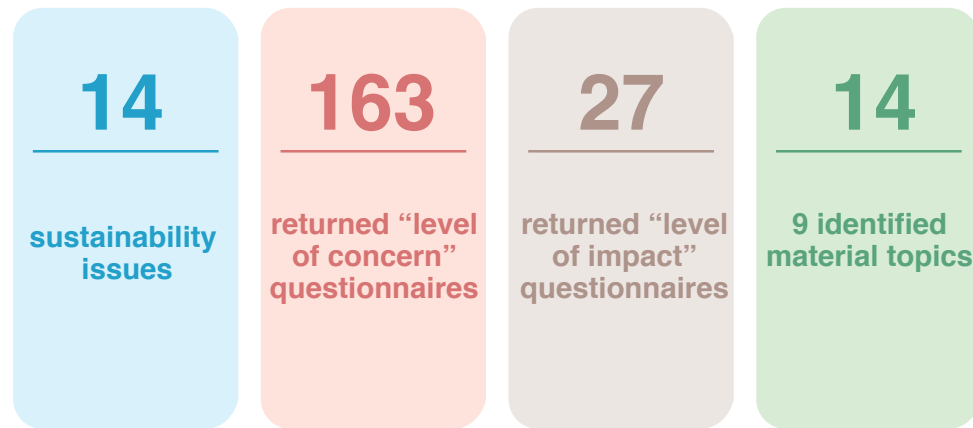
All INPAQ departments gathered issues of concern raised by major stakeholders in the course of routine business dealings. These issues were then condensed and organized by the Sustainability Committee. Finally, 14 sustainability issues encompassing the ESG dimensions were identified with reference to GRI Sustainability Reporting Standards 2016 and CSR reports of the Company's competitors to ensure that the disclosed sustainability information satisfies GRI requirements in the fields of integrity and diversity.

Major stakeholder categories	Significance for the company	Issues of concern	Communication channels/frequency
 Shareholders/investors	<ul style="list-style-type: none"> <li>Since shareholders contribute capital to the company, INPAQ is firmly committed to protecting shareholders' equity and treating them in a fair and equitable manner, while ensuring that all shareholders have a full understanding of major company matters and guaranteeing their right to participate in decision-making processes.</li> </ul>	<ul style="list-style-type: none"> <li>Operational Performance</li> <li>Innovative R&amp;D</li> <li>Information Security</li> <li>Legal Compliance</li> </ul>	<ul style="list-style-type: none"> <li>General Shareholders' Meeting/Annually</li> <li>Material information made public on the Market Observation Posy System and the corporate website/As required</li> <li>E-mail addresses/phone numbers listed on the corporate website/As required</li> <li>Point of contact: Spokesperson, Deputy Spokesperson/As required</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Since customers represent INPAQ's main revenue source, the Company is firmly committed to guaranteeing excellent product quality and maintaining positive interactions with all customers.</li> </ul>	<ul style="list-style-type: none"> <li>Innovative R&amp;D</li> <li>Information Security</li> <li>Operational Performance</li> <li>Customer Relations</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction surveys/Annually</li> <li>INPAQ operating sites/As required</li> <li>Corporate website and phone numbers of respective departments /As required</li> <li>Point of contact: Customer Service Center/As required</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>The products of the Company rely on a stable supply of raw materials and components by numerous suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Supply Chain Management</li> <li>Ethics &amp; Integrity</li> <li>Compliance with Environmental Regulations</li> <li>Green Procurement</li> <li>Occupational Safety</li> </ul>	<ul style="list-style-type: none"> <li>Supplier evaluations/Regularly</li> <li>Matters for compliance listed on purchase orders/when engaging in business dealings</li> <li>Confidentiality Agreement/ when engaging in business dealings</li> <li>Point of contact: Procurement Department Head/As required</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Employees represent an indispensable backbone for the Company's operations. INPAQ therefore provides highly competitive salaries and benefits that exceed market standards to retain talent and is fully committed to creating a workplace environment that is conducive to the physical and mental well-being and diversified development of all employees.</li> </ul>	<ul style="list-style-type: none"> <li>Operational Performance</li> <li>Ethics &amp; Integrity</li> <li>Salaries &amp; Benefits</li> <li>Labor-Management Communication/Human Rights Issues</li> <li>Occupational Safety</li> <li>Talent Cultivation/Hiring Equality</li> </ul>	<ul style="list-style-type: none"> <li>Labor-Management Meetings/Quarterly</li> <li>Communication with Department Heads/As required</li> <li>Free employee health checks/Annually</li> <li>Employee Suggestion Box/Hotline/As required</li> <li>Point of contact: HR Head/As required</li> </ul>



## 1.4 Identification of Material Topics

### Material topic identification procedures

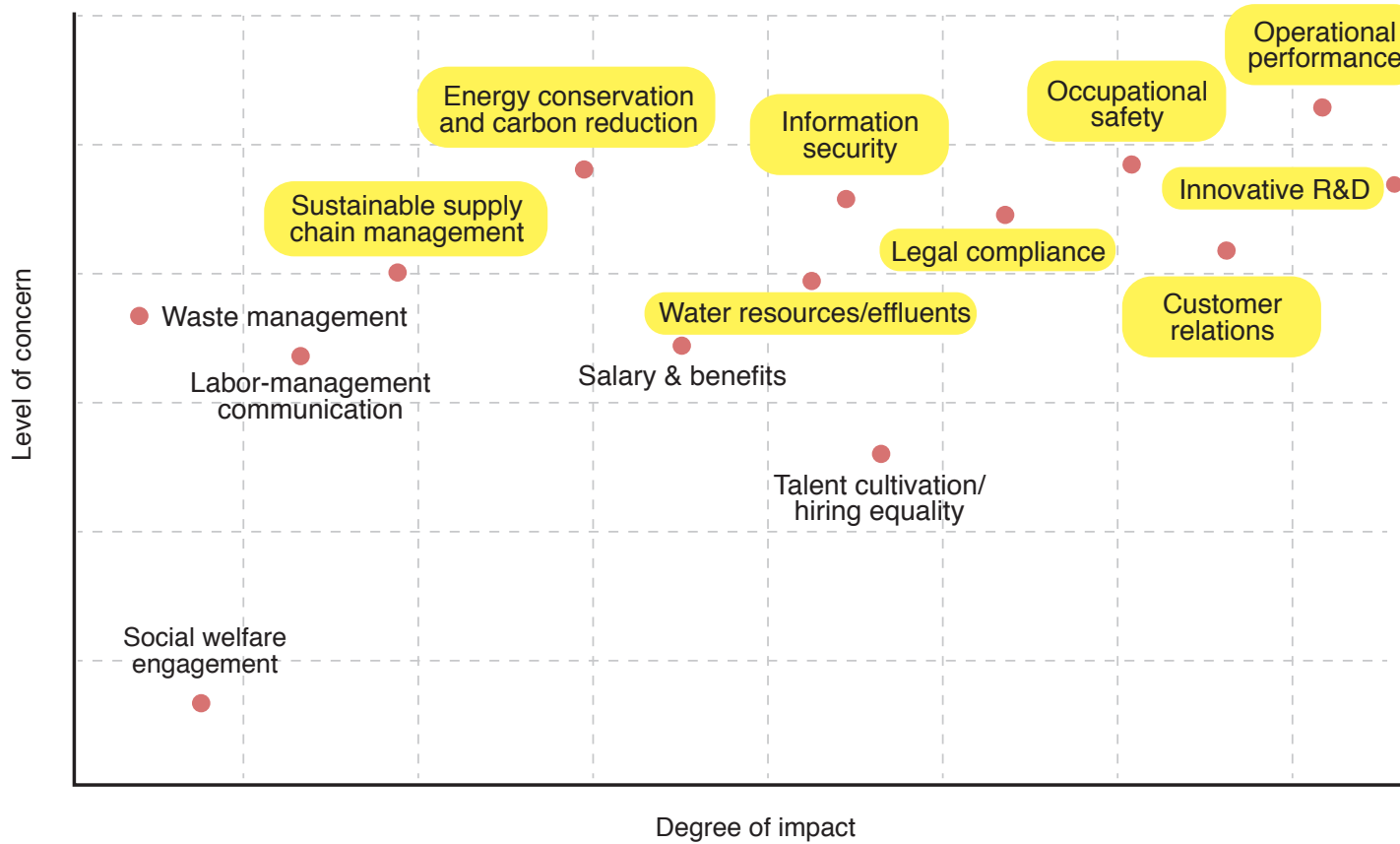


Note:  
Corporate governance, risk management, ethics & integrity are listed as required disclosures in GRI Sustainability Reporting Standards 2016 (GRI Standards: 2016). Relevant contents are therefore disclosed in this report despite the fact that they are listed as material topics.

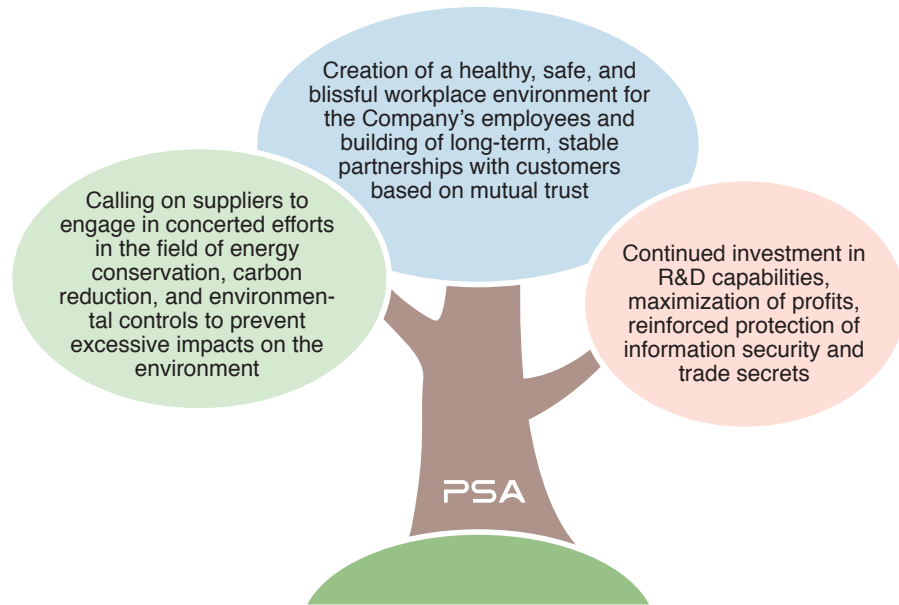
The INPAQ Sustainability Committee has determined 14 sustainability issues. Online questionnaires were distributed to stakeholders who returned a total of 163 valid completed questionnaires (shareholders/investors, employees, customers, suppliers, government agencies, local communities, and media organizations filled out and submitted 36, 57, 31, 29, 2, 1, and 7 questionnaires, respectively). Scores indicating level of concern of major stakeholders with regard to sustainability issues were derived from these questionnaires. Online questionnaires were also distributed to 27 INPAQ supervisors to obtain scores indicating the degree of impact of each sustainability issue on the Company. A material topic matrix was then created based on the aggregated scores. Upon discussions by the Sustainability Committee, the three top scoring issues in the environmental, social, and economic dimensions were

listed as material topics for this year. It was confirmed that the Company should prioritize disclosure of the following nine material topics in the environmental, social, and economic dimensions in this year's report: Energy conservation and carbon reduction, water resources/effluents, sustainable supply chain management, customer relations, occupational safety, legal compliance, operational performance, innovative R&D, and information security. The Company will also provide a detailed description of management approaches and disclosure items for each material topic in this report. Finally, disclosure of the Company's achievements in the field of social welfare was added with a view to ensuring a more balanced representation of the Company's efforts and contributions towards the goal of sustainability.

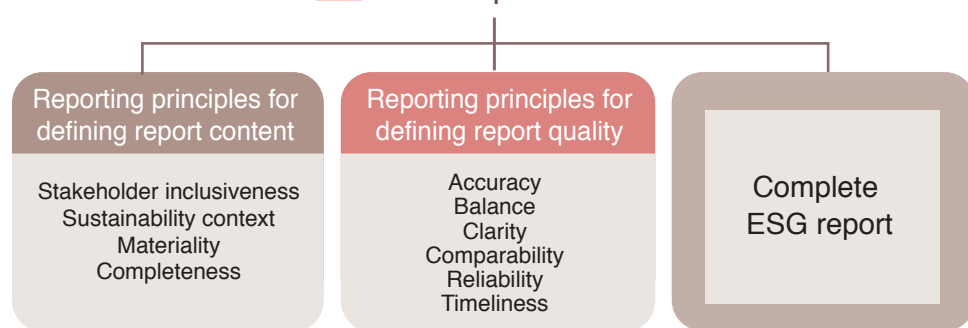
## Material Topic Matrix



The following three core ESG dimensions were identified based on the nine material topics: Continued investment in R&D capabilities, maximization of profits, reinforced protection of information security and trade secrets. The ultimate goal is to create a healthy, safe, and blissful workplace environment for the Company's employees and build long-term, stable partnerships with customers based on mutual trust. INPAQ also calls on its suppliers to engage in concerted efforts in the field of energy conservation, carbon reduction, and environmental controls to prevent excessive impacts on the environment.

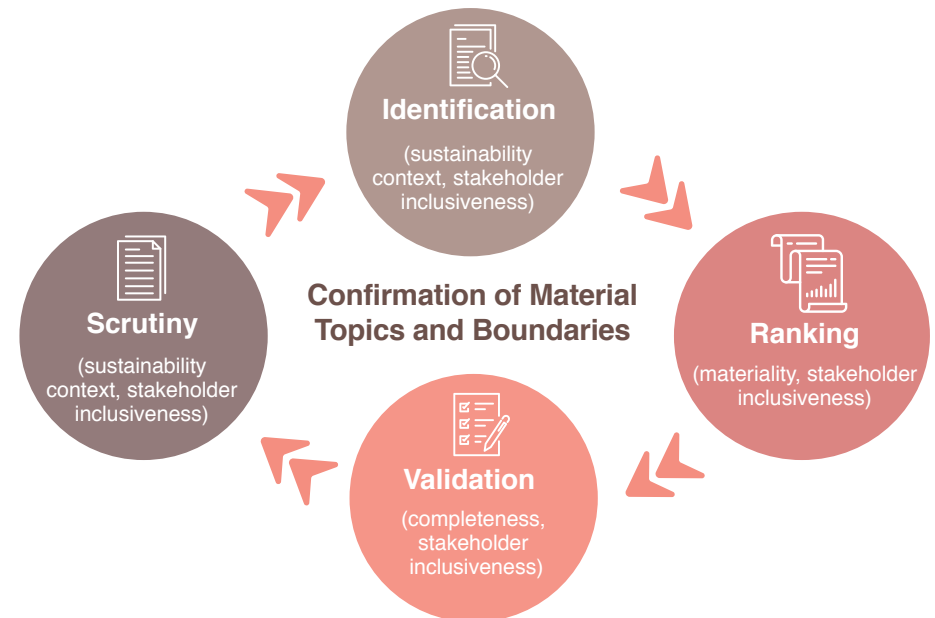


**Report Preparation Principles**



INPAQ has prepared this ESG report in line with the requirements set forth in the GRI Standards and the four major reporting principles for defining report content, namely stakeholder inclusiveness (preliminary identification of seven major stakeholder categories), sustainability context (disclosure of measures adopted by INPAQ to mitigate or reduce impacts on economic, environmental, and social development trends in local communities and surrounding areas of operating sites), materiality (description of significant internal and external economic, environmental, and social impacts of the Company's operations and adopted resolutions based on assessments of substantial impacts on major stakeholders), and completeness (material topics and internal/external boundaries fully reflect the scope of significant economic, environmental, and social impacts).

Furthermore, INPAQ has also consulted the six requirements for defining report quality set forth in the GRI standards for its disclosures, namely accuracy (information contained in the report should be fully accurate and detailed to facilitate assessment of the Company's ESG performance by stakeholders), balance (information contained in the report should reflect positive and negative performance to facilitate reasonable assessments of the overall performance of the Company by different audiences), clarity (presented information should be easily intelligible and accessible for interested stakeholders), comparability (information should be collected and disclosed in accordance with internationally accepted standards and information presentation methods should facilitate analysis of the Company's long-term performance by stakeholders), reliability (disclosed information should be collected, organized, and disclosed in a manner to allow scrutiny and determination of information quality and materiality), and timeliness (timely provision of material information pertaining to the Company's operations to provide stakeholders with an immediate grasp of the Company's current status and enhance information transparency).



Dimension	Material topic	Significance for the Company	Internal boundaries					Corresponding GRI Standards	Corresponding chapter(s) in this report	Dimension	Material topic	Significance for the Company	External boundaries					Corresponding GRI Standards	Corresponding chapter(s) in this report
			Company	Shareholders /investors	Suppliers	Customers	Local communities						Company	Shareholders /investors	Suppliers	Customers	Local communities		
Environmental	Water Resources/ Effluents	<ul style="list-style-type: none"> <li>In the face of severe climate change in recent years, the Company has taken an inventory of the water consumption levels of existing production lines and is firmly committed to a gradual enhancement of water conservation efficiency. In future procurement processes, priority will be given to water-saving equipment under the premise that production speed remains unaffected.</li> <li>Wastewater and sewage generated in production processes is initially treated inside plants to ensure that the quality of discharged wastewater conforms to local environmental regulations and standards and thereby prevent excessive impacts on local water environments.</li> </ul>	●			●	●	<ul style="list-style-type: none"> <li>303 Water and Effluents: 2018 (303-3~303-5)</li> </ul>	4.2.1	Social	Customer Relations	<ul style="list-style-type: none"> <li>INPAQ is deeply committed to satisfying the product demands of its customers and has sound sales channels and technical support teams in place to serve customers all over the world. Optimized solutions are planned based on customer demand assessments to ensure that follow-up procurement services meet the self-set goal of service continuity.</li> </ul>	●					<ul style="list-style-type: none"> <li>Self-defined material topic</li> </ul>	3.5.2
	Energy Conservation and Carbon Reduction	<ul style="list-style-type: none"> <li>In view of INPAQ's sustained operational growth, strict energy conservation and carbon reduction measures must be adopted internally to prevent a corresponding increase of GHG emission amounts and ensure conformity to customer requirements.</li> </ul>	●			●	<ul style="list-style-type: none"> <li>302 Energy: 2016 (302-1, 302-3, 302-4)</li> <li>305 Emissions: 2016 (305-1, 305-2, 305-4~5)</li> </ul>	4.3	Environmental/ Social/Economic		Legal Compliance	<ul style="list-style-type: none"> <li>Legal compliance represents the cornerstone of INPAQ's efforts in the field of sustainability and the core foundation of the mutual trust between the Company and its investors, customers, employees, and local communities.</li> </ul>	●	●		●	●	<ul style="list-style-type: none"> <li>307 Environmental Compliance: 2016 (307-1)</li> <li>419 Socioeconomic Compliance: 2016 (419-1)</li> </ul>	3.3
	Sustainable Supply Chain Management	<ul style="list-style-type: none"> <li>In addition to ensuring its own progress in the field of ESG, INPAQ also utilizes its influence on the supply chain to request compliance by suppliers with local laws and regulations and ESG policies and calls on them to engage in concerted efforts with a view to ensuring ongoing progress in the fields of sustainability, environmental protection, and employee care.</li> </ul>	●			●	<ul style="list-style-type: none"> <li>308 Supplier Environmental Assessment: 2016 (308-1~308-2)</li> <li>414 Supplier Social Assessment: 2016 (414-1~414-2)</li> </ul>	4.5		Economic	Operational Performance	<ul style="list-style-type: none"> <li>INPAQ has made an ongoing commitment to profit maximization to increase the trust of its investors, employees, suppliers, and customers, build a solid foundation of mutual trust and prosperity, and forge ahead on the path toward sustainability.</li> </ul>	●	●	●	●	<ul style="list-style-type: none"> <li>201 Economic Performance: 2016 (201-1)</li> </ul>	3.4	
	Occupational Safety	<ul style="list-style-type: none"> <li>INPAQ provides its employees with a safe and healthy workplace to enable them to carry out their tasks in a worry-free manner.</li> </ul>	●			●	<ul style="list-style-type: none"> <li>403 Occupational Health and Safety: 2018 (403-9)</li> </ul>	5.3.1			Innovative R&D	<ul style="list-style-type: none"> <li>INPAQ is firmly committed to product development and technological innovation. Development of new technologies is a core competitive advantage that the Company places top priority on. INPAQ injects momentum into revenue growth through ongoing investments in R&amp;D capabilities, development of diversified product lines, and constant expansion of product application areas.</li> </ul>	●	●		●	<ul style="list-style-type: none"> <li>Self-defined material topic</li> </ul>	3.5.1	
Social										Information Security	<ul style="list-style-type: none"> <li>INPAQ views R&amp;D technologies and customer confidentiality as the lifeline of its business operations. The Company therefore relies on an information security management mechanism to maintain the information security awareness of its employees and implements various information security controls to prevent leakage of confidential information.</li> </ul>	●	●		●	<ul style="list-style-type: none"> <li>Self-defined material topic</li> </ul>	3.6		



## 1.5 Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action. The 17 SDGs and 169 targets serve as a guiding principle for the practice of sustainable development by all UN member nations and enterprises all over the world.

INPAQ incorporates SDGs into the Company's business strategies. This involves the expansion of traditional, economic performance-centered modes of thought by incorporating various dimensions such as an equal emphasis on environmental protection, various forms of legal compliance, enhanced employee compensation to retain outstanding talent, elimination of workplace inequality, reduction of wastewater discharge and GHG emissions, and calling on suppliers to engage in concerted efforts for the improvement of workplace environments and employee compensation. Looking ahead, INPAQ strives to make more contributions to the realization of SDGs in fulfillment of its corporate social responsibility.

