



Marketech International Corp. 2021 Sustainability Report



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ABOUT THIS REPORT

Reporting Period / Overview:

This report covers information related to corporate social responsibility (CSR) practice of Marketech International Corp. and its subsidiaries (hereinafter referred to as the MIC Group), including corporate governance, sustainable environment, labor safety, employee care and social welfare related information, between January 1 2021 and December 31, 2021. The last CSR report was issued on June 2021. All information and statistical data disclosed in this report come investigations and statistics conducted by MIC Group; and all financial data have been certified by CPA and been announced by law. Some data are cited from information published by the government, guild or association; and are presented in general data and text descriptions. Exceptions, if any, will be marked in the report.

Reporting Cycle:

This report is MIC's first Sustainable Report (MIC has previously issued 8 CSR reports) and the publication cycle thereof is once a year.

Scope and Boundary:

This report focuses on the performance of MIC Group's parent company – Marketech International Corp. (hereinafter referred to as MIC) – and some of its subsidiaries' information have been appropriately added therein. The data of this report cover economic, environmental and social aspects.

Writing Standards / Methods:

This report, which is issued in both traditional Chinese and English versions, is written in compliance with the core spirit of "AA1000 Assurance Standard (AA1000 AS) v3 and Global Reporting Initiative (GRI)"; and is made known publicly in an appropriate method.

External Assurance

This report has been verified by BSI Taiwan Branch in accordance with AA1000 AS V3 Type 1 moderate level accountability. This report complies with the GRI core disclosure requirements and provides a third-party assurance statement in the annex. The ISO 45001 Occupational Health and Safety, ISO 14001 Environmental Management, ISO 50001 Energy Management, ISO 9001 Quality Management and ISO 14064 Greenhouse Gas Inventory adopted by the Company have all passed the verification of a third-party certification body.

Comments and Feedback:

If you have any question and comments about this report, please inform us through the following channels to assist us in making continuous improvements.

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WORDS FROM THE MANAGEMENT

Established in 1988, MIC has been established for more than three decades. Today, after years of thriving, growing and transforming in the ever-changing industry, MIC has now become a top-notch semiconductor equipment and facilities supplier in the country. We have been continuously enhancing our expertise and are devoted to the development of advanced semiconductor processing technology. We also, upholding the philosophy of facilitating and assisting people with technology, adhere to the new concepts of smart engineering, smart cloud IoT and smart city.

MIC even cooperated with Feng Chia University to establish the “5G Smart City Laboratory”, which is known as the only 5G private network equipment development and testing platform in nationwide schools. It is our aspiration that, following the establishment of this new laboratory, we will be able to integrate the full output capacity of the country’s smart city industry; and build a national team of smart city that is equipped with the planning, designing, system integration and construction capability. This year, MIC and Feng Chia University will cooperate on various topics, including “smart manufacturing”, “smart transportation”, “smart teaching”, “smart occupational safety” and “smart disaster prevention and relief”. The collaboration projects can be indoor-based, which focus on smart manufacturing, research and development, and outdoor-based, which aims to introduce the 5G private network into Taiwan’s current disaster prevention and relief systems. This industry-academia collaboration also helps to boost up MIC’s energy to promote 5G smart upgrade; and to provide 5G talents with a complete set of equipment and platform.

We not only strive to create benefits for our shareholders, but also are oriented to business sustainability when defining our own value. We aim to build a friendly workplace for our employees and to increase our contribution to the industry. We believe that technology can change human life, to improve social orders and to further build effective digital governance. We sincerely hope that the publication of this report will enable people from all circles to understand our efforts, to create sustainable social value and to build a perfect communication platform in order to confer benefits on society.



MIC and Feng Chia University (Kaohsiung) co-established 5G Smart City Laboratory

1. Company Profile

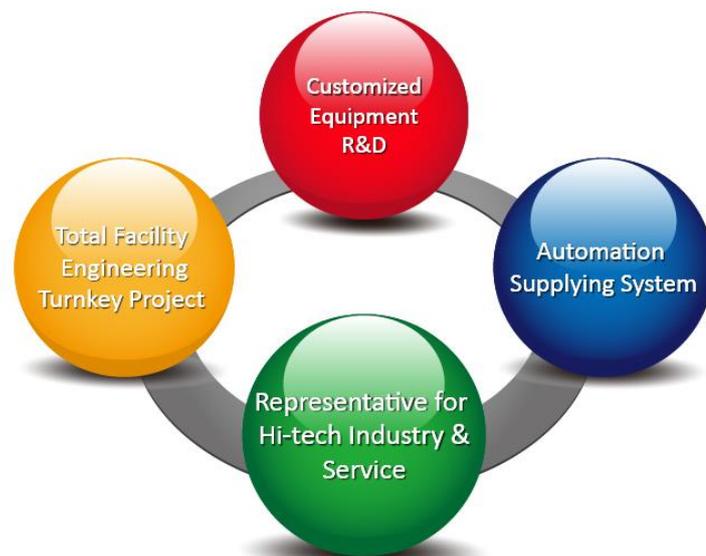
1.1 About MIC

Founded by Ms. Margaret Kao in 1988, Marketch International Corp.(MIC) (TW:6196) is committed to be the professional technology service provider dedicated to marketing and technology integration support services. MIC is diversified in 4 complementary areas: Sales Representation - Dedicated to marketing and integration support for process equipment and materials in the IC, FPD, LED and optoelectronics industries.