SDGs	Targets	INPAQ Contributions
	1.4 Ensure that all men and women, in particular the poor and the vulnerable, have equal rights and access to economic resources	<ul style="list-style-type: none"> <li>Provision of highly competitive salaries and benefits that exceed legal requirements to enable employees to work with dignity and raise the economic standard of living of individuals and families</li> <li>Adequate adjustments of employee salaries based on profitability to strengthen attachment of employees to the Company</li> </ul>
	1.4 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations 4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, and promotion of a culture of peace and non-violence	<ul style="list-style-type: none"> <li>Scheduling of competency training for employees with different work attributes to give every staff member the opportunity to receive occupational training</li> <li>Planning of training courses on sustainable development, workplace gender equality, and labor rights and encouragement of staff participation</li> </ul>
	5.1 End all forms of discrimination against all women and girls everywhere 5.4 Recognize and value unpaid care and domestic work through the provision of social protection policies	<ul style="list-style-type: none"> <li>No gender-based discrimination in hiring, performance evaluation, and promotion</li> <li>Entitlement to unpaid parental leaves irrespective of gender</li> </ul>
	6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, and reducing the proportion of untreated wastewater 6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity 6.a. Water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies	<ul style="list-style-type: none"> <li>As a result of adopted water conservation measures, the total water intake of the plants in Taiwan dropped from 201.10 megaliters in 2020 to 172.14 megaliters in 2021</li> <li>Regular testing of effluent water quality (testing results in the most recent three years conform to effluent standards and requirements set forth in local laws and regulations)</li> </ul>

SDGs	Targets	INPAQ Contributions
	8.4 Improve energy use and production efficiency 8.5 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 8.7 Prohibit child labor and eradicate forced labor 8.8 Protect labor rights and promote safe and secure working environments for all workers, in particular female workers and those in precarious employment	<ul style="list-style-type: none"> <li>Average energy conservation rate of 2.26% in the most recent three years</li> <li>No gender-based discrimination in hiring, performance evaluation, and promotion</li> <li>Adequate adjustments of employee salaries based on profitability to strengthen attachment of employees to the Company</li> <li>Respect for labor rights including prohibition of child labor and any form of workplace discrimination</li> <li>Adequate adjustment of work contents of maternal employees according to the law to ease workloads and ensure proper protection</li> <li>Implementation of an occupational health and safety management system to enhance workplace safety</li> </ul>
	9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes 9.5 Encourage innovation, substantially increase the number of research and development workers and increase research and development spending	<ul style="list-style-type: none"> <li>Average energy conservation rate of 2.26% in the most recent three years</li> <li>Gradual increase of R&amp;D team size and annual R&amp;D-to-revenue ratio in excess of 5%</li> </ul>
	10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices	<ul style="list-style-type: none"> <li>Recruitment, performance evaluation, and promotion mechanisms are not based on criteria associated with differences in physiological or psychological conditions</li> <li>Establishment of a whistleblowing channel for employees and adoption of sound procedures for the protection of whistleblowers</li> </ul>
	12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> <li>Ongoing enhancement of production processes to reduce waste generation</li> </ul>
	16.6 Develop effective, accountable and transparent institutions at all levels 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	<ul style="list-style-type: none"> <li>Reinforcement of corporate governance, implementation of an internal control system to ensure compliance by practitioners with company rules and regulations, and establishment of an independent whistleblowing channels and sound reporting procedures</li> <li>Ongoing communication with stakeholders to gain a clear understanding of their demands and expectations for the Company and regular reporting to the board</li> </ul>

# 2

## About INPAQ

- 2.1 Company Profile
- 2.2 Business Philosophy
- 2.3 Earned Awards and Management System
- 2.4 Participation in External Organizations

## 2.1 Company Profile

INPAQ, a professional manufacturer of electronics parts & components founded in 1998, specializes in the development, manufacture, and sale of circuit protection components and HF antenna modules. Its business operations are centered around the areas of electronic mobile payment, smart wearable devices, the automotive industry, and wireless communications (incl. 5G/wireless charging). INPAQ offers diversified product choices for the computer, communications, consumer and automotive electronics markets. Its complete Circuit Protection, EMI/EMC Solution, Power Solution, and RF Antenna product lines ensure that electronics products function perfectly and efficiently. Against the backdrop of the rise of IoT applications in recent years coupled with advances in the field of wireless communication technologies, the INPAQ management team has spared no effort to develop new products and unlock new markets. As a result of its persistent efforts in the circuit protection component and antenna product industry, the Company has built up its brand image and its products have gained wide acclaim among numerous renowned international customers, which has catapulted INPAQ to a leadership position in the industry.

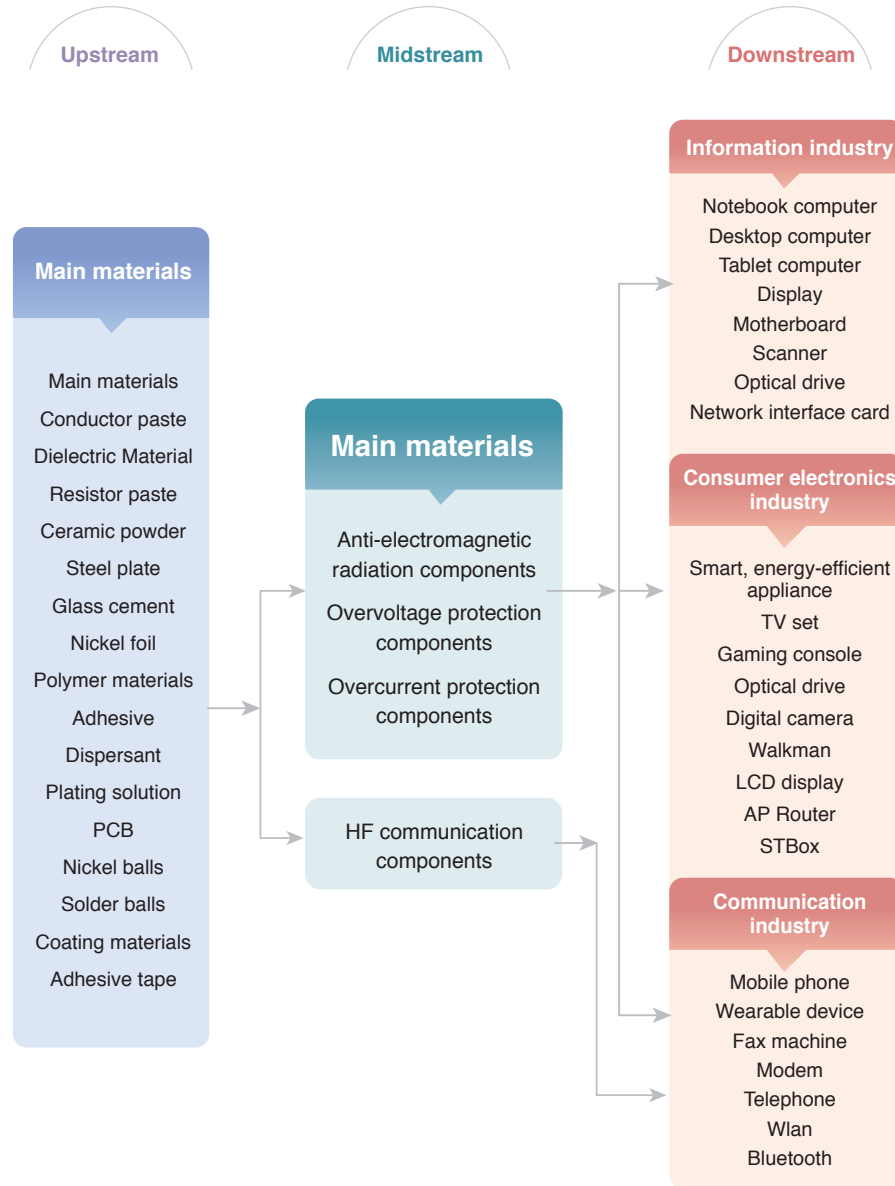
Note: For important milestones of the Company, please refer to the 2021 Annual Shareholders' Report/II. Company Profile/2. Company Evolution

Company Name	INPAQ Technology Co., Ltd.
HQ location	No.11, Gong-Yi St., Neighborhood 11, Gong-Yi Village, Chunan Township, Miaoli County
Total capital (Unit: 1,000 NTD)	1,401,803
2021 Revenues (Unit: 1,000 NTD)	6,756,544
Workforce	1,059 in Taiwan
Operating sites	Plants in Taiwan (Chunan HQ, Taichung Plant) Overseas plants (Suzhou Plant, Yongzhou Plant, Wuxi Plant) Subsidiary (Taiwan Inpaq Electronic Co., Ltd.)
Main products/ services	Development, manufacture, and sale of circuit esprotection components and HF antenna modules
Sales volume (Unit: 1000 pcs)	Protection components: 15,751 HF components: 634

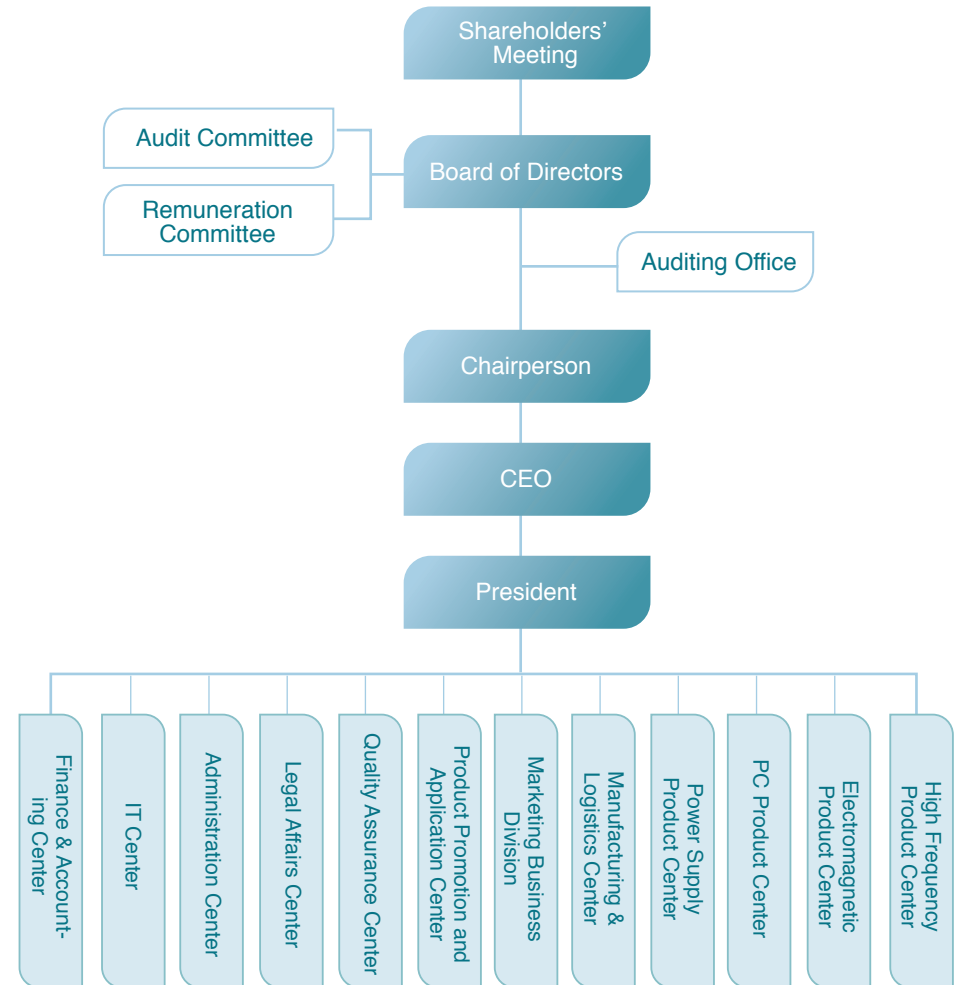
Note: Last updated at the end of 2021.










## Organizational Structure





Department	Authorities & Responsibilities
<b>CEO President</b>	<ol style="list-style-type: none"> <li>1. Responsible for success or failure of business operations</li> <li>2. Setting of business objectives and strategy formulation</li> <li>3. Framework of organizational functions and culture building</li> <li>4. External relations and talent development</li> <li>5. Appointment of management representatives</li> </ol>
<b>President's Office</b>	<ol style="list-style-type: none"> <li>1. Business group strategy planning and monitoring/management of business group execution performance</li> <li>2. Execution status of proposed plans and recommendations for President and management level resolutions</li> <li>3. Assistance in the coordination of management needs and tasks of individual departments</li> <li>4. Project execution and management</li> </ol>
<b>Finance &amp; Accounting Center</b>	<ol style="list-style-type: none"> <li>1. Preparation and analysis of financial statements</li> <li>2. Financial planning and integration and risk management</li> <li>3. Communication and protection of shareholders' equity</li> <li>4. Tax planning and integration</li> <li>5. Fixed asset management</li> </ol>
<b>IT Center</b>	<ol style="list-style-type: none"> <li>1. Establishment and execution of an information management system</li> <li>2. Installation, maintenance, and management of information system (IS) hard- and software and networks; development and management of business information and application systems</li> </ol>

Department	Authorities & Responsibilities
<b>Legal Affairs Center</b>	<ol style="list-style-type: none"> <li>1. Contract drafting, review, and management, legal issue consultation and resolution, handling of litigation and arbitration cases</li> <li>2. Collection of information on applicable laws, research on special topics, intellectual property management and protection</li> <li>3. Training for the dissemination of legal knowledge</li> </ol>
<b>Administration Center</b>	<ol style="list-style-type: none"> <li>1. Planning, execution, and management of personnel, administration, and general affairs-related operations</li> <li>2. Planning and handling of labor health and safety operations</li> <li>3. Planning and handling of environmental safety operations (wastewater, waste gas, solid waste, noise, toxic chemicals, drinking water etc.)</li> <li>4. Liaison, reporting, and approval for reference of operations associated with competent authorities</li> <li>5. Assessment and management of environmental safety risks</li> </ol>
<b>Quality Assurance Center</b>	<ol style="list-style-type: none"> <li>1. Planning and maintenance of the quality system</li> <li>2. Calibration and management of inspection and measurement instruments and testing equipment</li> <li>3. Product quality management and control</li> <li>4. Document management and control</li> <li>5. Product reliability testing</li> <li>6. Safety certification application and management</li> <li>7. Customer quality complaint management</li> <li>8. Promotion of the Company's image in the field of product quality</li> <li>9. Lab measurements and management</li> </ol>

Department	Authorities & Responsibilities
 Manufacturing & Logistics Center	<ol style="list-style-type: none"> <li>1.Planning and execution of procurement strategies and supply chain management</li> <li>2.Planning and execution of subcontractor operations</li> <li>3.Support and management of import/export and overseas business operations</li> </ol>
 Auditing Office	<p>Assessment of internal control system deficiencies and measurement of operational efficiency for the whole company, delivery of auditing reports, and timely provision of improvement suggestions to ensure continued effective implementation of the internal control system and assist the management level in the performance of its duties</p>
 PC Product Center Electromagnetic Product Center High Frequency Product Center Power Supply Product Center Marketing Business Division Product Promotion and Application Center	<ol style="list-style-type: none"> <li>1.Setting and achievement of product quality/cost/delivery targets</li> <li>2.Planning and utilization of production capacities</li> <li>3.Formulation and implementation of corrective and preventive measures and plans for ongoing improvement</li> <li>4.Development and management of production technologies and equipment</li> <li>5.Planning and management of operating environments</li> <li>6.Installation, maintenance, and improvement of plant facilities</li> <li>7.Coordination and management of production, marketing, and inventories</li> <li>8.Inventory management planning and monitoring</li> <li>9.New product development and technical support</li> <li>10.Implementation of the R&amp;D project system</li> <li>11.New material testing, verification, and recognition</li> <li>12.Definition and revision of specifications for materials, products, and packaging</li> <li>13.IPR management</li> <li>14.Assistance in the promotion of products and the corporate image by the Marketing Department</li> </ol>



## 2.2 Business Philosophy



- Ongoing enhancement of product quality to meet the application standards of international, high-end markets
- Valuing of employees paired with primary emphasis on stakeholder rights and interests
- Fulfillment of the responsibility as a global green citizen



- Integrity and Honesty first
- Treat Customers as Partners
- Focus and Quality as Top Priority
- Global Outlook and Globalized Operations
- Stabilization and Talent development
- Equal Emphasis on Shareholder Values, Employee Well-Being, and Social Responsibility
- Collaboration

## 2.3 Earned Awards and Management System

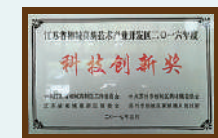
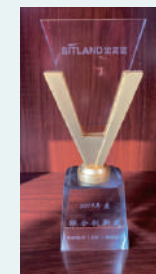
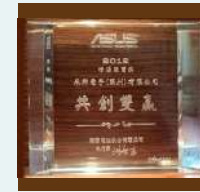
With a view to cultivating local talent in the field of 5G and fostering industrial development, INPAQ participates in the 5G+ Sunrise Industry Kickstart Program organized by the Industrial Development Bureau of the Ministry of Economic Affairs. The impact of the COVID-19 pandemic has resulted in the large-scale adoption of O2O (online to offline), interactive 5G-based, smart exhibition and virtual booth methods, which clearly demonstrates the technological innovation potential of a 5G industry leader.



## Honors and Recognitions



- **2008~2021** High and New Technology Enterprise Award presented by the Jiangsu Provincial Department of Science and Technology
- **2012** ASUS Supplier Excellence Award
- **2013** ASUS BEST PARTNER Award
- **2014** Outstanding SME Award presented by Taiwan Electrical and Electronic Manufacturers' Association
- **2016** Boshijie Technology Co., Ltd. - Top Ten Supplier Award
- **2016** Technological Innovation Award presented by Jiangsu Xiangcheng High and New Technology Industrial Development Zone
- **2017** Jiangsu Purple Peak Award earned by the Suzhou Plant
- **2017~2021** Corporate Technology Center Award presented by the Jiangsu Commission of Economy and Informatization
- **2017** Boshijie Technology Co., Ltd. - Top Quality Award
- **2017** VIVO - 5-year Cooperation Award
- **2019** Taiwan Bitland Information Technology Co., Ltd. - Joint Innovation Award
- **2019** Intelligent Manufacturing Pilot Program Award presented by the Commission of Economy and Informatization of Suzhou City, Xiangcheng District
- **2020** Taiwan Bitland Information Technology Co., Ltd. – Top Delivery Award
- **2020** Dahua Technology – Delivery Excellence Award
- **2020** Transsion Holdings Excellent Support Award
- **2021** Mobiwire Supplier Excellence Award
- **2020** High-Quality Development Award presented by the Commission of Economy and Informatization of Suzhou City, Xiangcheng District
- **2021** Model Enterprise Award presented by Suzhou Municipal Development and Reform Commission
- **2021** Annual Employment & Entrepreneurship Excellence Award presented by Lengshuitan District





INPAQ is firmly committed to ongoing improvement and innovation of its processes, products, and services, conformity to the requirement that products must be free of hazardous substances, and provision of the most competitive solutions of supreme value to its customers.

Since 1999, INPAQ has successively earned accreditations including QS Automotive Quality Standards, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO/TS16949 Automotive Quality Management System, and the IECQ Quality Assessment System for Electronic Components. Chunan HQ and the Taichung Plant in Taiwan and the Suzhou, Wuxi, and Yongzhou Plants in China have passed the following certification audits: IECQ QC 080000: 2017 Hazardous Substance Process Management (HSPM) system, IATF 16949: 2016 Automotive Quality Management System, ISO 9001: 2015 Quality Management System, ISO 14001: 2015 Environmental Management System, and ISO 45001: 2018 Occupational Health and Safety Management System.



Certificates awarded to INPAQ operating sites



## 2.4 Participation in External Organizations

In addition to the constant improvement of its product competitiveness, INPAQ is firmly committed to proactive communication with its stakeholders in all categories. The Company also strives to get a clear understanding of new industry trends through participation in industry associations and positive interactions with the members of such associations.



# 3

## Ethical Corporate Governance

- 3.1 Governance Practices
  - 3.1.1 Board of Directors
  - 3.1.2 Functional Committees
  - 3.1.3 Internal Audits
  - 3.1.4 Ethics & Integrity
- 3.2 Risk Management
- 3.3 Legal Compliance
- 3.4 Operational Performance
- 3.5 Products & Services
  - 3.5.1 Innovative R&D
  - 3.5.2 Customer Relations
- 3.6 Information Security



A sound corporate governance includes a comprehensive Board of Directors Meeting, rigorous internal control system and stable financial control. In addition to assistance in mitigating company management risks, it can also enhance a company's competitiveness and create brand value. Establishment of a corporate culture of integrity and responsibility, compliance with various regulations to fulfill integrity operation and a well-functioned corporate governance structure can ensure a company's comprehensive development and protect investors and other stakeholders' rights.

INPAQ complies with Taiwan Securities and Exchange Act in building up corporate governance system. For the purpose of enhancing protection of shareholder's rights, strengthening Board of Directors Meeting's competence, respecting stakeholder's rights as well as improving information transparency, the Board of Directors Meeting approved "Corporate Governance Practice Guidelines" which enhance Board of Directors Meeting's management and supervision functions through fair, impartial and open director election procedures together with measures of establishing independent directors. Board of Directors Meeting also passed "Management Operations for Internal Material Information and Prevention of Insider Trade" which prohibits insiders of director, manager and employee from gaining profits using information not accessible in the market. Additionally, based on accurate, real-time and fair disclosure principles, INPAQ has established a comprehensive information disclosure system which provides information related to operations, finance, Board of Directors Meeting and shareholder's meeting on the Company's website and Market Observation Internet Report System to ensure that shareholders have access to the latest information related to the Company.



Corporate Governance  
Practice Guidelines

### 3.1 Governance Practices

Shareholder's meeting, which is composed of all shareholders, makes decisions on the Company's material matters and regularly listens to Board of Directors Meeting's report. It is the Company's ultimate decision-making institute. Board of Directors Meeting is the ultimate governance institute. Members of Board of Directors Meeting all comply with their good administrator's due obligation in planning the Company's operation policies and reviewing financial performance to ensure the Company's operations comply with various laws and regulations. To make a well-functioned corporate governance operation and enhance the Company's competitiveness, Board of Directors Meeting has established Audit Committee and Remuneration Committee to solidify Board of Directors Meeting's operation. An independent Audit Office was established under Board of Directors Meeting to regularly conduct audit businesses and report audit results to Audit Committee and Board of Directors Meeting.

INPAQ emphasizes on corporate governance, pursues sustainable growth and integrity operation and continuously enhances its corporate governance structure. With its transparent information together with an effective internal control system, stakeholders' rights are protected accordingly. INPAQ complies with "Regulations Governing Establishment of Internal Control System by Public Companies" and takes the Company's comprehensive operation activities under consideration in designing internal control system and implementing the system without fail. This system is reviewed from time to time in order to respond to changes in both internal and external environments, and to ensure continuous effectiveness over design and implementation of this internal control system. Through a well-functioned management mechanism, operation performance is enhanced and the goal of sustainable operation is achieved accordingly.

To enhance the Company's support to directors in their fulfillment of duties and to improve Board of Directors Meeting's efficiency, Board of Directors Meeting passed a resolution in November of 2020 to designate Chief Financial Officer as Head of Corporate Governance, who will be responsible for assisting directors in their execution of duties, providing materials needed and arranging learning matters, conducting related matters of Board of Directors Meeting and shareholder's meeting in accordance with regulations, assisting the Company in complying with related resolutions of Board of Directors Meeting and shareholder's meeting and maintaining relationship with investors.

INPAQ ranks in the 21%~35% tier from the 8th Corporate Governance Assessment result in 2021. This indicates that INPAQ has effective and good operations in respective fields of corporate governance. Going forward, the Company will be dedicated to improving comprehensive synergy for corporate governance and enhancing stakeholder's trust in INPAQ.





### 2021 Implementation Results for Corporate Governance Business

- 18 hours of learning professional courses related to corporate governance
- Conduct registration before shareholder’s meeting date in accordance with laws, prepare meeting notice, agenda manual and meeting minutes within statutory deadliness, and conduct change registration in the event of amendments of Articles of Incorporation, or election of director.
- Prepare Board of Directors Meeting agenda and notify directors accordingly 7 days before the meeting, convene the meeting and provide meeting materials, and complete Board of Director Meeting minute within 20 days after the meeting.
- Responsible for releasing material information on critical resolutions from Board of Directors Meeting and shareholder’s meeting, and ensuring legitimacy and accuracy of material information for the purpose of protecting investor’s equal access to transaction information.
- Provide information of learning course to independent directors and directors, and assist them to complete director learning programs.
- Maintain regular communication between independent directors and certified accountants for understanding of the Company’s finance business.
- Assess and obtain appropriate director and manager’s liability insurance.

Head of Governance

Kuo-Shu Huang

110/09/08	Accounting Research and Development Foundation	Digital Change with Three Lines of Defense: Development and Digital Trends for Internal Control and Internal Audit Regulation Compliance	6
110/09/16	Accounting Research and Development Foundation	Analysis of Practices for “Sustainable Report” under Corporate Governance Policy 3.0	3
110/10/06	Securities and Futures Institute	From Insider Trading to Corporate Social Responsibility	3
110/10/06	Securities and Futures Institute	Impact of ESG and Climate Change in Business Environment to Corporate	3
110/10/27	Securities and Futures Institute	Director, Supervisor and Senior Management’s Supervision over Company’s Implementation of ESG	3

In the meantime, an accounting firm has been commissioned to conduct routine inspection and certification of the Company’s financial statements. Disclosures of various information required by laws have all been conducted accurately and in a timely manner with designated personnel responsible for disclosing the Company’s information. Meanwhile, a spokesman system has been established to ensure that respective material information can be disclosed appropriately and in a timely manner for shareholders and stakeholders’ references of related information with respect to the Company’s business.

Going forward, INPAQ’s goals for continued efforts shall rest in enhancement of Board of Directors Meeting’s operation, improvement of information transparency as well as gradually integrating corporate governance structure into sustainable governance strategies.



### 3.1.1 Board of Directors

Board of Directors Meeting drafts plans on the Company's operation strategies and is responsible for shareholders and other stakeholders. Directors faithfully execute their business, exert efforts on good administrator's due obligation and exercise their duties under scrupulous attitude. In terms of execution of the Company's business as well as operation and arrangement for various governance systems, execution shall be conducted under Board of Directors Meeting resolutions with the exception of matters under shareholder's meeting resolutions as required by laws or articles of incorporation. INPAQ's Articles of Incorporation prescribes that director election adopts candidate nomination systems, and is conducted through measures of regular election under talent only principle. As prescribed by corporate governance practice guidelines, number of directors for Board of Directors Meeting also assuming the Company's manager posts shall not exceed one-third of director seats. In the meantime, the direction of diversified members shall also be considered. This includes, but not limited to, two major aspects of standards with respect to fundamental conditions and values as well as professional knowledge and skills. It is also regarded that directors shall all possess knowledge, skills and competency necessary for execution of duties (Note) and profound understanding of industry development trend. Currently, there are 7 directors (including 3 independent directors) in Board of Directors Meeting with a tenure of 3 years. As required by laws, at least one Board of Directors Meeting is held in each quarter. A total of 7 Board of Directors Meetings were held in 2021.

Note: With respect to information of INPAQ director members' major experiences (education), assumption of INPAQ or other company's duties and list of major shareholders, please refer to the Company's website and shareholder's meeting annual report/Three. Corporate Governance Report/2. Materials for director, supervisor, General Manager.....and heads of subsidiary branches/I. Materials for director and supervisor.

To build up an excellent operation system for Board of Directors Meeting, solidify its supervision functions and ensure independence during independent director's execution of business, INPAQ Board of Directors Meeting passed "Agenda Requirements for Board of Directors Meeting" which specifically prescribes scope of director's duties for the purpose of requirement compliance. A high degree of self-discipline spirit also exists among directors to fulfill avoidance of conflict of interests. In the event of interests exist between Board of Directors Meeting resolutions and directors themselves or the legal person they represent, critical contents of interests hereto shall be explained in that Board of Directors Meeting, and directors hereto shall not participate in discussion or voting if there's a possibility to interfere with the Company's interests. Under such circumstances, directors hereto shall recuse themselves during discussion and voting, and shall not be agents for other directors in exercising their voting rights. Meanwhile, to enhance Board of Directors Meeting's decision quality, Board of Directors Meeting also passed "Guidelines for Board of Directors Meeting Performance Assessment" and conducts internal assessment each year on performances of Board of Directors Meeting, individual director members as well as functional committees. With this, Meeting Affairs Division (Finance and Accounting Center) of Board of Directors Meeting distributes self-assessment questionnaires to members of Board of Directors Meeting for self-assessment. External professional independent institutes or external expert/scholar teams will conduct this assessment for every 3 years. Performance assessment results on Board of Directors Meeting will serve as reference basis for director selection or nomination in the future. Performance assessment for individual directors may also serve as reference basis for establishment of respective director's compensation.



Agenda Requirements for Board of Directors Meeting



Guidelines for Board of Directors Meeting Performance Assessment

#### Performance Assessment Mechanism for Board of Directors Meeting

- Annual Self-Assessment via Questionnaire
- External Expert Assessment Once Every 3 Years



#### 2021 Performance Self-Assessment Results (Note)

- Average 4.989 Points for Board of Directors Meeting
- Average 4.893 Points for Members of Board of Directors Meeting
- Average 4.955 Points for Audit Committee
- Average 4.943 Points for Compensation Committee

Note: Full score for self-assessment is 5 points.



#### Enhancement Program

- Coordination with Directors on Attending Board of Directors Meeting in Person
- Arrangement of Professional Learning Courses
- Enhancement of Effective Communication between Independent Directors and Head of Internal Audit and Accountant
- Enhancement of Director's Participation in the Company's Operation

To establish effective risk management and enhance professional talent's willingness to assume director post, INPAQ obtains liability insurance for directors to allow directors free of concerns when executing business while in the meantime mitigating and dispersing risks of material damage to the Company and directors from director's mistake or negligent behavior.

INPAQ takes issues of various regulation compliance and governance practices faced by directors when participating in the Company's operation decisions into consideration, and aggressively encourages and arranges related professional learning courses for directors. Total hours of learning for directors in 2021 accounted for 57 hours (with details listed on the table below). Going forward, Head of Corporate Governance will also make plans to increase related courses for director's learning and corporate sustainability. INPAQ is convinced that, under the leadership of directors with integrity governance and abundant industry experience, the Company's business will be prosperous and the Company will continue to march forward on the path of sustainable operation.



Job Title	Name	Date of Learning	Organizing Unit	Name of Course	Hours of Learning
Representative of Legal Person Director	Pei-Jen Chen	Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	From Insider Trading to Corporate Social Responsibility	3
		Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	Impact of ESG and Climate Change in Business Environment to Corporate	3
		May 7 <sup>th</sup> , 2021	Taiwan Corporate Governance Association	"Audit Committee Series Courses" Audit Committee Advanced Practices Sharing – Mergers & Acquisitions Review and Director's Responsibility	3
Representative of Legal Person Director	Yo-Hen Jiao	Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	From Insider Trading to Corporate Social Responsibility	3
		Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	Impact of ESG and Climate Change in Business Environment to Corporate	3
		Apr. 9 <sup>th</sup> , 2021	Taiwan Corporate Governance Association	Global Macro Economy Outlook for 2021	3
Representative of Legal Person Director	Min-Can Tseng	Dec. 28 <sup>th</sup> , 2021	Taiwan Corporate Governance Association	Director's Responding Measures in Leading Corporate amidst Environment with Speedy Technology Change	3
		Dec. 24 <sup>th</sup> , 2021	Taiwan Corporate Governance Association	Case Study on Fraudulence in Corporate Financial Statements	3
Director	Dui-Ren Cheng	Nov. 10 <sup>th</sup> , 2021	Securities and Futures Institute	Exploration of Operation Practices and Issues for Holding Companies in Taiwan	3
		Nov. 10 <sup>th</sup> , 2021	Securities and Futures Institute	for Finance and Tax Critical Issues for 2021	3
		Nov. 8 <sup>th</sup> , 2021	Taiwan Corporate Governance Association	Challenges and Opportunities from Carbon Neutral amidst Global Risks	3
Independent Director	Ji-Zu Kao	Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	From Insider Trading to Corporate Social Responsibility	3
		Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	Impact of ESG and Climate Change in Business Environment to Corporate	3
Independent Director	Min-Xiong Hong	Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	From Insider Trading to Corporate Social Responsibility	3
		Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	Impact of ESG and Climate Change in Business Environment to Corporate	3
		May 7 <sup>th</sup> , 2021	Taiwan Corporate Governance Association	Corporate Sustainable Governance from Risk Perspectives – form Corporate Governance to ESG	3
Independent Director	De-Fu Huang	Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	Impact of ESG and Climate Change in Business Environment to Corporate	3
		Oct.6 <sup>th</sup> , 2021	Securities and Futures Institute	From Insider Trading to Corporate Social Responsibility	3
		Mar. 12 <sup>th</sup> , 2021	Taiwan Corporate Governance Association	Comprehensive Strategies for Director/Supervisor Data Security	3

### 3.1.2 Functional Committees

To solidify supervision function and enhance management function, Board of Directors Meeting has established Audit Committee and Compensation Committee. In addition to executing duties in accordance with laws and regulations, functional committees is responsible for Board of Directors Meeting and will submit proposals to Board of Directors Meeting for resolution.

#### Audit Committee

Audit Committee assists Board of Directors Meeting in supervising quality of the Company's execution related to processes of accounting, audit, financial report and financial control, and submits assessment results to Board of Directors Meeting for discussion. INPAQ Board of Directors Meeting passed "Organization Requirements for Audit Committee" and established Audit Committee in Board of Directors Meeting. 3 independent directors will assume the posts of audit commissioners, one of which is the convener and at least one of which shall come with accounting or finance expertise. At least one meeting shall be convened for each quarter. A total of 6 Audit Committee meetings were held in 2021 with attendance rate for all commissioners reaching 100%.

Head of Internal Audit shall have at least one close-door meeting with all independent directors for each quarter to report execution status on the Company's internal audit. A total of 5 meetings were held between independent directors and Head of Internal Audit. Meanwhile, one meeting was held between independent directors and accountants in 2021. In addition to reporting financial statement inspection result to independent directors, accountants were also engaged in promotion of regulations and exchange of opinions in the meeting.

#### Compensation Committee

To solidify INPAQ's compensation system for director and manager, assess director and manager's operation performance as well as verify if compensation received is fair and reasonable, Board of Directors Meeting passed "Organization Requirements for Compensation Committee" and established Compensation Committee in Board of Directors Meeting. There shall be at least one independent director participating in committee members. A total of 5 meetings were held in 2021 with attendance rate reaching 100% for all committee members.

Compensation Committee's main responsibility is to establish system and standards for director and manager's performance and compensation and review these system and standards regularly. Compensation for director and manager is also reviewed regularly. Compensation Committee shall consider the following principles during its assessment: the Company's compensation shall comply with related regulations and shall be sufficient in attracting talents; Director and manager's performance assessment and compensation shall take reference from normal compensation paid in this industry, and shall consider respective individual's time consumed on duty, responsibility assumed, achievement of personal goal, performance when assuming other duties, compensation paid by the Company to others of equivalent duties in recent years, achievement of the Company's short term and long term business goals and the Company's financial status when assessing related rationality between an individual's performance and the Company's operation performance as well as future risks. Directors and managers should not be guided to embark on behavior exceeding the Company's risk appetite simply for the sake of pursuing compensation. In terms of percentage of compensation distributed to directors and senior managers for their short-term performance as well payment time for some variable compensation, industry characteristics and nature of the Company's businesses shall all be considered before decisions are made.

Under actual practice, Compensation Committee complies with a good administrator's due obligation in its faithful fulfillment, establishment and regular review of policy, system, standards and structure for director and manager's performance assessment and compensation. Director and manager's compensation and responsibilities are reviewed regularly and proposals are submitted to Board of Directors Meeting for discussion.



Meeting Resolutions by  
Audit Committee in 2021



Meeting Resolutions by  
Compensation Committee in 2021

### 3.1.3 Internal Audits

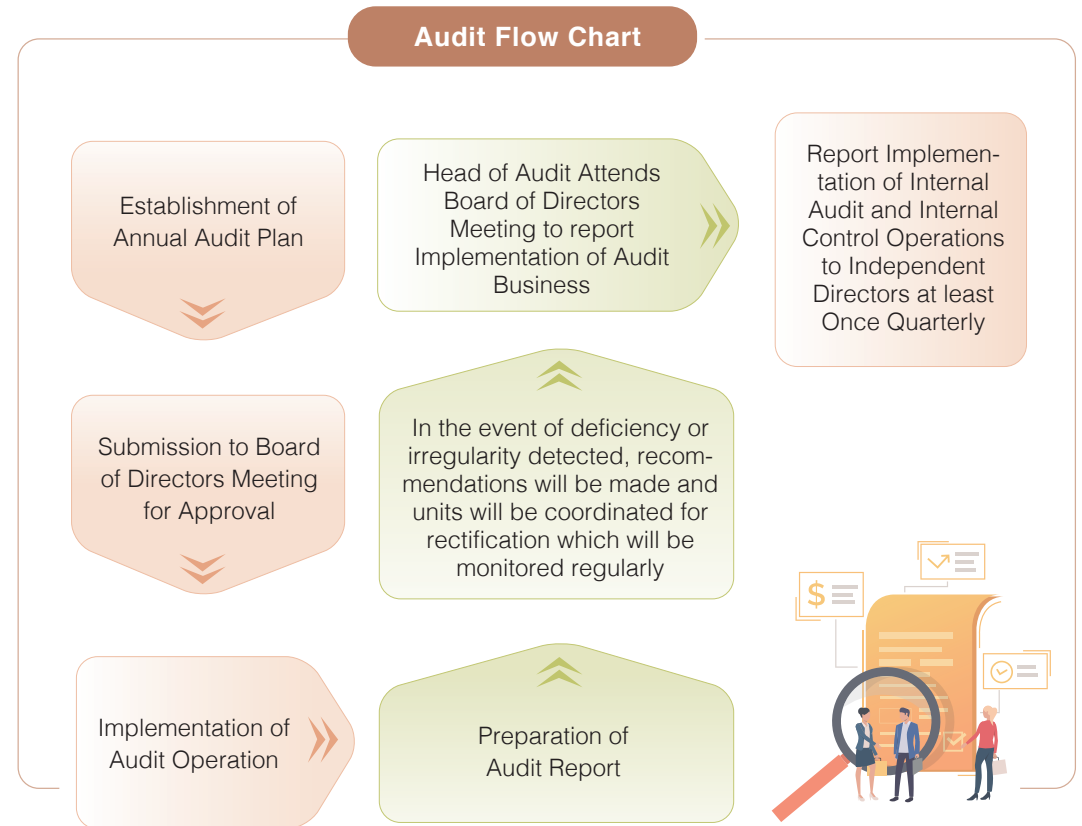
Purpose of the Company's internal audit lies in assisting Board of Directors Meeting and managers in their inspection and review of deficiencies in internal control system, assessment of operation effectiveness and efficiency as well as providing rectification recommendations in due time to ensure effective implementation of internal control system is maintained and that such recommendations will serve as basis for review and amendment of internal control system. INPAQ complies with requirements prescribed in "Regulations Governing Establishment Internal Control System by Public Companies" and considers the Company and its subsidiaries' overall operation activities in establishing an effective internal control system which is reviewed and improved from time to time for the purpose of responding to changes in the Company's internal and external environments while ensuring continued effectiveness for internal control system's design and implementation. To ensure audit personnel's fairness and independence in executing audit duty, INPAQ has established an independent unit of Audit Office under Board of Directors Meeting as required by laws. Audit Office is equipped with audit personnel, and "Management Rules for Audit Office Business" has specifically prescribed that engagement or discharge of Head of Audit shall be approved by Audit Committee and shall be submitted to Board of Directors Meeting for resolution accordingly. In the meantime, Head of Audit shall submit internal audit personnel's engagement/discharge, performance assessment and compensation to Chairman of the Board for approval.

In addition to implementation of self-assessment operation over internal control system, INPAQ's Board of Directors Meeting and management review self-assessment results from respective departments and audit report from Audit Office at least once every year. Head of Audit attends Board of Directors Meeting as required and reports implementation of audit business. Head of Audit also attends Audit Committee meeting at least once very quarter and reports the Company's audit implementation as well as internal control operations to independent directors.

Every year Audit Office reviews self-assessment reports on the Company and its subsidiaries' internal control systems, and provides internal control deficiencies detected as well as rectifications on irregularities to Board of Directors Meeting and General Manager for basis of assessing overall internal control system's effectiveness as well as issuing internal control system statement. Meanwhile, for the purpose of enhancing audit personnel's professional capability, INPAQ arranges continuous learning courses as well as participation in internal audit lectures organized by competent authority's designated institutes for its audit personnel in order to improve and maintain audit quality and implementation effectiveness. In 2021, there were a total of 4 man-times with 24 hours for audit personnel training.

Through audit personnel, INPAQ continues to monitor the Company's implementation of various operation systems, establishment of good governance practices and risk control mechanisms as well as creation of an operation environment with sustainable development. In 2021, Audit Office implemented 62 audit assignments (with a total of 386 item-times) with audit compliance rate reaching 98.7%. There were no material non-compliance items, and rectifications for all non-compliance items were completed within deadlines.

#### Audit Flow Chart



Management Rules for Audit Office Business



### 3.1.4 Ethics & Integrity

INPAQ builds up its corporate core values based on regulation compliance and supremacy of integrity, and conducts its business under the spirit of integrity and regulation compliance. To ensure that concept of integrity operation is realized within the Company, the Company always places emphasis on colleague's morality. Human Resource Center promotes the Company's internal requirements on morality to new personnel upon their orientation phase, and requests them to sign "Service Agreement" and "Statement of Commitment" for the purpose of cultivating colleague's sense of integrity. In the meantime, management are required to lead by example and comply with integrity principle to cultivate the Company's integrity culture in a subtle manner.

Internally, INPAQ utilizes Human Resource Center as the responsible unit for promoting integrity operation policy, and establishes internal requirements of "Guidelines and Operation Procedures for the Company's Integrity Operation Behavior," "Moral Behavior Guidelines for Director and Manager" and "Internal Material Information and Management Operation for Insider Trading Prevention," which were passed by Board of Directors Meeting resolutions. Integrity internal requirements are posted on the Company's official website for stakeholders to review accordingly, and corresponding contact windows are established to allow stakeholders to reflect their opinions. In the event that colleagues have doubts over the Company's integrity internal requirements, they can visit official website to check on related information, or check with Human Resource Center through diversified channels of email, telephone, and so on.

In the meantime, INPAQ established diversified report channels. Stakeholders may file report through stakeholder zone on the Company's official website, General Manager's mailbox or audit mailbox. Accordingly, Audit Office will have designated personnel investigate these reports. Informant basically needs to provide his/her name in the report together with related contents of reported incident, including but not limited to informant's name and basic contents and evidences of time, location and contents of reported incident. In the event that an anonymous informant has already submitted specific related facts and evidences, Audit Office responsible person will contact subsequent investigation accordingly. Under circumstances that there are interests, or relationship that may influence handling of case, existed between responsible personnel and informant or reported individual, the responsible personnel shall actively report this and recuse himself/herself from the investigation and allow other personnel to conduct investigation accordingly. Investigation shall be conducted fairly in accordance with requirements. Confidentiality shall be maintained and informant's identity shall not be disclosed. INPAQ also commits itself to protecting informant from being treated inappropriately from filing report.