System Integration - Offering total solutions for facility integration of clean room and MEP turnkey projects, DI water, gas and chemical supply system, wastewater treatment system, facility monitor and control system, installation and maintenance services.

Facility Turnkey Projects - Utilizing MIC's engineers to design, manufacture, and integrate complex equipment or new facilities for customers. Complete turnkey solutions and our low-cost supply chain allow customers to be more competitive and profitable. Advanced Manufacturing - Provides OEM/ODM parts supply as well as localized and customized process and facility equipment. Under the leadership of Ms. Margaret Kao and President Scott Lin, our team of talented professionals delivers the innovative technology and extensive service to satisfy not only the customers' demands but industrial safety concerns and environmental protection as well.

MIC provides an extensive service network. The business scope covers CMP, photomask, wafer and mask inspection, consumable spare parts, SOI wafer, LCD process and inspection equipment and materials; outsourcing service in tool manufacturing; clean room and MEP turnkey projects, DI water, gas and chemical supply systems, waste water treatment systems, facility monitoring and control system, etc.



1.2 Company History

- 1988 Marketech International Corp. was established with paid-in capital of NT\$ 5 million in December.
- 1989 Cooperated with US TPI Systems and introduced the hi-tech products as well as technologies in February.
- 1995 Set up MIC's 1st semiconductor cleaning room in June.
- 1997 Started oversea business expansion from Singapore in July.
- 1997 Tainan representative office was established to support customers in Tainan Science Park in October.
- 1997 Co-marketed with J.P.C. to expand business in oversea markets in December.
- 1998 Set up MIC's 2nd semiconductor cleaning room in January.
- 1998 Changed company organization and name to Marketech International Corp.
- 2000 Divisions of Equipment & Material and Chemical Engineering received ISO 9002 certification in September.
- 2000 Hsin Chu office was officially opened.
- 2000 MIC-TECH VENTURES ASIA PACIFIC INC. was established and in charge of investment projects in China in December.
- 2001 MARKET GO PROFITS LTD. was established and in charge of oversea investment projects in February.
Acquired MARKETECH INTEGRATED PTE LTD.
- 2001 MIC-Tech (WuXi) Co., Ltd. was established and in charge of equipment manufacturing business in May.
MIC-Tech Shang Hai Corp. Ltd. was established and in charge of trading business in China.
- 2001 Hsin Chu branch office was established in July.
- 2001 Tao Yuan bonded warehouse was established and operated in August.
- 2001 Received ISO 9001 certification (modified version by year 2000) in September.
- 2001 Exclusive agent for selling semiconductor backend packaging detection equipment in Taiwan was licensed in October.
Kaohsiung representative office was established to provide customers in time service.
Tainan bonded warehouse was established to speed up material supply for production.
- 2002 Acquired Shanghai Maohua Electronics Engineering Co.,Ltd. to expand business in China in January.
- 2002 Officially listed on Emerging Stock Market in April.
- 2002 Officially listed on OTC Market in October.
- 2003 Issued MIC's 1st domestic unsecured convertible bond of NT\$ 500 million in January.
- 2003 Started building Hu Kou factory in February.
Fuzhou Jiwei System Integrated Co., Ltd. was established to expand the business in South China.
- 2003 Got approval to set up official office in Tainan Science Park in May.
- 2003 MIC-Tech Electronics Engineering Corp. was established in June.
- 2003 Tainan Science Park branch office was established in August.
- 2003 Hu Kuo factory was officially opened in September.