In terms of business interaction, INPAQ colleagues shall explain the Company's integrity operation policy and related requirements to transaction counter party during execution of business, and shall specifically deny to directly or indirectly provide, commit to, request or receive illegitimate interests of any forms or names. In the meantime, colleagues shall pay attention to avoid business transactions with agents, suppliers, clients or other business transaction counterparties involved in non-integrity behavior. In the event that business transaction or collaboration counterparties are found to be involved in non-integrity behavior, assessment shall be then conducted to verify if these parties shall be listed as parties denied of business transaction for the purpose of realizing the Company's integrity operation policy. Lastly, INPAQ shall have a comprehensive understanding of counterparty's integrity operation situations when entering agreement with transaction counterparty, and terms of complying with INPAQ's integrity operation policy shall be included in agreement articles between the transacting parties. When entering

an agreement, colleagues shall do their best to include specific articles in agreement. These articles shall prescribe that in the event of one party's, included but not limited, violation of counterparty's agreement terms of prohibition on receiving commission, kickback or other illegitimate benefits, information of identity for personnel involved, measures of providing, committing, requesting or receiving as well as amount or other benefits received shall be advised to counterparty, and related evidences shall be provided for collaboration with counterparty's investigation. In the event of damage incurred as a result of this, one party shall therefore be entitled to request compensation of certain percentage of agreement amount from counterparty, and is entitled to deduct compensation amount from payable agreement amount. In the event of non-integrity behavior from either party during business activities, counterparty shall therefore be entitled to terminate or cancel agreement unconditionally.

To embed the concept of morality and integrity deeply in the process of colleague's execution of business, Human Resource Center is planning to implement on-line integrity training courses to colleagues in the future. There will be regular arrangement to invite senior management to promote importance of corporate integrity culture to colleagues during meetings. In the meantime, this center will verify if prevention measures, which are established by management to inspect and assess implementation of integrity operation, are operated effectively, and will also conduct compliance assessment over related business process. Each year, this center reports execution result to Board of Directors Meeting. Audit Office will then supervise and inspect the Company's comprehensive execution of integrity, and report to Board of Directors Meeting when needed.



Guidelines and Operation Procedures for the Company's Integrity Operation Behavior



Moral Behavior Guidelines for Director and Manager



Internal Material Information and Management Operation for Insider Trading Prevention

Diversified Report Channels	Number of Cases Accepted for Current Year	Being Processed	Case Closed
Company Official Website	0	0	0
Audit Mail Box	1	1	1
General Manager Mail Box	0	0	0



## 3.2 Risk Management

INPAQ utilizes respective responsible departments as the core for its risk management structure in conducting related risk assessment operations. Based on possibility of risk occurrence and estimated impact to INPAQ, risk response will be executed on specific high risk items to ensure achievement of the Company's purpose of sustainable operations.



INPAQ Risk Management Structure

Risk Items	Responsible Department	Items of Risk Business
Strategy Risk	Chairman's Office CEO's Office	<ul style="list-style-type: none"> <li>Establishment of the Company's future operation policy</li> </ul>
Operation & Market Risk	General Manager's Office Department of Marketing Respective BU Departments	<ul style="list-style-type: none"> <li>Based on the Company's strategies, implement product R&amp;D, production and sales, and is dedicated to production technology improvement, quality enhancement and cost reduction for the purpose of increasing the Company's profits.</li> </ul>
Finance & Liquidity Risk	Finance & Accounting Center	<ul style="list-style-type: none"> <li>Interest rate/exchange rate hedging, bank credit line management and relationship maintaining.</li> </ul>
Client Credit Risk	Finance & Accounting Center	<ul style="list-style-type: none"> <li>Establishment and review of client's credit line, management and collection of account receivable.</li> </ul>
Legal Risk	Legal Affair Office of Administration Center	<ul style="list-style-type: none"> <li>Review agreement and company authorization and reduce corporate legal risks to protect the Company's tangible and intangible assets.</li> </ul>
Environment, Health & Safety Risk	Factory Affair Office of Administration Center	<ul style="list-style-type: none"> <li>Being focused on possible safety and health hazards as well as specific risk factors in work environment, and with safety and health policy as the core, health and safety management is realized and management performance is enhanced.</li> </ul>

Risk Category	Explanation of Risks	Risk Management Strategy
Sustainable Environment	Continued Increase in Greenhouse Gas Emission	<ul style="list-style-type: none"> <li>Under compliance with Energy Administration Act, energy saving from 2015 to 2024 will reach an annual average of 1% which ensures lowered energy consumption and reduction in greenhouse gas emission.</li> </ul>
	Continued Increase in Waste Water Discharge	<ul style="list-style-type: none"> <li>Respective factories implement water saving measures. For instance, cutting water is recycled and utilized as public water.</li> </ul>
	Increase of Waste Disposal Amount / Lowered Recycling Rate	<ul style="list-style-type: none"> <li>Promotion of waste reduction will be continued (For instance, electroplating effluent for power inductor was originally scheduled to change electroplating effluent once every 800 lots. This has been improved to once every 1,600 lots after technology improvement.) °</li> </ul>
	Shortage of Water, Shortage of Electricity	<ul style="list-style-type: none"> <li>Water Shortage: Taiwan Chu Nan factory has a storage capacity of 800 cubic meters of water. This is roughly sufficient for 2 days of production. The Company needs to purchase water from external water trucks to make up for the shortage portion.</li> <li>Shortage of Electricity: In the event of electricity shortage, two generators in the factory can be utilized to temporarily supply power to some areas.</li> </ul>
	Violation of Environmental Protection Laws	<ul style="list-style-type: none"> <li>Risks of violating environmental protection laws are mitigated through monthly self-check and annual external audit.</li> </ul>

Risk Category	Explanation of Risks	Risk Management Strategy
<p>Employee Caring</p>	Occurrence of Occupational Disaster	<ul style="list-style-type: none"> <li>Internal investigation will be conducted immediately and improvement will be made in the event of occupational disaster occurrence.</li> <li>In terms of COVID-19 pandemic, various responding measures are implemented in accordance with COVID-19 Emergency Responding Plan.</li> </ul>
	Long Working Hours	<ul style="list-style-type: none"> <li>Prevention of diseases from irregular workload is implemented continuously. Regular investigation on employees is conducted to verify if situations of overwork exist, and adjustment on workload is conducted in accordance with diagnosis result from occupational doctors. Current manpower allocation is reviewed and more employees will be recruited to share workload.</li> </ul>
	High Turnover Rate / Insufficient Labor	<ul style="list-style-type: none"> <li>The Company provides market-competitive compensation and benefits, cares for employees in a timely manner, understands colleague's opinions on INPAQ and strikes a balance between corporate operation costs and enhancement of employee's team cohesiveness towards the Company.</li> <li>Automatic equipment is increased to lower the needs for labor and enhance efficiency. International division of labor is best utilized to lower production costs as well as to supply local clients in real time.</li> </ul>
<p>Operation Performance</p>	Decreased Competitiveness in the Market	<ul style="list-style-type: none"> <li>The Company enhances R&amp;D capability and production capability, develops differential products, expands comprehensive product lines, increases product stability, establishes reliable partner relationship with clients, expands product market share and widens the gap with competitors.</li> <li>The Company expands its economies of scales, lowers costs and aggressively introduces automatic production equipment.</li> <li>Enhancement of quality standards together with introduction of meticulous tests and inspections allow the Company to penetrate into international major players' market.</li> </ul>
	Occurrence of Data Security Incident	<ul style="list-style-type: none"> <li>Safety tests, data security health check, social interaction safety and data security drills are conducted each year.</li> <li>Data security risk awareness among the Company's colleagues and data security personnel's capability to respond to contingencies are enhanced to ensure advance prevention as well as effective detection and expansion deterrence as soon as possible.</li> <li>Each year, the Company makes routine announcements to promote data security policy and cultivates colleagues who have data security certificates.</li> <li>Data security education training is implemented on indirect personnel with each individual at least 3 hours each year.</li> </ul>

Risk Category	Explanation of Risks	Risk Management Strategy
<p>Operation Performance</p>	Customer Complaint	<ul style="list-style-type: none"> <li>Acquisition of client's feedback related to product and service (including HSF feedback).</li> <li>Establishment of specific requirements (including HSF requirements) for emergency actions including mechanisms for production emergency incidents, negligent shipment of unqualified products and product recall.</li> </ul>
	Increase in Raw Material Price / Disruption of Supply Chain	<ul style="list-style-type: none"> <li>The Company continues to maintain good interaction relationship with supplier, and close contact is also maintained to ensure current product supply is stable. Through joint development with academic units, INPAQ aggressively develops new material formula and alternative raw material to lower dependence on high price raw materials.</li> <li>Supplier Management: New source of materials shall be carefully assessed when developing materials, and good suppliers shall be established aggressively to avoid monopoly.</li> <li>Inventory Management: Safe inventory mechanism is established for operation adjustments to meet with flexible production needs.</li> </ul>
	R&D Bottleneck	<ul style="list-style-type: none"> <li>The Company exerts in-depth understanding and mastering of client and end user's needs, and accelerates its pace on developing technologies for product materials, production process and product application for the purpose of responding to external environment's fast changes with its profound technology strength.</li> <li>The Company promotes smart manufacturing and utilizes Internet of Things and big data analysis to enhance efficiency and lower costs.</li> <li>The Company watches closely and masters changes and dynamics of competitors, market, industry and clients for the purpose of speedy response and references for directions of production, technology and product development.</li> <li>High value/quality products are developed and customer service is enhanced for the purpose of transforming from a manufacturing company to a manufacturing and service company.</li> </ul>

### 3.3 Legal Compliance

Legal compliance is the foundation of corporate operation. INPAQ promotes integrity internal requirements to new employees upon their orientation and have them sign service agreement and statement of commitment. Additionally, given the fact of numerous kinds of laws and regulations, respective departments learn of amendment changes of related laws and regulations in a timely manner through interaction with government institutes or from media report, and conduct internal and external trainings accordingly on employees in their departments to ensure that the Company's operation complies with various laws and regulations.

Firstly, in terms of corporate governance, INPAQ establishes functional committees to supervise the Company's financial operations and internal control system, and passed "Corporate Governance Practice Guidelines" and "Performance Assessment Guidelines for Board of Directors Meeting" to ensure Board of Directors Meeting's aggressive participation in the Company's material proposal and decision making. In the meantime, Head of Corporate Governance is also established to assist in Board of Directors Meeting's operation, provide professional opinions and enhance Board of Directors Meeting's competence. Going forward, INPAQ will continue to comply with corporate governance assessment and "Corporate Governance Practice Guidelines" in its commitment to enhance compliance awareness of the Company's colleagues.

Secondly, in terms of personnel management, INPAQ drafts related integrity internal requirements and repeatedly promotes the Company's core value of Integrity and honesty. Through the drafting of a series of requirements, faithful implementation and mechanisms of self-review, smooth report channels and informant protection, comprehensive compliance firewalls have been established accordingly. Management conducts "lead by example" and requests that each colleague shall ensure that his/her related businesses comply with laws and regulations as well as the Company's policies and internal requirements. Compliance conditions are reviewed through annual internal control self-assessment as well as inspection from internal audit. Guidelines for colleagues during execution of businesses are drafted and all colleagues in the Group, regardless of their job titles, ranks or locations, shall comply with "Guidelines and Operation Procedures for the Company's Integrity Operation Behavior" and "Moral Behavior Guidelines for Director and Manager." Contents of these requirements include work environment guidelines, equal opportunity, confidentiality clauses, competition prohibition and avoidance of conflict of interest, giving or receiving gifts and business formality, respect for employees and clients, report, protection, exemption and so on with the goal of obtaining the public's trust, enhancing corporate image while ensuring the Company's sustainable operation and development. To prevent and keep the Company from being punished for behavior violating fair completion or anti-trust laws, related behavior guidelines are drafted specifically to serve as behavior guidelines for the Company's management and responsible personnel's business behavior for the purpose of mitigating risks of violating laws. The Company participates in industry competition based on integrity and fair principles, cultivates a corporate culture which complies with laws and regulations and builds up the Company's trust-worthy and respectful reputation.

Furthermore, in terms of personnel training and for the purpose of enhancing colleague's awareness on occupational morality and regulation compliance, INPAQ complies with laws, regulations and the Company's internal requirements in having Legal Affair Center working together with other responsible departments in conducting trainings on laws and regulations involved for colleagues of different departments or ranks when engaged in business behavior. For instance, colleagues of different responsibilities will be given corresponding training contents which include new employee training, physical lessons, promotion from respective units and external training. In the meantime, colleagues are able to contact and obtain regulation awareness anytime through regulation compliance guides provided on posters in factory areas and the Company's internal webpage.

Finally, in terms of environment health and safety, INPAQ has established related supervision, measurement and performance assessment guidelines to ensure that the Company complies with environmental protection and occupational safety regulation requirements during the process of its product lifecycle, and that environment and occupational safety management systems are operated effectively, and potential problems can be detected through management cycling measures and control measures can be adopted in due time to avoid causing damage to the Company.

In terms of INPAQ's overall compliance practice, there are no material regulation violation records with regard to corporate governance, securities transaction, environmental protection, labor human rights, occupational safety, marketing and product liability. Nevertheless, subsidiary Taiwan Inpaq Electronics received a fine of NT\$20,000 in 2020 for negligently violated Article 70 of Labor Standards Act. Accordingly, the Company immediately activated rectification and prevention mechanism and rectification was completed and the case was closed in 2021.

#### Management Mechanisms



Corporate  
Governance

- Establishment of functional committees and Head of Corporate Governance; Enhancement of Board of Directors Meeting competence;
- Establishment of "Guidelines and Operation Procedures for the Company's Integrity Operation Behavior" and "Moral Behavior Guidelines for Director and Manager"; Realization of integrity operations and prevention of any behavior violating morality or integrity; Prevention of behavior causing damage to the Company and shareholder's interests;
- Establishment of "Internal Material Information and Management Operation for Insider Trading Prevention"; Installation of good internal material information and disclosure mechanisms to avoid inappropriate disclosure of information and ensure INPAQ's consistency and accuracy when disclosing information to outside world.



Environmental  
Health and  
Safety

- Drafting of "Environment Health and Safety Measurement and Process for Supervision and Control." In terms of considerations over INPAQ's environment and operations and activities for health and safety risks, the Company installs supervision and control over measurement methods to assess implementation effectiveness from environment and health and safety management system. This will serve as basis for performance assessment for the purpose of achieving improvement goal.
- "Communication and Consulting Control Procedures" are established to regulate INPAQ's quality, hazardous substance process management, environment and internal and external two-way communication for health and safety system for the purpose of mitigating negative impact to quality (including non-hazardous substance), environment or health and safety incurred from human error.



Trainings on  
Employee  
Ethics/Regulations

- New employees are requested to sign service agreement and statement of commitment.
- 2021 Internal Occupational Safety Education Training Conducted to Employees:  
A total of 385 man/times and 2,695 hours for new employees.  
A total of 432 man/times and 432 hours for current employees.
- 2021 Specific Personnel Participating in Regulation Training Conducted by External Institute:  
Current Employees: Occupational Safety Education Training with a total of 37 man/times and 290 hours.  
Member of Board of Directors Meeting: a total of 19 man/times and 57 hours.  
Finance Personnel: a total of 7 man/times and 40 hours.  
Audit Personnel: a total of 4 man/times and 24 hours.

### 3.4 Operational Performance

With Taiwan as its global marketing center, INPAQ has established marketing footprints in China, US, Japan, Korea, Europe and India and an international marketing system has been built up accordingly. Together with comprehensive product series, marketing advantages are fully exploited to offer services to clients from near locations. INPAQ's product lines include passive components and high frequency communication components. Development of respective products can be integrated with information communication and consumer electronic products to satisfy client's needs for one-stop shopping.

Looking ahead into 2022, pandemic impact to global economy will mitigate gradually. With influences from some production lines' moving back to Taiwan as well as high demands for emerging technology, Taiwan's export will grow dramatically and it will be a year full of opportunities for INPAQ. Given the fact that the trends for global electronics industry are developing towards 5G, internet of things, smart family, industry automation and automobile electronics, these market trends are the directions for our long-time concern and operations. Going forward, INPAQ will continue to focus on efforts in selecting the right products, maintaining good product quality and enhancing organization efficiency.

#### INPAQ's Advantages

- Good Management Team and Finance Structure
- Excellent Technology R&D Capability, Strong Product Competitiveness
- Clear Positioning with Differential Products
- Possession of Excellent Manufacturing Technologies with High Demand on Product Quality
- Comprehensive Sales and International Division of Labor System
- Expanded Component Enterprises in the Group

#### Management Guidelines



### Short-Term Business Development Plan

- Establishment of membrane mass production technology, continued development of high speed passive components needed for client's future products, establishment of collaboration partnership relationship with clients, joint development of components needed for future system products;
- The Company will continue to fight for orders from domestic and offshore critical NB, tablet, motherboard, mobile phone, major automobile companies and 3C industries, and work hard to obtain OEM opportunity from major international companies in order to increase overall market share, and aggressively incubate distributor and agent's marketing capability for the purpose of expanding domestic and offshore markets through their channels.
- The Company will develop new generation of high frequency electrostatic discharge protection components and conduct research on miniaturization in order to expand INPAQ's footprint in voltage protection component product lines. With foundations of current GPS array antenna, GSM antenna and Bluetooth antenna, FM chip Antenna, the Company will develop WIFI, UWB, WiMAX, DVB and compound singular/dual/multiple frequency antenna.
- The Company will establish competitive production capability to meet with market and client's demands.

### Mid/Long Term Business Development Plan

- Collaboration with international sales strategy, aggressive recruitment and training of professional business talents, enhancement of marketing capability for offshore market.
- Aggressive development of multi-functional anti-electromagnetic interference and static protection component, enhancement of product functions and simplified design to meet future development trend of increase in data transmission speed and capacity.
- Enhancement of R&D capacity, collaboration with client's needs, speedy development of antenna/-components needed for client's products, establishment of long term collaboration partnership with clients.
- Continued investment to respond to continuous growth in various terminal applications, expansion in markets of automotive electronics, internet of things, vehicle to everything and smart family.



Responsible Department/  
Report Mechanism

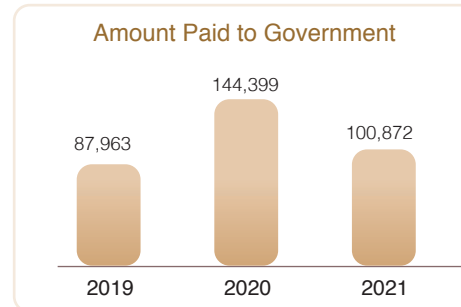
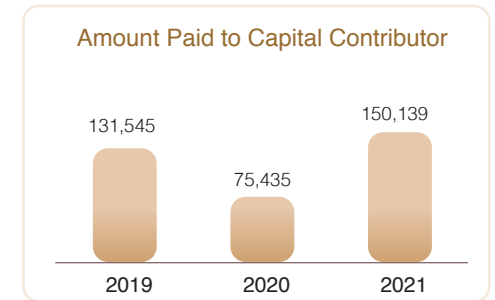
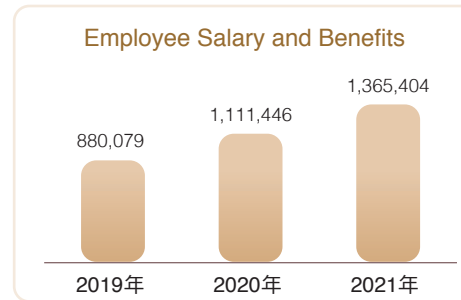
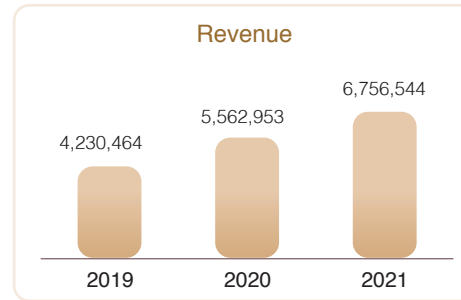
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Company Official Website,  
Spokesperson



Assessment Mechanism and  
Achievement

- Revenue for 2021 increased by **21.46%** compared with the one for previous year
- Contribution from new products accounts for **5.92%** of revenue.

Unit: NT\$ in thousands



Note: Definition of revenue includes net sales revenue plus income from financial investment and asset sales.  
 Definition of operation costs includes cash payment paid outside the organization for raw materials available for purchase, product parts, location facilities and service.  
 Definition of employee salary and benefits includes salary total amount (including employee salary and amount paid to government on behalf of employees) plus benefits total amount (excluding education and training, protection gear costs or other cost items directly related to employee's responsibilities).  
 Definition of amount paid to capital contributor includes dividends paid to all shareholders plus interests paid to loan lender.  
 Definition of amount paid to government includes all taxes and fines paid in accordance with international, domestic and local standards. Taxes may include business tax, income tax and property tax.  
 Community investment will not be disclosed because statistics disclosure mechanism was not established in 2019 and 2020. In 2021, INPAQ's community investment was NT\$1,066,000.



## 3.5 Products & Services

With material development, component design and manufacturing process integration as its core technologies and based on client's application and direction for future component development, INPAQ develops and manufactures critical components of system protection components, high frequency antenna, power inductor and radio frequency components, and is dedicated to establishing innovative technologies and patents for the purpose of becoming world class leading company in the field of protection component and antenna module. Technology platform established by INPAQ includes thick-film printing technology, material lamination technology, ceramic/iron powder molding technology and thin film refine circuit, LTCC asymmetric forming technology and high-polymer low-loss dielectric material 3D forming technology. Application of electronic components produced encompass overall fields of 3C electronic, communication and automotive application, including but not limited to mobile phone, computer, LCD, TV, digital camera, WLAN, broad-band internet equipment, automotive and satellite communication and digital wearable.

In the meantime, INPAQ maintains smooth communication channels with clients and a stable and good collaboration relationship exists between the parties. In terms of opinions from client's feedback, INPAQ marketing team forwards these opinions to R&D and Quality Assurance departments in real-time for subsequent improvements. INPAQ obtains client's trust with its quality services.

### 3.5.1 Innovative R&D

INPAQ has always been committed to in-depth development of autonomous technology, and has continued to enhance related production technologies for precision electronics. Development of protection components will continue to move towards product features of miniaturization with high reliability, high capacitance, high permissible voltage and stability under high temperature. In terms of high frequency communication components, the Company continues to invest in technologies of antenna development, integration of internet of things, wireless charging and vehicles for everything. To respond to the coming of 5G communication era, the Company has already developed related antenna products used in 5G communication.

#### Policy

- Establishment of R&D Database
- Building up Systematic Development Process
- Development of High End New Products

#### Commitment

The Company has a comprehensive research team and technology to establish product development database in a systematic development process and develop diversified and high-end new products. The Company has synchronized its efforts in developing new products together with high end domestic and offshore clients to enhance product Design-in opportunity and competitiveness for the purpose of marching towards No. 1 in the world.

#### Short-Term Goal

Establishment of Systematic Development Process and R&D Database; Exploration of High End Products Meeting Market Needs; Enhancement of Market Visibility and Competitiveness.

#### Mid/Long Term Goal

Acquisition of High End and Offshore Client's Pilot Introduction Opportunity; Development of More Advanced High End Products; Step-by-Step Playing the Leader Role of Market New Product Specifications.

#### Management Practices

- The Company increases training courses on fundamental courses and conducts project execution through On-Job-Training to maintain project schedules for new products or derivative products while enhancing R&D personnel's capability through intensive review meetings. Research and quality tools of Experimental design, Taguchi method, DOE and reliability test are best utilized to enhance product development quality and efficiency. In the meantime, scientific and statistics methods are utilized to analyze relationship between new product features and material and structure design in a systematic manner, and database for material, manufacturing process and product design are established accordingly. New product development efficiency and quality are enhanced through simulated algorithm technology.
- The Company enhances product features and quality through systematic development technology, and offers real-time feedback on needs and technical support to receive client's recognition and project opportunity for the purpose of entering international major companies' market and becoming one of the major companies in the world.

### Focus of Technology Development

- Application of Thin Film Packaging Technology
- Miniature Strong Current Molding/Industry Strong Current Molding Power Inductor
- 5G High Frequency Precision Molding Inductor
- Alloy Material Lamination Miniature Power Inductor Technology
- Low-Temperature Co-Fired Ceramic Frequency Inductor, Passive Component and Antenna Joint Packaging Technology
- Product Design and Manufacturing of RFID/NFC Antenna, Wireless Charging Module and 3C/Automotive/Internet Communication Antenna
- High Frequency Signal Application in Low Capacitance – Surge Protection Component
- Ka band (26~40 GHz) Ultra-Broad Band Low Earth Orbit Satellite Antenna
- Electric Car BMS (Battery management system) Signal Anti-Jamming – Transmission Antenna
- High Precision Positioning, Dual Frequency, Lightweight GPS Ceramic Antenna

### Responsible Department / Report Mechanism

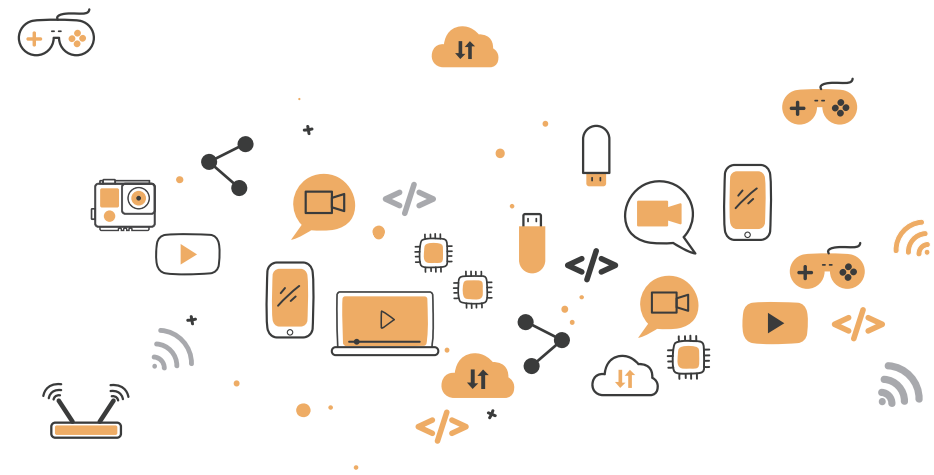
- R&D Department/Opinions Forwarded by Customer Service Department

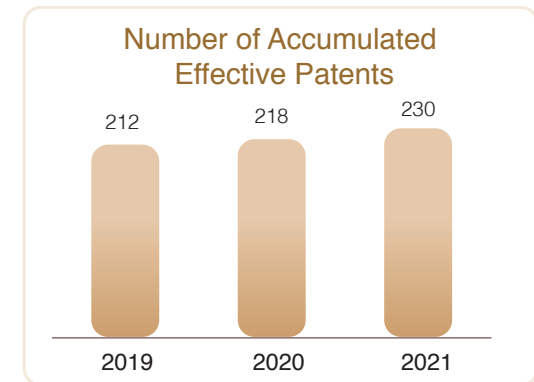
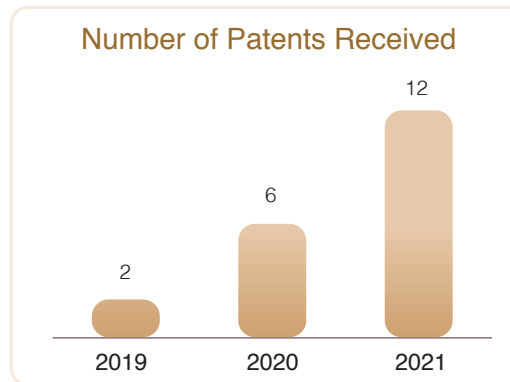
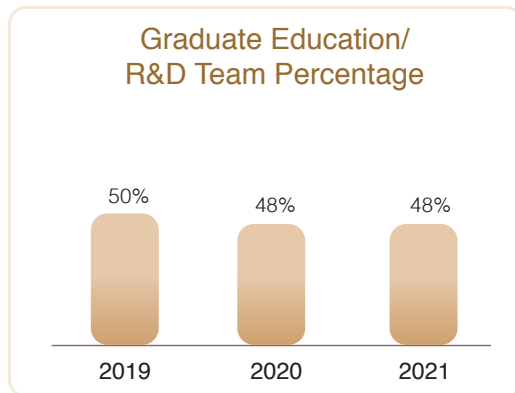
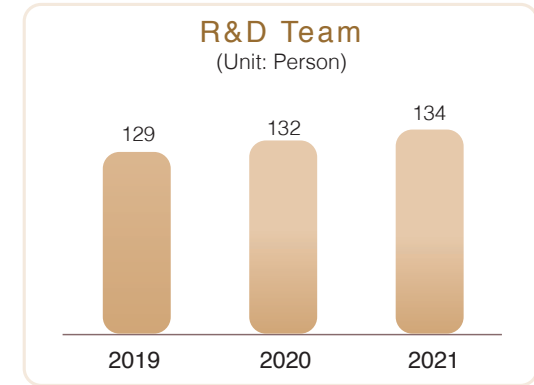
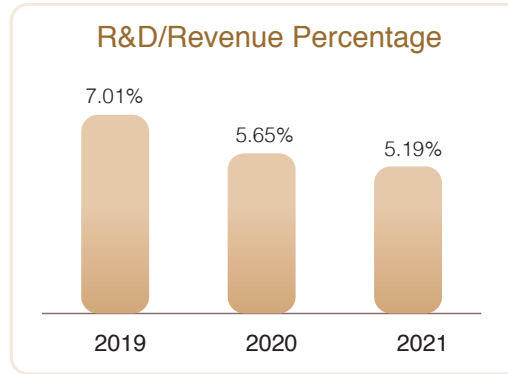
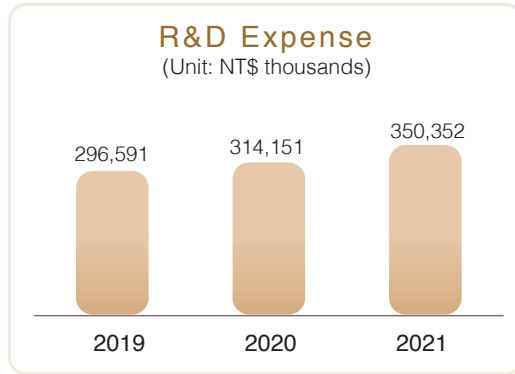
### Assessment Mechanism and Achievements

- 12 patent certifications were received in 2021, a dramatic 100% growth over the one for previous year.
- Number of accumulated effective patents reaching 230, a 5.5% increase over the one for previous year.
- Number of cases for execution results from introduction of client's design reaches 2,567 cases.
- New product contribution to revenue accounts for 5.92%.

### Product/Technology Successfully Developed within Last 3 Years

Item	Description
MAG:BIY4526HD-002H	MAG: Directional Coupler, perfect match for impedance
MAG:LSP0301C-001	MAG: Winding Air Coil, high Q value and high inductor precision
MCI0603TN/TG Series	Miniature Component (LxWxT 0.6x0.3x0.3mm) High Frequency Application 1 GHz ~20 GHz





### 3.5.2 Customer Relations

INPAQ's respective factories have all passed quality management system certification. The Company works aggressively to receive customer's recognition while in conducting good control over respective phases of product development life cycle to ensure product quality. With the Company's customer service spirit, respective departments have all established designated service team of Cross Function Team (CFT) for their clients. These teams are responsible for accepting business, product development and manufacturing, quality, shipments delivery, cost and after-sales service. Regular customer satisfaction survey is also conducted to accurately and speedily propose responding measures and comprehensive solutions to client's questions and feedback opinions.

Additionally, with customer service process, INPAQ can understand and master handling process in real-time upon receiving client's questions and complaint on quality. Real-time contact with clients allows reduction of internal/external communication as well as enhancement of service efficiency.

We reduced frequencies in visiting clients in 2021 due to impact from COVID-19. However, we conducted various technology exchange and needs workshop through random on-line meetings to engage in interactions with clients and to understand and obtain client's needs and feedback.

#### Policy

- Customer satisfaction is the core of INPAQ's operation.

#### Commitment

- Establishment of service-oriented operation mode and optimized service process; Enhancement of client's trust and creation of win-win situation.
- Application of innovative technology control and enhancement of product quality; collaboration with clients and providing products and services that meet client's needs.

#### Goal

- Emphasis on client's needs; continuous supply of good products and services to clients as well as good customer service to clients;
- Provide value to clients and resolve customer complaint speedily to mitigate client's sense of distrust;
- Establishment of win-win partnership relationship with clients;
- Standard value for customer satisfaction survey score is 90 points.

#### Current Year Investment of Resources and Achievements

- INPAQ established coordinated service mode of marketing, technology and business in respective operation footprints, completed integration of material application verification methods for this industry chain and enabled upstream and downstream to collaborate more closely. Development for 2,567 key products has been completed under joint collaboration with clients, and regular orders are obtained smoothly as a result of this.
- INPAQ continued to expand execution results from industry operation mode in 2021. In addition to continued in-depth cultivation in industries of circuit protection, electromagnetic interference/electromagnetic protection, power protection and RF antenna products, the Company will also continue to grow and improve in electronic protection components and wireless radio frequency antenna for the purpose of obtaining leadership in the market.

#### Assessment Mechanism and Achievements

- Weighted average score for customer satisfaction survey for the last 3 years is above 98 points.
- Number of customer complaint for current year is 1% lower than the one for the previous year.
- Excellent supplier awards received from major clients over the years:

2012 ASUS-Excellent Vendor Award	2020 Bitland-Best Delivery Award
2013 ASUS-BEST PARTNER	2020 Ta Hwa Technology-Excellent Delivery Award
2016 Boshijie-Top Ten Supplier Award	2020 Transsion Holdings-Dedicated Support Award
2017 Boshijie-Best Quality Award	2021 MobiWire-Excellent Supplier
2017 VIVO-5 Year Collaboration Anniversary Commemoration	
2019 Bitland-Joint Innovation Award	

#### Responsible Department/ Report Mechanism

- Department of Marketing/Official Website for Contacting Us



### 3.6 Data Security Protection

INPAQ emphasizes data security and establishes a comprehensive data security safeguarding and data security protection mechanism to avoid risks of confidential information disclosure or data damage. Internally, related data security prevention and control mechanisms have been established and technology and data security standards are adopted accordingly. Data backup mechanism on the Company's critical systems is established and random recovery tests are conducted each year to ensure that information system can recover normally. This is to mitigate risks of system disruption caused by natural disaster without early warning or human negligence, and ensure compliance with system recovery goal established by the Company.

INPAQ's current data protection measures are executed in accordance with the Group's data security policy. The Group holds regular on-line data security control meetings which are attended by data security responsible personnel from respective subsidiaries of the Group. Each meeting comes with specific data security issues, and respective subsidiaries will be requested to submit documents for related issues and report during meeting to explain contents of their documents. INPAQ's joining in the Group's data security management system allows effective enhancement of the Company's data security protection capability which protects the Company information's confidentiality, completeness and usability. This will prevent the Company's assets from being inappropriately utilized, disclosed, tampered, damaged or lost and the Company's operations or rights from being damaged by human negligence, deliberate sabotage or natural disaster.



#### Policy

- Enhancement of Personnel's Awareness
- Avoidance of Data Leakage
- Fulfillment of Daily Maintenance & Operation
- Ensuring Service Availability

#### Commitment

- Zero Data Security Incident Each Year

#### Mid/Long Term Goals

- Conducting data security education and training; promotion of data security sense to employees and enhancement of awareness on related liability.
- Protection of the Company's business activity information; prevention of unauthorized access and modification to ensure completeness and accuracy.
- Utilization of legally authorized software and conduct regular internal and external audit to ensure fulfillment of related operations.
- Ensure that the Company's critical core system maintains certain standard of system availability.

#### Short-Term Goal

- **2022 H1:**
  1. Network core switch and firewall will be replaced to enhance network protection capability and ensure that data system and network environment complies with security implementation standards.
  2. Mail Spam system will be upgraded and malicious mail protection system and MailLog filing and audit system will be established to enhance comprehensive mail protection capability and avoid malicious attack from mails.
  3. Hardware and software asset management systems will be installed to ensure utilization of legally authorized software, improvement of corporate business reputation and prevention of intellectual property infringement.
  4. Data Security Committee was established in February with General Manager as Head of Committee and ultimate management for information being the convener.
- **2022 H2:**

Document encryption management system will be installed to prevent data from being leaked internally and enhance external data communication security for the purpose of comprehensive safeguarding critical data and mitigating corporate operation loss.

#### 2021 Resources Invested

- Information Center now has 16 staffs in Taiwan, 4 staffs in China and the total number of staffs is 20. Information Center conducts data security risk management, defines organization structure, job responsibilities, policy, vision and goals.

#### Assessment Mechanism

- Security check, data security health check, social security and data security incident drill are conducted each year.
- Enhancement of colleague's data security awareness and data security handling personnel's responding capability for the purpose of prevention of incident, effective detection as soon as possible and deterrence on expansion.
- The Company makes routine announcement to promote data security policy, and cultivates colleagues who have data security certificates.
- Data security education and training are conducted to indirect personnel with at least 3 hours per person every year.
- Report to Board of Directors Meeting at least once every year to organize and summarize whole year implementation conditions on data security risk.

#### 2021 Specific Achievements

- Completion of inventory check on current assortment of assets which include software and hardware asset systems of host/network/system access/database and so on. This will serve as a basis for continued improvement in 2022.
- Completion of upgrade, integration and access control for documents file system to avoid leakage of confidential documents. File backup and offsite storage mechanism are also established accordingly.
- Completion of inventory check and backup for database to ensure feasibility of disaster recovery.
- In 2021, there wasn't any occurrence of data security incident which impacted the Company's operation or infringed client's privacy.

#### Responsible Department/ Report Mechanism

- Responsible Department: Information Center
- Report Mechanisms:
  1. Information Center staff extension
  2. Head of Information Center's email
  3. General Manager's mailbox



# 4

## Four. Green Sustainability

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- 4.1 Environmental Management Policy
- 4.2 Water Resource Management
  - 4.2.1 Water Resource Use
  - 4.2.2 Wastewater Management
- 4.3 Energy and Carbon Emissions
  - 4.3.1 Energy Consumption
  - 4.3.2 GHG Emissions
  - 4.3.3 Energy Conservation and Carbon Reduction Measures
- 4.4 Waste Treatment
- 4.5 Sustainable Supply Chain



## 4.1 Environmental Management Policy

### Meaning to Company

The Company collaborates with supply chain to jointly build up net zero emission goal for the purpose of achieving sustainable operation and green production.

### Policy

- Environment, health and safety policy is drafted in accordance with the Company's requirements.
- Establishment of internal process and related organizations to promote green production, green cycle products and green supply chain.

### Responsible Department/ Report Mechanism

- Taiwan Factory: Safety Committee
- China Factory: Safety Committee

### Resources Invested and Specific Achievement

#### • Water Resource Management

**Zhunan Factory:** This factory implements # 5 plating wire water saving and modifies operation measures and control parameters to achieve daily water saving of roughly 50 tons.  
**Suzhou Factory:** This factory invested roughly RMB100,000 to conduct pipe leakage test across the whole factory.  
**Wuxi Factory:** This factory invested roughly RMB800,000 to install underground pipeline to ensure separation of rain and polluted water for the purpose of preventing water resource pollution.

#### • Energy Saving and Reduction of Carbon

**Zhunan Factory:** This factory invested NT\$300,000 to install variable frequency drive on pump for energy saving during utilization of resources.  
**Yongzhou Factory:** This factory invested roughly RMB400,000 to install activated carbon treatment on exhaust emission device to reduce VOC emission.  
**Suzhou Factory:** The factory invested roughly RMB290,000 to upgrade its exhaust processing equipment to reduce VOC emission.

#### • Sustainable Supply Chain

For suppliers of critical raw materials, assessment results conducted each year on raw materials in accordance with "Supplier Management Process" will be recorded on assessment forms, and execution of audit plan for that year will begin accordingly. Meanwhile, in the event of assessment results of C/D/F cl asses for quarterly supplier performance assessment, suppliers hereto will be notified to rectify within deadlines. Transactions can only resume after substantial improvements are made.

### Assessment Mechanism/Achievement

- Execution is conducted through environment health and safety management project.
- Risks are controlled through environment management system.
- As of 2021, a total of 141 raw material suppliers had signed and sent back "Environment Health & Safety Communication Records."

### Commitment

- Commitment to green design, production and service as well as reduction in hazardous material utilization to achieve missions of green environmental protection and sustainable operations
- Compliance with environmental protection related laws and regulations as well as related requirements on environmental protection
- Commitment to environmental protection including pollution prevention and other specific environmental protection issues related to the Company's environments
- Promotion of savings on energy and resource utilization as well as reduction of industrial wastes;
- Fulfillment of pollution control and mitigation of possible impact to environment from accidents.

### Mid/Long Term Goal

#### • Water Resource Management

**Taichung Factory:** Enhancement pollution prevention equipment and collaboration with outsourced water quality tests to ensure waste water discharge quality.  
**Suzhou Factory:** Installation of automatic hand-wash equipment for precision control of water yield.  
**Wuxi Factory:** Increase of total water recycling amount and installation of fir-conditioning condenser wastewater recycling measures.

#### • Energy Saving & Carbon Reduction

**Suzhou/Wuxi Factories:** Continued development of low-carbon products and adoption of low-carbon eco-friendly materials. With life cycle thinking as consideration basis, the Company integrates 3R principles with product development to conduct product green design and fulfill hazardous material management for purpose of developing non-hazardous, easy to assemble, easy to dismantle and low energy consumption eco-friendly products.

#### • Sustainable Supply Chain

**Respective Factories:** For suppliers of critical raw materials, audit and assessment will be conducted in accordance with "Supplier Management Procedures." In the event of a disqualified assessment result, supplier will be notified to rectify within deadline, and transactions can only be conducted again upon qualified assessment result.

### Short-Term Goal

#### • Water Resource Management

**Suzhou Factory:** Regular inspection of sewage and rainwater pipes to prevent water resource pollution.  
**Wuxi Factory:** Replacement of obsolete underground conduit.

#### • Energy Saving and Carbon Reduction

**Zhunan Factory:** Continued procurement of energy saving equipment and replacement of obsolete energy consumption facilities to achieve the goal of average energy saving of 1% from 2015 to 2024 as required by laws.  
**China Factory:** Enhancement of energy management within factory and installation of posters promoting lights off when not needed and energy saving for the purpose of incubating energy saving culture.

#### • Sustainable Supply Chain

In terms of environment, the Company fulfills execution on supplier management and requests suppliers to sign "Environment Health and Safety Communication Records" to ensure that suppliers comply with the requirements.

## 4.2 Water Resource Management

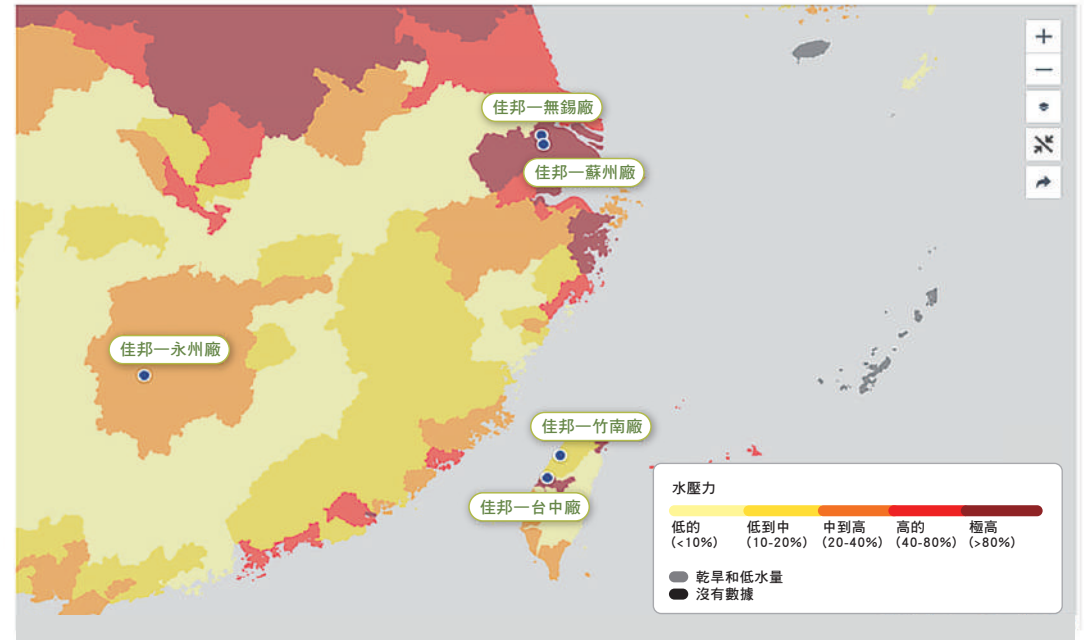
### 4.2.1 Water Resource Use

In recent years, impact from extreme weather has led to changes in rainfall trends, and utilization and management of water resource has gradually become an environmental issue which companies have to emphasize. During INPAQ's production process, electroplating production line will use a large amount of water resource. How to manage and respond to future potential water shortage crisis is also an issue which INPAQ is aggressively facing.

A scenario simulation analysis using World Resources Institute's (WRI) Aqueduct tool indicates that the risk of water shortage crisis for INPAQ's Taichung Factory, Suzhou Factory and Wuxi Factory in 2030 is larger than 80%. Risks for the remaining factories are middle to low risks.

Resources for INPAQ's water intake are all tap water from the third supplying party. Main purposes for the water are general daily life and production. Production water consumption includes water used in electroplating, product washing, air-conditioning system, exhaust and wastewater processing.

In terms of strategies for water saving and storage, some of the factories are equipped with water storage pool and water tank for utilization under emergency. Zhunan Factory is also aggressively improving its production lines. In 2021, this factory implemented #5 electroplating line water saving project which allows for saving of 50CMD in water consumption every day. Total water intake for Taiwan Factory has decreased by 201.10 megalitres in 2020 to 172.14 megalitres in 2021.



### 4.2.2 Wastewater Management

To ensure proper treatment on waste water, INPAQ regularly inspects quality of discharged water. Water quality testing device and equipment used for testing are calibrated regularly to ensure accuracy of test readings. Water quality results for the last 3 years have all complied with requirements from local regulations on discharged water.

Among INPAQ's respective factories, all factories discharge water to local waste water treatment plants for centralized treatment except Wuxi Factory which discharges its water to water body.

Taiwan Factory			
Water Intake	Total Water Intake (Megalitre)	Total Water Discharge (Megalitre)	Water Consumption (Megalitre)
2019	133.24	102.25	30.99
2020	201.10	140.78	60.35
2021	172.14	130.38	41.76

China Factory			
Water Intake	Total Water Intake (Megalitre)	Total Water Discharge (Megalitre)	Water Consumption (Megalitre)
2019	78.40	70.16	8.24
2020	88.98	68.20	20.78
2021	102.45	78.26	24.19

Note: Taiwan Factory includes Zhunan HQ and Taichung Factory.

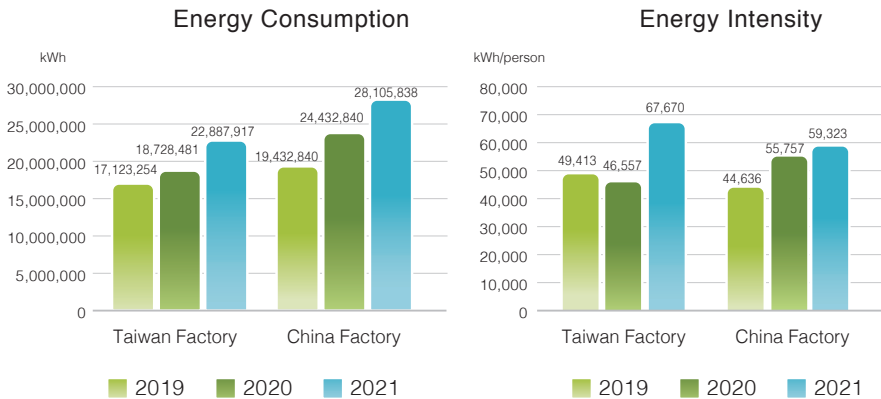
Note 1: Flow meters are not installed in Suzhou and Yongzhou of Chia Factory because these two factories only discharge domestic sewage. Calculation of total water discharge is based on total water intake.

Note 2: Third party water is tap water which is fresh water with total dissolved solids ≤1,000 mg/L.

## 4.3 Energy and Carbon Emissions

### 4.3.1 Energy Consumption

INPAQ's main products are protection components and module production. All energies used during production process are electricity. For Taiwan Factory, power consumption in 2021 has increased from 18,728,481kWh in 2020 to 22,887,917kWh due increases in production capacity and number of machines. As for China Factory, production capacity for Suzhou Factory and Wuxi Factory has increased dramatically due to the completion to technology improvement. Together with the increase of equipment quantities, power consumption has increased proportionately with production capacity.



### 4.3.2 GHG Emissions

Global impact in recent years from greenhouse effect has led to ozone hole and extreme weather. INPAQ also echoes these global issues and government policies through annual routine inspection of greenhouse gas emission as well as receiving ISO 14064-1 Limited Level of Assurance verification statement. INPAQ complies with ISO 14064-1: 2018 standard article requirements in classifying greenhouse gas into direct and indirect emission (scope 1 and scope 2) based on their origins. Direct emissions are generated from air-condition refrigerant, carbon dioxide fire extinguisher, emergency generator, forklift truck diesel, business car fuel and septic tank emission used in public equipment in factories. Indirect greenhouse gas emission comes from outsourced electricity which is purchased from electric power company.

Greenhouse Gas Emission	Taiwan Factory			China Factory (Note 1)		
	Direct Emission (tons CO2e)	Indirect Emission (tons CO2e)	Greenhouse Gas Intensity (tons/m <sup>2</sup> )	Direct Emission (tons CO2e)	Indirect Emission (tons CO2e)	Greenhouse Gas Intensity (tons/m <sup>2</sup> )
2019	266.51	9,116.18	0.38	451.11	15,496.00	0.31
2020	262.01	9,536.97	0.39	197.66	15,080.89	0.31
2021 <i>Note2</i>	--	--	--	--	--	--

Noe 1: Yongzhou Factory of China Factory was acquired in 2021. Previously no greenhouse gas inspection was conducted. Inspection on 2022 greenhouse gas emission is expected to be conducted in 2023. Statistics disclosed in this report do not include those of Yongzhou Factory's.

Note 2: Inspection of 2021 greenhouse gas is scheduled to be conducted in 2022 H2.

Note 3: After internal discussion, contents for Scope 3 will not be quantified because of difficulty in collecting data and no mandatory requirements from the nation's projects. (These contents are documented in greenhouse gas inspection management procedures.)



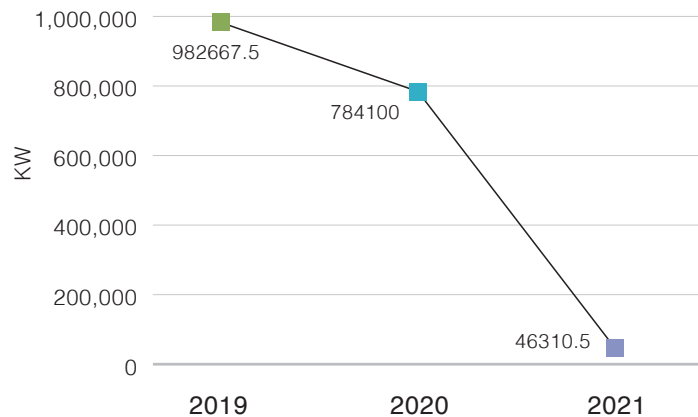


### 4.3.3 Energy Conservation and Carbon Reduction Measures

INPAQ complies with the “Requirements on Energy User’s Drafting of Goals and Execution Plans for Energy Saving” established by Bureau of Energy, Ministry of Economic Affairs in its setting up of annual energy saving goals. Average energy saving from 2015 to 2021 has reached 2.15% which is higher than average energy saving of more than 1% as required by regulations. In terms of carbon reduction, focus at current phase is reduction of greenhouse gas indirect emissions (Scope 2) at night. Mainly this is on reduction of emission sources from electricity utilization.

Energy saving measures in Taiwan Factory from 2019 to 2021 include installation of variable frequency drive on equipment and replacement of obsolete equipment. Total reduction reaches 1,813,078 kWh which is equivalent to reduction of 938.946 tons of CO<sub>2</sub>e/annual carbon emission. Average energy saving rate for these 3 years is 2.89%. Energy saving strategy directions are slightly adjusted in 2021 under considerations of production and other operation planning. Zhunan Factory 1 of Taiwan Factory has reached perfect status in executing related energy saving measures. Therefore, subsequent measures will be installed in Zhunan Factory 2 under consideration of production capability. Installation of Green power solar energy will be assessed for energy saving consideration. Going forward, this will be promoted to other factories depending on energy saving status.

Electricity Saving in Taiwan Factory



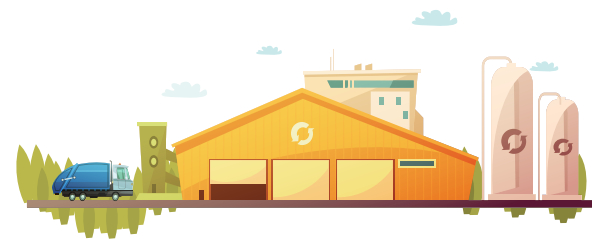
Note: Currently, energy saving and carbon reduction measures are mainly for Taiwan Factory.

### 4.4 Waste Treatment

Wastes for INPAQ’s Taiwan Factory are mainly electroplating effluent, cleaning alcohol, acetone waste effluent and electroplating effluent generated after waste water equipment’s treatment. For China Factory, wastes include electroplating effluent, waste organic solvent, sludge and waste activated carbon replaced from air pollution prevention equipment.

In terms of waste management, INPAQ upholds the concept of waste reduction and continues to improve production process for the purpose of reducing waste output. Take Zhunan Factory for example, electroplating line effluent from power inductor was originally replaced with new electroplating solution for every 800 batches. However, it is now upgraded to one replacement for every 1,600 batches after technology improvement. This has dramatically decreased output of effluent and electroplating sludge. Although electroplating effluent reduction project was implemented starting from May, 2020, production capacity from May, 2020 to December, 2021 increased dramatically from 418KK/month to average 741KK/month. This has led to increase of hazardous business waste on statements.

Waste Output	Taiwan Factory		China Factory	
	General Business Wastes (tons)	Hazardous Business Wastes (tons)	General Business Wastes (tons)	Hazardous Business Wastes (tons)
2019	130.40	147.85	101.06	72.88
2020	159.60	172.70	127.22	146.44
2021	188.80	220.08	132.83	130.88





## 4.5 sustainable Supply Chain

Supply chain management is also a critical indicator on corporate sustainable operation. For the purpose of implementing efficient management, INPAQ classifies suppliers into direct material supplier, indirect material supplier, outsourced vendor, non-physical product supplier, gauging device supplier, outsource calibration/test service supplier and environmental supplier.

INPAQ conducts routine assessments on suppliers each year. In terms of production suppliers in Taiwan, on-site assessments will be conducted with assessment contents including items of quality, product, technology and environment. In the event that assessment result is lower than standard score, supplier will be notified to rectify within 3 months. Supplier qualification will be cancelled if rectification is not completed within deadline. In addition, risk analysis data will be established based on importance of products provided by suppliers, delivery performance and deficiencies from previous audit result for the purpose of enhancing performance for suppliers who have already made rectifications on annual audited items.

All suppliers have to sign “Environmental Management Substance Certificate” and “Environment Health and Safety Records” during their first collaboration with INPAQ to ensure that raw material suppliers will not utilize hazardous substance prescribed by REACH and RoSH. In the meantime, this also includes regulation requirements on prevention of conflict mineral and compliance with environment and occupational health and safety regulations. Currently, all suppliers collaborating with INPAQ for nearly 3 years have not created negative impact to environment or society. During nearly 3 years period from 2019 to 2021, percentage for environment and society standard screening on suppliers is 100%.



Suppliers	Taiwan Factory		Suzhou Factory		Wuxi Factory		Yongzhou Factory	
	New Supplier	Qualified Supplier	New Supplier	Qualified Supplier	New Supplier	Qualified Supplier	New Supplier	Qualified Supplier
2019	12	115	15	321	3	47	7	93
2020	16	131	19	340	1	49	3	96
2021	21	152	20	360	0	44	4	100

Note: Aforementioned supplier statistics table is only for qualified raw material supplier.

# 5

## Social Concern

- 5.1 Staff Conditions
  - 5.1.1 Human Rights Protection
  - 5.1.2 Employee Statistics
- 5.2 Optimal Utilization of Talent
  - 5.2.1 Salary & Benefits
  - 5.2.2 Talent Cultivation
  - 5.2.3 Labor-Management Communication
- 5.3 Occupational Health & Safety
  - 5.3.1 Occupational Health & Safety Management
  - 5.3.2 Employee Health Promotion
- 5.4 Social Welfare Initiatives



INPAQ places strong emphasis on labor rights, creation of a safe and blissful workplace environment, provision of equal employment opportunities in a friendly setting, implementation of gender equality policies, and fostering a climate of mutual respect. The Company provides highly competitive salaries to strengthen attachment of employees to the Company, reduce staff turnover, and ensure stable business growth. INPAQ also has a comprehensive training system in place and organizes training courses as deemed necessary to strengthen the professional competencies and enhance the job market competitiveness of its staff members. Transparent promotion channels provide employees with a clear picture of career development possibilities. Positive labor-management interactions in the context of labor-management meetings allow employees to express their opinions in a candid manner. The Company responds in a well-intentioned manner with the ultimate goal of reaching a consensus. In addition, INPAQ has adopted the ISO 45001 Occupational Health and Safety Management System to bolster the management performance in this field and safeguard the physical and mental well-being of its employees. Based on the core principle of giving back to society in a spirit of gratitude, INPAQ not only frequently achieves outstanding results in the field of revenue performance but is also actively committed to social welfare engagement, care for underprivileged groups, and fulfillment of its social responsibility in line with relevant policies of the group.

## 5.1 Staff Conditions

INPAQ treats its employees in a fair and equitable manner and strives to eradicate labor conditions that could result in workplace inequality through the adoption of various equality measures with the ultimate goal of safeguarding labor rights and interests.

### 5.1.1 Human Rights Protection

INPAQ values employee rights and is deeply committed to forming a friendly environment conducive to human rights protection. The Company relies on the principles disclosed in human rights conventions such as the UN Universal Declaration of Human Rights, the UN Global Compact, United Nations Guiding Principles on Business and Human Rights, and the ILO Declaration of Fundamental Principles and Rights at Work for its dedicated efforts in this area. It respects internationally recognized human rights including freedom of assembly and association, care for underprivileged groups, prohibition of child labor, elimination of any form of forced labor and discrimination in hiring and employment, eradication of any form of aggressive or abusive behavior in violation of human rights, guarantee of gender equality, and fair and equitable treatment of all employees. INPAQ's remuneration policy ensures that salary determination is not affected by factors such as gender, age, race, religion, and political affiliation.

All INPAQ operating sites strictly abide by labor right-related laws. New hires and active employees are educated on human rights protection and labor rights and interests. In addition, INPAQ also has a whistleblowing channel for staff members in place. Conscientious investigations are initiated after processing by dedicated personnel. Whistleblower identities are kept strictly confidential and protection from unfavorable treatment is guaranteed if allegations are verified. There was no record of human rights violations in 2021.



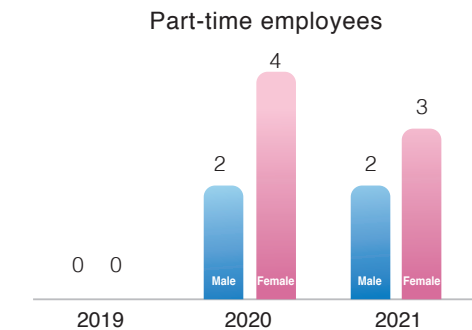
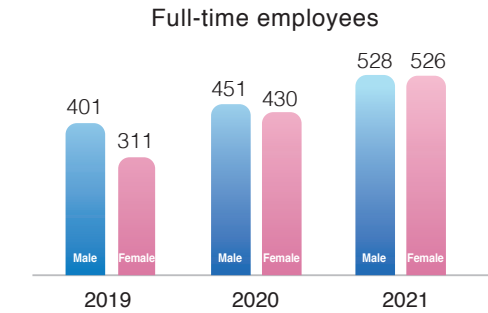
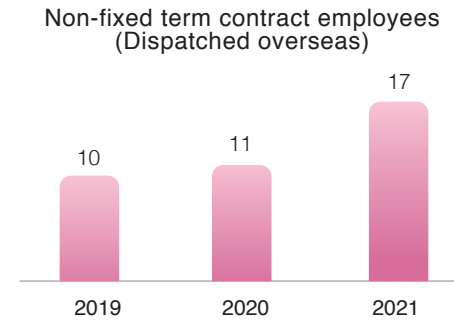
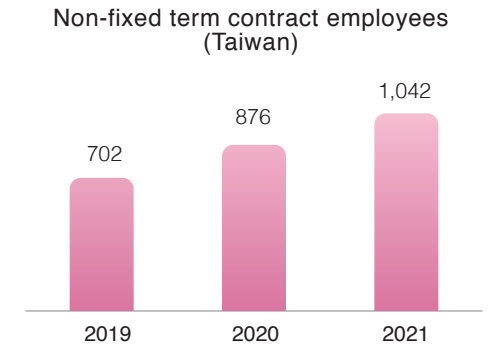
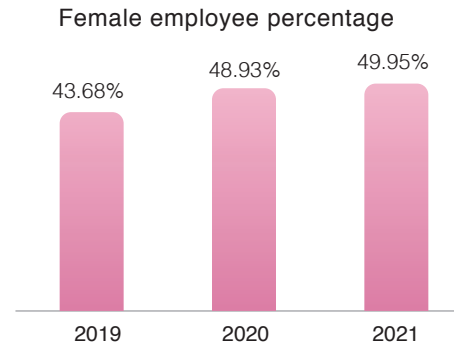
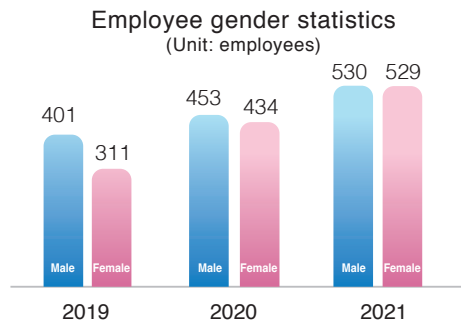
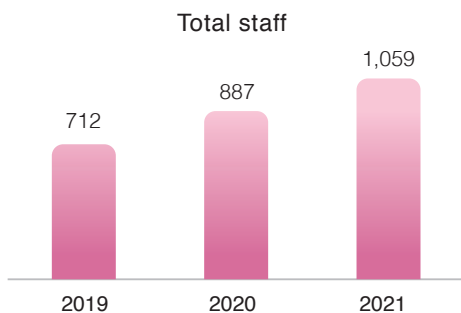
### 5.1.2 Employee Statistics

INPAQ is a leading brand in the sector of circuit protection components and antenna products. In recent years, enhanced production performance in all plant areas has not only driven revenue growth but has also resulted in a significant increase in the demand for manpower resources (the Company has hired an average of around 1,000 employees in recent years). Highly competitive compensation packages attract outstanding talent to realize their career aspirations by joining INPAQ.

As a key player in the electronic parts and components industry, INPAQ only employs permanent employees on non-fixed term contracts. Long-term, stable work arrangements enable employees to fully dedicate themselves to their work in a worry-free manner and help guarantee a stable standard of living.

Furthermore, a balance of male and female employees has been achieved as a result of the gradual increase of the female-to-male employee ratio. Employees can be divided into the following two categories: direct and indirect labor. Due to the nature of production line operations, direct labor workers are mostly female, whereas the majority of indirect labor workers who are mainly engaged in R&D, quality assurance, and sales operations is male. As far as the age distribution is concerned, employees below 50 account for around 90% of the Company's direct and indirect labor, which clearly indicates that employees in their prime employment years form the backbone of the Company's operations at the current stage. Teams composed of young workers are lead and motivated by senior supervisors with extensive practical experience. INPAQ has a stable staff structure which is unaffected by manpower gaps.

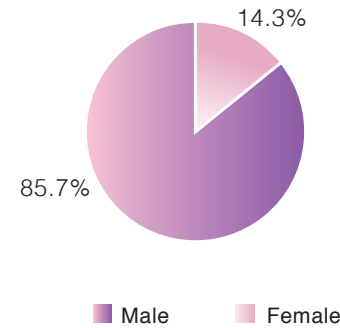
100% of the senior executives employed by the Company's operating sites in Taiwan are locally hired, which bears clear testimony to the willingness of the Company to discover talent in cooperation with local groups and entice outstanding talent to seek employment in the vicinity of their home areas. This approach is also conducive to gaining the approval of local communities and further improvement of local economic conditions. Due to the fact that no senior executive positions (president, vice president, assistant vice president, CFO, and CAO) have been created in the Company's plants in China, local hiring rates of executives are not disclosed for these plants.



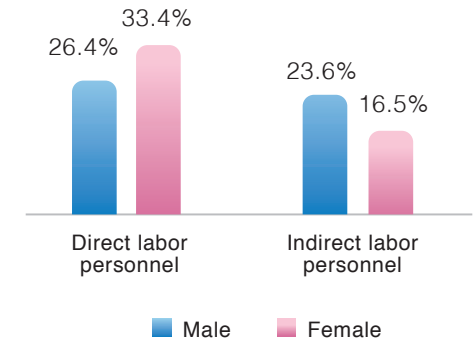
Note: Base period is the end of the respective year  
The term "full-time employee" refers to employees whose weekly working hours reach the statutory limit; the term "part-time employee" denotes employees whose weekly working hours don't reach the statutory limit (part-time personnel such as work-study students and hourly workers)

Diversity statistics/Year			2019		2020		2021		
			Number	%	Number	%	Number	%	
Directors	Gender	Male	6	85.7%	6	85.7%	6	85.7%	
		Female	1	14.3%	1	14.3%	1	14.3%	
	Age	Below 50	1	14.3%	6	14.3%	6	14.3%	
		50 and above	6	85.7%	1	85.7%	1	85.7%	
	Education	MA/MS	7	100%	7	100%	7	100%	
	Employees	Direct labor personnel	Gender	Male	180	25.3%	221	24.9%	280
Female				167	23.5%	276	31.1%	354	33.4%
Age			Below 30	80	11.2%	124	14%	238	22.5%
			30-49	230	32.3%	330	37.2%	353	33.3%
			50 and above	37	5.2%	43	4.9%	43	4.1%
Education			MA/M	1	0.1%	4	0.5%	1	0.1%
		BA/BSS	63	8.9%	99	11.2%	54	5.1%	
		High school or below	283	39.7%	394	44.4%	579	54.7%	
Indirect labor personnel		Gender	Male	221	31.0%	232	26.2%	250	23.6%
			Female	144	20.2%	158	17.8%	175	16.5%
		Age	Below 30	40	5.6%	62	7%	69	6.5%
			30-49	287	40.3%	293	33%	316	29.8%
			50 and above	38	5.4%	35	3.9%	40	3.8%
		Education	MA/M	103	14.5%	102	11.5%	109	10.3%
BA/BSS			242	34%	262	29.5%	263	24.8%	
High school or below	20		2.8%	26	2.9%	53	5%		

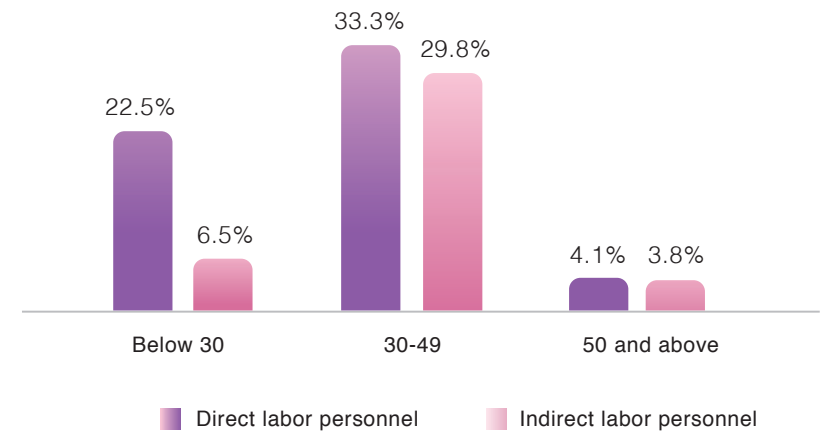
2021 Director gender ratio



2021 Employee gender ratio



2021 Employee age ratio



Note: Calculation formula

Female director percentage= (Number of female directors at the end of the respective year / Number of directors at the end of the respective year)\*100%

Percentage of direct labor personnel below 30 = (Number of direct labor workers below 30 at the end of the respective year / Total staff at the end of the respective year)\*100%

Percentage of indirect labor personnel with MA/MS degrees = (Number of indirect labor workers with MA/MS degrees in the respective year/ Total staff at the end of the respective year)\*100%



New hire statistics/Year		2019		2020		2021	
		Number	% (Note 2)	Number	% (Note 2)	Number	% (Note 2)
Total staff in the respective year (Note 1)		712	—	887	—	1059	—
Age	Below 30	72	60.0%	136	73.1%	282	91.9%
	30-49	162	31.3%	281	45.1%	240	35.9%
	50 and above	9	12.0%	11	14.1%	14	16.9%
Gender	Male	136	33.9%	200	44.2%	266	50.2%
	Female	107	34.4%	228	52.5%	270	51.0%
Education	MA/MS	20	19.2%	31	29.2%	42	38.2%
	BA/BS	85	27.9%	197	54.6%	175	55.2%
	High school or below	138	45.5%	200	47.6%	319	50.5%

Note 1: Total staff at the end of the respective year (Dec 31)

Note 2: New hiring rate= (Number of new hires in the specified category in the respective year / Total number of employees in the specified category at the end of the respective year)\*100%

Rate of newly hired female employees = (Number of new female hires in the respective year/ Total number of female employees at the end of the respective year)\*100%.

Resignation rate= (Number of resignations in the specified category in the respective year / Total number of employees in the specified category at the end of the respective year)\*100%.

Rate of outgoing employees below 30 = (Number of outgoing employees below 30 in the respective year / Total number of employees below 30 at the end of the respective year)\*100%.

## 5.2 Optimal Utilization of Talent

A sound manpower structure is a key prerequisite for sustainable operations of the Company. INPAQ therefore offers highly competitive salaries and benefits to attract outstanding talent and rewards its employees for creativity and long-term contributions. Based on the concept of fair and equitable treatment of all employees, the Company has developed a transparent performance appraisal and incentive & discipline system to build a positive climate of fair competition between co-workers and motivate all staff members to apply themselves to their work. A corporate climate conducive to talent retention has been shaped with the ultimate goal of strengthening the attachment of employees to the Company and inspiring them to actively participate in company affairs. Transparent promotion channels and public announcement of promotion of co-workers with excellent work performance fosters a climate of benchmark learning, which in turn enables the Company to cultivate even more outstanding talent. INPAQ also designs training programs and schedules on-the-job training for its employees to ensure continued professional growth and realization of self-worth. Finally, INPAQ has diversified communication channels in place to facilitate the initiation of dialog with employees and enable them to provide timely feedback and suggestions. The Company responds in a well-intentioned manner to maintain harmonious labor-management interactions based on mutual trust.

### 5.2.1 Salary & Benefits

Employee compensation is determined based on operational goal achievement rates and overall profitability of the Company. INPAQ offers highly competitive salaries and benefits that exceed local legal requirements. To ensure that work performance is adequately reflected in personal remunerations, all staff members undergo performance and occupational development evaluations on a regular basis. Performance appraisal results serve as an important consideration for employee workplace promotion and development. The Company strives to provide vast space for career development with the ultimate goal of enabling employees with special skills to turn into professionals in their respective fields by relying on their own efforts and ensuring that employees with management abilities and leadership potential are promoted to the management level.

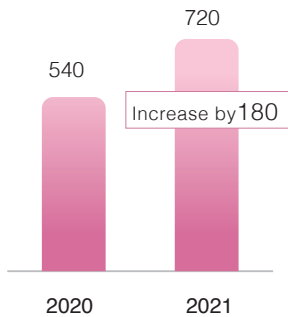
Salaries are determined based on key factors such as length of service, academic background, and professional competence. Criteria associated with differences in physiological or psychological conditions are not taken into consideration. As their seniority increases, employees gradually accumulate professional expertise and experience. The Company is more than willing to share its profits with such loyal employees. This attitude is reflected in the gradual growth of average and median annual salary amounts of employees in non-managerial positions. The goal is to guarantee a worry-free financial life for employees who contribute their strengths to the Company and thereby strengthen their attachment and sense of belonging to the Company.



Furthermore, employees of different gender can be further divided into direct and indirect labor personnel. A closer scrutiny of base salary and remuneration rates reveals that gender differences in the base salaries of direct labor personnel at operating sites in Taiwan are insignificant, while the gender gap in overall compensations is gradually closing. However, a significant gender gap exists in the base salaries and overall compensations earned by indirect labor personnel due to different levels of seniority coupled with the fact that male employees in this category mostly carry out tasks in the field of R&D and sales, while their female counterparts mainly serve in administrative or clerical positions. INPAQ is firmly committed to narrowing this gap with a view to implementing workplace diversity and equality principles. It is also worth noting that the standard salaries of direct labor personnel are consistently higher than the local minimum wage rates irrespective of gender.

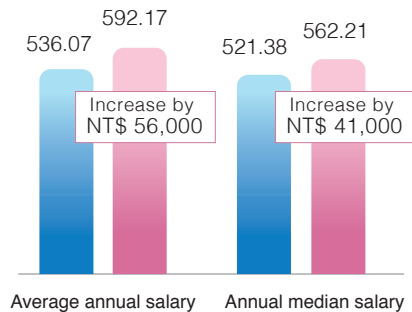
Finally, INPAQ offers various welfare measures and a comfortable office environment to its employees to boost their work efficiency. Welfare activities are organized from time to time to ease the work pressure and foster positive interactions between staff members.

Number of employees in non-managerial positions in Taiwan



Unit: Employees; 1,000 NTD

Salaries of employees in non-managerial positions in Taiwan



Unit: Employees; 1,000 NTD

■ 2020 ■ 2021

Base salary and compensation ratios			Ratio					
			2019		2020		2021	
Operating site location	Employee category	Item	Male	Female	Male	Female	Male	Female
Taiwan	Direct labor	Base salary (Note)	0.98	1	1.01	1	1	1
		Compensation (Note)	1.13	1	1.11	1	1.05	1
	Indirect labor	Base salary	1.37	1	1.43	1	1.42	1
		Compensation	1.44	1	1.39	1	1.41	1

Note: The term "base salary" refers to the minimum fixed amount paid to employees in exchange for the performance of their duties. This amount does not include any additional compensation such as overtime pay, bonuses, or allowances. The term "compensation" refers to the base salary plus additional amounts paid to workers. Such additional amounts include seniority allowances, bonuses (incl. cash and equity), benefits, overtime pay, leave in lieu, and other subsidies (transportation, living expenses, and childcare).

Employee category	Gender	Standard salary/ Local minimum wage
Direct labor personnel in Taiwan	Male	1.1
	Female	1.1

Note: The term "standard salary" refers to the regular monthly salary paid to permanent rank-and-file staff



## Employee benefits

Taiwan

- Group accident insurance
- Wedding/bereavement subsidies
- Festival bonuses
- Performance bonuses
- Year-end bonuses
- Employee stock options/surplus bonuses
- Regular health checks
- Birthday celebrations
- Staff canteen
- Breastfeeding room
- Staff dorm
- Staff trips/Family days/Year-end banquets



Unpaid childcare leave statistics/Year	Gender	Statistics		
		2019	2020	2021
Number of employees who have applied for unpaid childcare leaves	Male	1	0	3
	Female	7	11	10
Number of employees eligible for reinstatement at the end of childcare leave periods (A)	Male	2	0	2
	Female	4	13	9
Number of employees actually reinstated after the end of their childcare leave periods (B) (incl. early reinstatement)	Male	2	0	2
	Female	4	9	6
Reinstatement rate (B/A)	Male	100%	-	100%
	Female	100%	69%	67%
Number of employees still active 12 months after reinstatement (C)	Male	0	2	0
	Female	0	3	7
Retention rate (C in the respective year/B in the previous year)	Male	0%	50%	-
	Female	0%	75%	78%

Note: Reinstatement rate= (Number of employees actually reinstated after childcare leaves in the respective year/ Number of employees eligible for reinstatement in the respective year)\*100%.

Retention rate= ( Number of employees still active 12 months after reinstatement / Number of employees actually reinstated in the previous year)\*100%.

INPAQ's offers the following two pension schemes to its employees to ensure effective planning for retirement: the defined benefit plan (old pension scheme) and the defined contribution plan (new pension scheme).

### Defined benefit plan (old pension scheme)

INPAQ's retirement system fully conforms to relevant provisions set forth in the Labor Standards Act. Workers aged 55 or above with at least 15 years of service and workers with at least 25 years of service may apply for voluntary retirement. Pursuant to the Labor Standards Act, pension payment criteria are as follows: Two bases are given for each full year of service rendered; employees with over 15 years of service receive one base for each full year of service rendered; the maximum number of bases is 45. INPAQ has already set up a supervisory committee and designated accounts for contributions. As of the end of 2021, the account balance is NT\$ 37,913,000.

### Defined contribution plan (new pension scheme)

As of July 1, 2005, the Company makes monthly contributions of no less than 6% of a worker's wage to a designated pension account pursuant to the provisions set forth in the Labor Standards Act. As of 2021, total contributions to designated accounts amount to NT\$ 22,282,000.



Company lobby



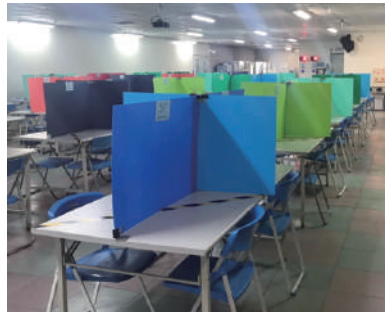
Breastfeeding rooms



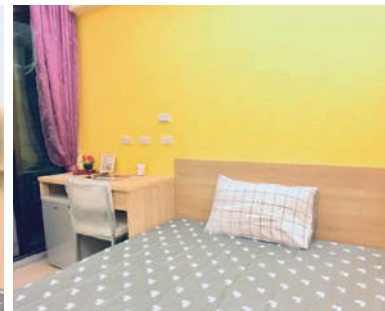
Employee health checks



Staff canteen



Staff dorm



## 5.2.2 Talent Cultivation

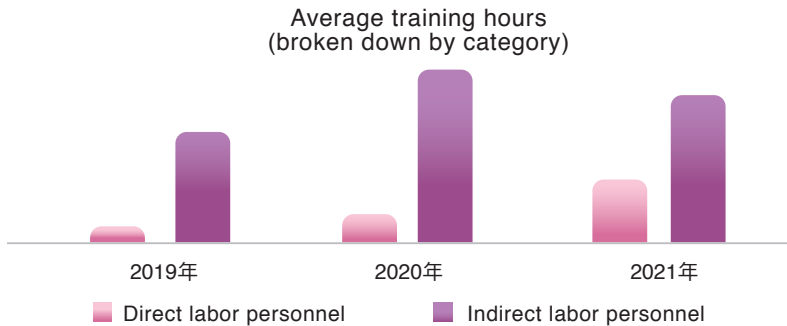
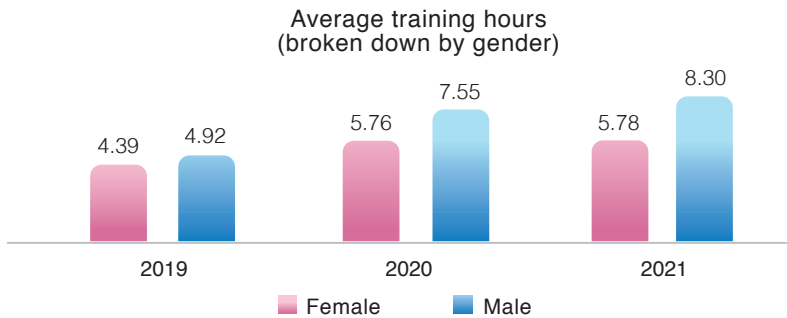
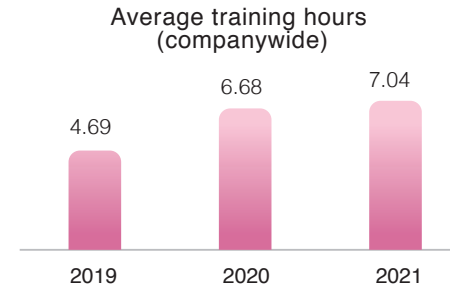
INPAQ firmly believes that ongoing learning and growth of its employees is essential for sustainable development. The Company therefore places high emphasis on education and training as the key avenue to ongoing upgrades of its manpower capital. On-the-job training, orientation for new hires, functional training, and supervisor-level training constitute the backbone of the Company's learning development strategy. Annual targets and different business needs have been incorporated to form a sound training system.

With a view to enhancing the professional skills of its employees, the Company formulates annual training plans in line with its development needs and training objectives. This approach enables employees to pursue long-term careers at INPAQ and allows the Company to reap the fruit of employee growth and progress. INPAQ also relies on internal training to pass on competencies and experiences in relevant departments. The Company assists its employees in the definition of learning development directions which serve as the foundation for personal career planning.

When new employees report for work, they are educated on internal rules and regulations and occupational safety prior to undergoing specialized training administered by their respective departments. INPAQ actively encourages its employees to attend advanced professional training courses within the scope of their professional duties. Diversified learning channels are in place to ensure ongoing professional growth and enable employees to maximize their professional potential and find fulfillment in their work. All departments devise annual training plans and administer training programs in line with their individual needs. The Company offers internal and external training. The former is conducted by personnel designated by the respective department in accordance with actual business needs. The latter requires submission of applications by departments with relevant needs. Upon approval, selected personnel are dispatched to attend courses organized by external organizations. Upon successful completion of such courses, participants share their insights with other co-workers in their department and thereby enable them to put relevant concepts into practice. In response to recent trends of training diversification, INPAQ also encourages its employees to participate in language learning courses and social communication courses organized by external organizations to expose them to a wider range of information in different fields.

Due to the severe impact of the COVID-19 pandemic in the first half of 2021, INPAQ has canceled or postponed all training programs other than legally mandated courses until the second half of the year to safeguard the health of its employees and prevent crowding. As the pandemic abated in the second half of the year, suspended training courses were immediately resumed. Average training hours per employee exhibit a trend of gradual increase. It should however be pointed out that indirect labor personnel receive more training than direct labor personnel due to the fact that production line operations are relatively simple and indirect labor personnel are mostly engaged in design, development, or ESH operations, which requires ongoing specialized training. It should also be noted that the average training hours per male employee exceed those of their female counterparts.

Note: In view of the fact that not all autonomously administered training courses are reported to the HR Department, the training hours disclosed in this section do not include courses autonomously organized by individual departments.



Note: Average training hours (companywide): (Total training hours of all employees in the respective year / Total number of employees at the end of the respective year)  
 Average training hours per female employee (Total training hours of female employees in the respective year / Total number of female employees at the end of the respective year)  
 Average training per employee category (Total training hours in said category in the respective year / Total number of employees in said category at the end of the respective year)



### 5.2.3 Labor-Management Communication

Smooth communications between labor and management are conducive to enhanced labor-management cooperation. Effective communication provides employees with a better understanding of production plans and the business situation and market outlook of the Company, while the management level gets a timely grasp of labor conditions, which facilitates the creation of a friendly work environment perfectly suited to employee needs. INPAQ strictly abides by applicable laws in the field of labor-management communication. Internal personnel administration and management fully conforms to local labor laws at INPAQ operating sites. Labor-management meetings are convened at least every three months at the operating sites in Taiwan. Management representatives include the CEO, the President, the Chief Governance Officer (CGO), and the Director of the Administration Center. The goal lies in the coordination of labor-management relations and fostering of labor-management collaboration through regular mutual communication. These communication channels give employees a chance to express their opinions, achieve better labor conditions, and enhance the status of workers. In the most recent three years, no material operational changes such as plant closure and relocation occurred at the Company's operating sites in Taiwan and China. Consequently, there were no instances of mass layoffs requiring notification of the local competent authority at least 60 days in advance.

INPAQ has diversified two-way communication channels in place to enable employees to fully express their views and facilitate timely responses by the Company. Employee suggestions are successively converted into company policies. Due to harmonious labor-management relations, no labor-management disputes have occurred in recent years.

## 5.3 Occupational Health & Safety

### Significance for the Company

- Since employees and contractors represent the essential manpower capital of the Company, the provision of a safe and healthy work environment is a fundamental social responsibility.

### Policies

- Compliance with the Company's ESH policy
- Establishment of internal procedures and relevant committees and announcement of safety and health initiatives by environmental safety management representatives

### Responsible Department/ Grievance Mechanism

Health & Safety Office/Mailbox

### Commitment

- Compliance with ESH-related laws and customer requirements in the field of ESH
- Provision of safe and healthy work conditions to prevent work-related injuries and health hazards
- Ongoing elimination of hazards and reduction of occupational health & safety risks
- Ongoing support for consultation and engagement by workers in occupational health & safety issues
- Ongoing enhancement of the ESH management system to improve ESH performance

### Short-term goals

- All-out promotion of work environment improvements to enable employees to work in a friendly setting and thereby enhance their work efficiency
- Implementation of on-site health services provided by medical personnel, surveys and consultation associated with the four major occupational safety programs, and adoption of preventive and health promoting measures as required
- Implementation of health promotion to safeguard the physical, mental, and spiritual well-being of employees and ensure perfect care

### Mid- and Long-term Goals

- Ongoing improvement and creation of a zero-accident work environment
- Ongoing identification of new laws and maintained conformity to legal requirements
- Prevention of hazards, risk reduction, decreased incidence of occupational accidents, maintenance of zero incidence of major occupational accidents

### Invested Resources and Concrete Achievements

- **Funds invested in plants in Taiwan:**  
Operating environment monitoring: NT \$ 178,000  
Employee health promotion: NT \$ 578,000  
Fire protection improvements: NT \$ 210,000
- **Funds invested in plants in China:**  
Health checks and operating environment monitoring: NT \$ 510,000  
Fire protection improvements: NT \$ 3,580,000

### Assessment Mechanism/Results

- Regular monitoring and inspections through relevant mechanisms (e.g., quarterly environmental/occupational health & safety committee meetings)
- Regular training and education
- Creation of internal communication channels (e.g., President Mailbox) to safeguard relevant rights and interests
- Instant review, improvement, and tracking

### 5.3.1 Occupational Health & Safety Management

With a view to achieving effective control of occupational health & safety risks in all plant areas and improving the health and safety of all work environments, INPAQ has adopted the OHSAS 18001 management system and complies with all legal guidelines in the field of occupational health & safety as promulgated in the Taiwan Occupational Safety and Health Management System (TOSHMS). Risk management is carried out to minimize hazards at work sites and enhance occupational health and safety performance. After announcement of a revised version of OHSAS 18001 for 2018, INPAQ adopted this new version and acquired the ISO 45001:2018 accreditation in 2019.

INPAQ has adopted Health & Safety Risk Identification and Management Procedures to facilitate hazard recognition and risk assessment. Corrective measures are planned based on risk ratings to minimize occupational risks and hazards and enhance workplace safety. Extensive measures are in place to ensure effective responses in case of occupational accidents and incidents. Incidents are classified and corresponding investigation procedures are launched in accordance with the Health & Safety Risk Identification and Management Procedures. In addition, corrective measures are adopted to prevent recurrence of similar incidents in the future.

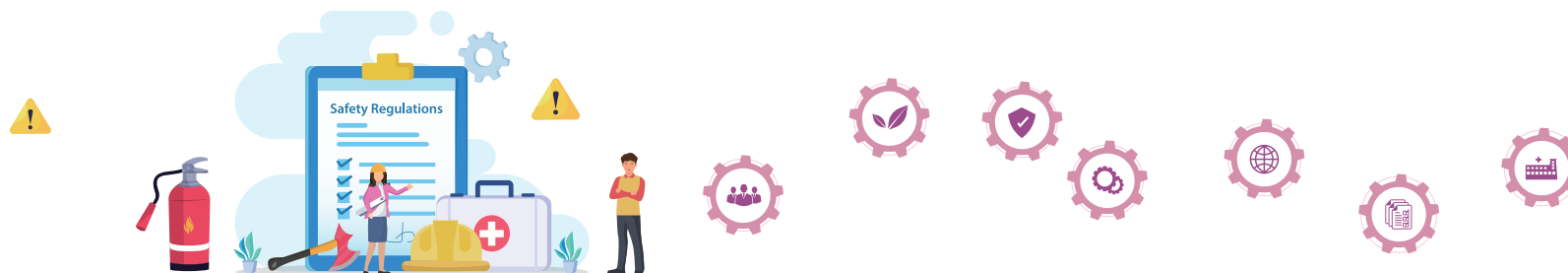
INPAQ has set up an ESH Committee and assigned labor representatives to communicate employee opinions pursuant to applicable occupational health & safety laws. Committee meetings are convened once every quarter. Labor participation in plants in Taiwan exceeds the legally required quorum of 1/3. In 2021, a total of 16 labor representatives and 6 management representatives participated in the four meetings held in the plants in Taiwan. If representatives are unable to attend, authorized personnel are designated to attend on their behalf. Labor representatives account for over 72% of the membership. The ESH Committee jointly reviews and has decision-making authority with regard to different hazard prevention measures, operating environment monitoring plans, incident investigations, and on-site health & safety management performance. Contractors can directly report occupational health & safety related issues to the responsible person of the organizing unit and engage in two-way communications and interactions. Despite the fact that Chinese law currently does not contain specific provisions such as a specific number of labor representatives on the ESH Committee, meetings are still convened on a quarterly basis. In addition, trade unions have been formed in all plants in China. These unions are responsible for the monitoring of the implementation status of occupational health and safety and proposal of recommendations. INPAQ relies on a dual mechanism to reinforce occupational health and safety.

Cuts and other physical injuries represented the most frequent occupational injury category in INPAQ plants in Taiwan in 2021. No major occupational injuries, deaths caused by such injuries, or occupational diseases occurred in the plants in China in 2021.

Note: Occupational safety statistics for the China plant areas are based on occupational accident insurance claims filed by employees; minor injuries are not included in the statistics

Occupational accident statistics	Taiwan plant - Chunan HQ			Taiwan plant - Taichung		
	2019	2020	2021	2019	2020	2021
Disabling Injury Frequency Rate (F.R)	2.13	0	2.16	9.89	0	0
Disabling Injury Severity Rate (S.R)	51.19	0	10.80	93.91	0	0
Injury Rate (IR)	0.43	0	0.52	1.98	0	0
Lost Day Rate (LDR)	10.24	0	2.59	18.79	0	0
Occupational Disease Rate (ODR)	0	0	0	0	0	0
Absence Rate (AR)	0	0	0	0.00075	0	0

INPAQ offers comprehensive training resources to build a safety culture and reinforce the safety awareness of its employees. New hires must undergo orientation training which includes general occupational safety education and detailed information on potential operational hazards. Fire drills and on-the-job training are organized in accordance with relevant legal requirements. On-the-job training in the Chunan Plant involves the sharing of accident cases that have occurred at competitor plants or the Chunan Plant broken down by different work stations. Other plants utilize monthly employee meetings to provide detailed descriptions of relevant cases.



### 5.3.2 Employee Health Promotion

INPAQ employs a dedicated RN and commissions an in-plant physician to conduct monthly on-site visits in order to provide employees with health consultation on a regular basis pursuant to the Labor Health Protection Regulations. INPAQ schedules general and special health checks (for specific workstations) for its employees on an annual basis. In addition, the Company formulates and implements Plans for Maternal Health Protection, Prevention of Diseases Triggered by Abnormal Workloads, Prevention of Workplace Aggression, and Prevention of Ergonomic Hazards in its Taiwan plants pursuant to TOSHMS guidelines. Corrective action is adopted based on assessment results and actual occurrences. Finally, follow-up health consultation is provided by the abovementioned RN and in-plant physician for high-risk individuals.



On-site services provided by a physician



Employee health check

INPAQ plants in Taiwan organize workplace health promotion activities including ergonomics-based health education, cancer prevention overview, the truth of FLD (fatty liver disease), and COVID-19 vaccination education to ensure the sound physical, mental, and spiritual development of its employees. With a view to demonstrating its commitment to the promotion of COVID-19 vaccinations in line with government policies, the Chunan Plant successfully applied for in-plant vaccination during services for its employees to increase their willingness to get vaccinated and offer them health services during working hours.



Health promotion education



Vaccination administration





## 5.4 Social Welfare Initiatives

As a corporate citizen, INPAQ embraces a spirit of interdependence with its investors, employees, local communities, and other stakeholders. We strive to set an example for others to emulate and maximize our influence to fulfill our social responsibility. We also cooperate with local organizations at all our operating sites to ensure that our resources are channeled to individuals in need of assistance. In addition to our social welfare engagement, we respond to calls for action by the group and make charitable donations to the charity foundation established by the group. The ultimate goal lies in the most effective utilization of resources for the benefit of society by relying on the kindness and compassion of many individuals.



Donation of 1,000 sets of protective clothing to National Yang Ming Chiao Tung University Hospital to strengthen the hospital's epidemic prevention capabilities and enable its dedicated medical personnel to care for patients in a worry-free manner

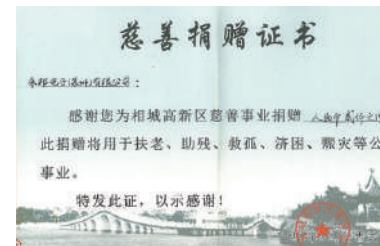


Donation of NT\$ 1 million to the Group's PSA Charitable Foundation to facilitate the foundation's engagement in social welfare and charity activities



Organization of a New Year's Eve Dinner and prize draw to bring a touch of warmth and happiness to disadvantaged local citizens in response to a request by Juang Jing Vocational High School – This activity also enabled students of the Department of Food and Beverage Management to contribute their expertise and participate in a social welfare activity

Contributions to the dorm for overseas Chinese students to improve the quality of industry-academia collaboration and enhance student living environments.



Participation by the Suzhou Plant in a local charity initiative to help underprivileged groups in need



Donation of epidemic prevention supplies by the Wuxi Plant in China to front-line epidemic prevention personnel to make a contribution to containing the pandemic



The Yongzhou Plant is honored with an Employment & Entrepreneurship Excellence Award presented by the local government

# Appendix

## GRI Content Index

★Material topic

Topic	Disclosure	Description	Corresponding chapter	Page	Remark
<b>GRI 102: General Disclosures</b>					
Organizational Profile	102-1	Name of the organization	2.1 Company Profile		
	102-2	Activities, brands, products, and services	2.1 Company Profile		
	102-3	Location of headquarters	2.1 Company Profile		
	102-4	Location of operations	2.1 Company Profile		
	102-5	Ownership and legal form	2.1 Company Profile		
	102-6	Markets served	2.1 Company Profile		
	102-7	Scale of the organization	2.1 Company Profile		
	102-8	Information on employees and other workers	5.1.2 Employee Statistics		
	102-9	Supply chain	2.1 Company Profile		
	102-10	Significant changes to the organization and its supply chain	-		No significant changes to the organization and its supply chain occurred
	102-11	Precautionary Principle or approach	3.2 Risk Management		
	102-12	External initiatives	-		No external initiatives signed
	102-13	Membership of associations	2.4 Participation in External Organizations		
Strategy	102-14	Statement from senior decision-maker	Message from the Chairperson		
Ethics and Integrity	102-16	Key impacts, risks, and opportunities	3.1.4 Ethics & Integrity		
	102-17	Mechanisms for advice and concerns about ethics	3.1.4 Ethics & Integrity		
Governance	102-18	Governance structure	3.1 Governance Practices		
	102-19	Delegating authority	1.1 Sustainability Committee		
	102-20	Executive-level responsibility for economic, environmental, and social topics	1.1 Sustainability Committee		
	102-21	Consulting stakeholders on economic, environmental, and social topics	1.1 Sustainability Committee		
	102-22	Composition of the highest governance body and its committees	3.1.1 Board of Directors 3.1.2 Functional Committees		
	102-25	Conflicts of interest	3.1.1 Board of Directors		
	102-28	Evaluating the highest governance body's performance	3.1.1 Board of Directors		
Stakeholder Engagement	102-36	Process for determining remuneration	3.1.2 Functional Committees		
	102-40	List of stakeholder groups	1.2 Confirmation of Stakeholders		
	102-41	Collective bargaining agreements	-		No collective bargaining agreements signed
	102-42	Identifying and selecting stakeholders	1.2 Confirmation of Stakeholders		



Reporting Practice	102-43	Approach to stakeholder engagement	1.3 Stakeholder Communication Channels and Issues of Concern	
	102-44	Key topics and concerns raised	1.3 Stakeholder Communication Channels and Issues of Concern	
	102-45	Entities included in the consolidated financial statements	Editorial Policy	
	102-46	Defining report content and topic Boundaries	1.4 Identification of Material Topics	
	102-47	List of material topics	1.4 Identification of Material Topics	
	102-48	Restatements of information	-	No restatements of information
	102-49	Changes in reporting	-	No restatements of information
	102-50	Reporting period	Editorial Policy	
	102-51	Date of most recent report	Editorial Policy	
	102-52	Reporting cycle	Editorial Policy	
	102-53	Contact point for questions regarding the report	Editorial Policy	
	102-54	Claims of reporting in accordance with the GRI Standards	Editorial Policy	
	102-55	GRI content index	Editorial Policy	
	102-56	External assurance	Editorial Policy	
<b>Economic Aspects</b>				
<b>★Economic Performance</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics	
	103-2	The management approach and its components	2.2 Business Philosophy 3.4 Operational Performance	
	103-3	Evaluation of the management approach	3.4 Operational Performance	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3.4 Operational Performance	
<b>Market Presence</b>				
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.2.1 Salary & Benefits	
	202-2	Proportion of senior management hired from the local community	5.2.1 Salary & Benefits	
<b>★ Innovation and R&amp;D</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics	
	103-2	The management approach and its components	3.5.1 Innovative R&D	
	103-3	Evaluation of the management approach	3.5.1 Innovative R&D	
Topic defined by INPAQ	-	Current Year Investment of R&D Human ResourceResources	3.5.1 Innovative R&D	
<b>★ Customer Relationship</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics	
	103-2	The management approach and its components	3.5.2 Customer Relations	
	103-3	Evaluation of the management approach	3.5.2 Customer Relations	
Topic defined by INPAQ	-	Customer Satisfaction Survey Results	3.5.2 Customer Relations	

★ Information Security

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics
	103-2	The management approach and its components	3.6 Information Security
	103-3	Evaluation of the management approach	3.6 Information Security
Topic defined by INPAQ	-	No significant data security incident occurred in the current year	3.6 Information Security

Environmental Aspects

★ Energy

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics
	103-2	The management approach and its components	4.1 Environmental Management Policy
	103-3	Evaluation of the management approach	4.1 Environmental Management Policy
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.3.1 Energy Consumption
	302-3	Energy intensity	4.3.1 Energy Consumption
	302-4	Reduction of energy consumption	4.3.3 Energy Conservation and Carbon Reduction Measures

★ Water and Effluents

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics
	103-2	The management approach and its components	4.1 Environmental Management Policy
	103-3	Evaluation of the management approach	4.1 Environmental Management Policy
GRI 303: Management Approach for Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.2.1 Water Resource Use
	303-2	Management of water discharge-related impacts	4.2.1 Water Resource Use 4.2.2 Wastewater Management
GRI 303: Water and Effluents 2018 - Management approach	303-3	Water withdrawal	4.2.1 Water Resource Use
	303-4	Water discharge	4.2.1 Water Resource Use
	303-5	Water consumption	4.2.1 Water Resource Use

★ Emissions

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics
	103-2	The management approach and its components	4.1 Environmental Management Policy
	103-3	Evaluation of the management approach	4.1 Environmental Management Policy
	305-1	Direct (Scope 1) GHG emissions	4.3.2 GHG Emissions
	305-2	Energy indirect (Scope 2) GHG emissions	4.3.2 GHG Emissions
	305-4	GHG emissions intensity	4.3.2 GHG Emissions
	305-5	Reduction of GHG emissions	4.3.3 Energy Conservation and Carbon Reduction Measures

Waste

GRI 306: Waste 2020	306-3	Waste generated	4.4 Waste Treatment
	306-5	Waste directed to disposal	4.4 Waste Treatment

★Environmental Compliance

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics
	103-2	The management approach and its components	3.3 Legal Compliance
	103-3	Evaluation of the management approach	3.3 Legal Compliance
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	3.3 Legal Compliance

★Supplier Environmental Assessment

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics
	103-2	The management approach and its components	4.1 Environmental Management Policy
	103-3	Evaluation of the management approach	4.1 Environmental Management Policy
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	4.5 Sustainable Supply Chain
	308-2	Negative environmental impacts in the supply chain and actions taken	4.5 Sustainable Supply Chain

Social Aspects

Employment

GRI 401: EMPLOYMENT 2016	401-1	New employee hires and employee turnover	5.1.2 Employee Statistics
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	5.2.1 Salary & Benefits
	401-3	Parental leave	5.2.1 Salary & Benefits
	Salary	The company shall disclose the following: the number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year	5.2.1 Salary & Benefits

Labor/Management Relations

GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.2.3 Labor-Management Communication
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★Occupational Health and Safety

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics
	103-2	The management approach and its components	5.3 Occupational Health & Safety
	103-3	Evaluation of the management approach	5.3 Occupational Health & Safety
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	5.3.1 Occupational Health & Safety Management
	403-2	Hazard identification, risk assessment, and incident investigation	5.3.1 Occupational Health & Safety Management
	403-3	Occupational health services	5.3.2 Employee Health Promotion
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.3.1 Occupational Health & Safety Management
	403-5	Worker training on occupational health and safety	5.3.1 Occupational Health & Safety Management
	403-6	Promotion of worker health	5.3.2 Employee Health Promotion
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3.2 Employee Health Promotion

GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	5.3.1 Occupational Health & Safety Management
<b>Training and Education</b>			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	5.2.2 Talent Cultivation
	404-3	Ratios of standard entry level wage by gender compared to local minimum wage	5.2.1 Salary & Benefits
<b>Diversity and Equal Opportunity</b>			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.1.2 Employee Statistics
	405-2	Ratio of basic salary and remuneration of women to men	5.2.1 Salary & Benefits
<b>★Supplier Social Assessment</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics
	103-2	The management approach and its components	4.1 Environmental Management Policy
	103-3	Evaluation of the management approach	4.1 Environmental Management Policy
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	4.5 Sustainable Supply Chain
	414-2	Negative social impacts in the supply chain and actions taken	4.5 Sustainable Supply Chain
<b>Customer Privacy</b>			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.6 Information Security
<b>★Socioeconomic Compliance</b>			
Management Approach	103-1	Explanation of the material topic and its Boundaries	1.4 Identification of Material Topics
	103-2	The management approach and its components	3.3 Legal Compliance
	103-3	Evaluation of the management approach	3.3 Legal Compliance
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	3.3 Legal Compliance



## Independent Assurance Statement

Statement No.: 2205001

### The Independent Assurance Statement Based on INPAQ TECHNOLOGY CO., LTD.'s Corporate Social Responsibility Report of 2021

INPAQ TECHNOLOGY CO., LTD. (hereinafter referred to as INPAQ) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are mutually independent companies. In addition to the assessment and verification of INPAQ's 2021 annual corporate social responsibility (hereinafter referred to as CSR) report, GREAT has no financial relationship with INPAQ.

The purpose of this Independence Assurance Statement (hereinafter referred to as Statement) is only to conclude that the relevant issues within the scope of the INPAQ's CSR Report are guaranteed, but not for other purposes. Except for this Statement on the verified facts, for any use of other purposes, or any person who read this Statement, GREAT is not responsible or liable for any legal or other responsibility.

This Statement is based on the conclusions made from the verification of the relevant information provided GREAT by INPAQ. Therefore, the scope of the verification is based on and confined to the content of these provided information, and GREAT shall consider that the contents of the information are complete and accurate.

All concerning and questions about the contents or the relevant issues contained in this statement shall be answered by the INPAQ.

### The Scope of Assurance

The agreed scope of assurance by INPAQ and GREAT includes the following:

- The contents of the entire CSR report and all operating performance of INPAQ from January 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2021.
- According to the type 1 of application of the AA 1000 Assurance Standard v3, the assessed nature and degree of the INPAQ's compliance with the AA 1000 Accountability Principles (2018), but excluding the verification of the reliability of the information or data disclosed in the CSR report.
- This statement has been prepared in English and has been translated into Chinese for reference.

### GREAT's Opinion

We summarize the contents of INPAQ's CSR Report and provide a fair opinion of INPAQ's relevant operations and performance. We believe that the index such as economic, social, and environmental performance of 2021 are presented correctly. The performance index disclosed in the report demonstrate INPAQ's efforts to identify and meet stakeholder expectations.

Our verification work is carried out by a group of teams with verification capabilities according to the AA 1000 Assurance Standard v3, as well as planning and execution of this part of the work to obtain the



necessary information data and instructions. We believe that the sufficient evidence provided by INPAQ indicates that it complies with the AA 1000 Assurance Standard v3 and its 2018 appendix reporting methods and self-declaration of compliance with the core options of the GRI sustainability reporting standard is fair.

### Verification Method

In order to collect evidences related to conclusions, we implemented the following tasks:

- Implement the high-level management review for topics from external groups related to INPAQ's policy to confirm the appropriateness of the report in this statement;
- Discussions about stakeholder's engagement with the managers of INPAQ, however, we have no direct contact with external stakeholders;
- Interviews with employees related to CSR management, report preparation and information provision;
- Review the critical developments related to organizations;
- Audit performance data of INPAQ based on sampling;
- Review the supporting evidences declared in the report;
- Review the process management described in the company report and its related AA 1000 Accountability Principles (2018) regarding the principles of inclusivity, materiality, responsiveness, and impact.

### Conclusion

- The detailed review results of the AA 1000 Accountability Principle (2018) for inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards are as follows:
- **Inclusivity**  
INPAQ has established a process of cooperation with major stakeholders, including investors, customers, employees, and suppliers. Launch a series of stakeholder activities in 2021, involving a series of major themes such as economy, society, and environment. In terms of our professional opinions, this report covers the inclusive issues of INPAQ.
- **Materiality**  
The report has stated that INPAQ is concerned about major themes such as economy, society, and environment. The identification of major themes considers internal risk assessment, corporate opportunities, and the views and concerns of stakeholders. In terms of our professional opinions, this report appropriately covers the major issues of INPAQ.
- **Responsiveness**  
INPAQ implements responses from stakeholder requests and opinions. Implementation methods include customer satisfaction surveys and numerous internal and external stakeholder communication mechanisms as an opportunity to provide further responses to stakeholders and to respond to issues of concern to stakeholders in a timely manner. In terms of our professional opinions, this report covers the responsive issues of INPAQ.





**- Impact**

INPAQ has identified and justly displayed its impact in a balanced and effective way of measure and disclosure. INPAQ has established processes for monitoring, measuring, evaluating, and managing impacts, which will help achieve more effective decision-making and results management within the organization. In terms of our professional opinions, this report covers the impact of INPAQ.

**- GRI Guidelines**

INPAQ provides declaration in accordance with the GRI Standards and relevant information equivalent to "core options". Based on the results of the review, we confirm that the report refers to the GRI Standards for social responsibility and sustainability disclosure items have been revealed, partially disclosed, or omitted. In terms of our professional opinions, this declaration covers the social responsibility and sustainability topics of INPAQ.

**Assurance Level**

According to the AA 1000 Assurance Standard v3 and its 2018 appendix, we verify that this statement is a level of Moderate Assurance, as described in this statement.

**Responsibility**

The responsibility of this CSR report, as stated in this statement, is owned by the person in charge of INPAQ. The responsibility of GREAT is to provide professional opinions based on the described scope and method, and to provide an independent assurance statement for the stakeholders.

**Ability and Independence**

GREAT is composed of experts in a various field of management systems. The verification team is composed of members in the professional backgrounds with the qualifications of lead auditor trained in sustainable development, environmental and social management standards such as AA1000 AS v3, ISO 9001, ISO 14001, and ISO 45001.

This independent assurance statement is based on the GREAT's fair-trading guidelines.

**On behalf of the assurance team**

MAY 20<sup>th</sup>, 2022

GREAT International Certification Co., Ltd.

Taiwan, Republic of China

Signed by

David Liu  
General Manager



AA1000  
Licensed Report  
000-250/V3-FRSZG

((( WE CONNECT 、 WE PROTECT )))

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