- 2003 Started building Shan Hua factory in October.
- 2003 Issued MIC's 2nd domestic unsecured convertible bond of NT\$ 580 million in October.
- 2004 Started building Tainan Science Park factory in March.
- 2004 Worked as OEM of US equipment supplier in March.
- 2004 Officially listed on Taiwan Security Exchange Market in May.
- 2004 Shan Hua factory was officially opened and operated in September.
- 2004 MIC-TECH GLOBAL CORP. was established in October.
- 2005 Tainan Science Park factory was officially opened and operated in May.
- 2005 Wu Xi factory was officially opened and operated in June.
- 2005 Relocated headquarter to Nangang Soft Park in November.
- 2006 Worked as OEM of US well-known flat panel display equipment supplier.
Worked as OEM of Japan Lasertech in March.
- 2006 Phase I of Tou Fen factory was officially opened and operated in November.
- 2007 Received ISO 14001 and OHSAS 18001 certification in January.
- 2008 Started building Phase II of Tainan Science Park factory in January.
- 2008 Phase II of Tainan Science Park factory was officially opened and operated in July.
- 2009 Marketech International Sdn. Bhd. was established for business expansion in Malaysia in February.
- 2010 MIC-Tech Viet Nam Co., Ltd. was established for business expansion in Vietnam in January .
- 2011 Transferred semiconductor thermal process from Japan HiKE in June.
- 2011 Recognized as certified AEO company by Custom Administration, Minister of Finance in June.
- 2011 Hoa Phong Marketech Co., Ltd. was established for business expansion in Vietnam in July.
- 2013 Phase III of Tou Fen factory was officially opened and operated in June.
- 2014 Marketech Engineering Pte. Ltd. was established in January.
- 2014 Marketech Integrated Construction Co., Ltd. was established for business expansion in Myanmar in April.
- 2015 Established the subsidiary (Marketech Integrated Manufacturing Company Limited) in Myanmar in March.
- 2015 Started to build factory in Myanmar in December.
- 2015 Received the SA8000 certification in December
- 2016 PT Marketech International Indonesia set-up
- 2016 Central Taiwan Science Park Branch set-up
- 2016 Issued MIC's 3rd domestic unsecured convertible bond of NT\$ 500 million.
- 2017 Marketech Netherlands B.V. set-up.
- 2018 Phase III of Tainan Science Park factory was officially opened and operated in June.
- 2018 The factory in Myanmar was officially opened and operated in December.

- 2018 The new office in Shanghai was officially opened and operated in December.
- 2018 Received the ISO 45001 certification in December.
- 2018 Established the subsidiary (Marketech International Corporation USA).
- 2020 Issued MIC's 4th domestic unsecured convertible bond of NT\$ 1.5 billion.
- 2021 Established the subsidiary (MIC Healthcare Korea Co., Ltd.)
- 2022 STSP Manufacturing Center Phase V set-up



Structure of shareholders

For ordinary shares, the price of each share is 10 dollars March 29, 2022
Unit: shar; person; %

Structure of shareholders	Government agency	Financial constitutions	Other juristic person	Individual	Foreign constitution and foreigner	Total
Number (person)	0	4	102	17,776	135	18,017
Number (share)	0	2,298,000	118,039,271	59,270,731	15,410,077	195,018,079
Ration of shareholding (%)	0.00%	1.18%	60.52%	30.39%	7.91%	100.00%

Note1: The first listed cabinet (and the construction of the cabinet) in the mainland should refer to the company's disclosure of its company's shareholding ratio. The specified mainland people's regions, legal persons, organizations, other institutions, or companies investing in third regions.

1.3 Business Philosophy

Led by the chairman and president, the management team of MIC has co-established the missions, vision and core values of the Company; and clearly clarified the Company's business philosophy.

1.3.1 MIC's business philosophy is to introduce semiconductor, flat-panel display, optoelectronics and biochemical industries related production equipment and materials using professional technology; to provide electromechanical design, procurement, supervision and construction of cleanroom; to offer pure water, gas, chemical supply and monitoring system; and to establish a sales and maintenance platform in coordination with global marketing strategy in order to provide customers with complete services. In the meantime, MIC continues not only to increase sales and marketing capabilities, but also to accumulates experience in advanced equipment, systems and technology in order to provide the OEM equipment assembly services and parts/components supplied by local supply chain. While standing firm in Taiwan with an eye to major Asian markets, MIC has been continuously expanding sales network, increasing competitiveness and meeting customer demands in order to reach the goal of having international and sustainable operations. With the beliefs of "innovation, implementation and assessment" and the proactive, growing and efficient teamwork spirit, MIC has established corporate values and implemented corporate governance to protect shareholders' rights and interests and to create employees' welfare. Apart from "Corporate Governance Best

Practice Principles”, MIC also established “Codes of Ethical Conduct” in regard to the Company’s interests and transaction related matters; and to put efforts in the implementation of “Corporate Social Responsibility Best Practice” and Social Accountability (SA) 8000 Standard System to fulfill our social responsibilities.

1.3.2 MIC’s Mission Statement: Being a customer-oriented all-round technology service leader

MIC is devoted to the sales, research, development, design, manufacturing and engineering services of semiconductor, optoelectronics, electronics and biochemical industries; and has been proactive in gearing to international standards in order to drive industrial upgrading. Oriented to sustainable business, we provide customers with the most competitive products and diverse complete services through professional technology and an integrated platform. It is our aspirations of not only helping them to enhance operating performance and competitive advantages; but also becoming a pioneering and professional corporate partner in the technology industry.

1.3.3 MIC’s Visions: Build a team with consensus, mutual trust and the spirits of co-existence, sharing and co-prosperity; and become the first benchmarking enterprise in Asia.

Every member in an organization plays a crucial role and is indispensable. All members must reach a consensus; collaborate with and trust each other; and share and exchange ideas with each other in order progress with time and continue to grow. Upholding this philosophy, MIC that is headquartered in Taiwan continues to expand business opportunities into mainland China, Korea, Japan, Singapore, Malaysia, the United States, the Netherlands and emerging markets in Southeast Asia to create a new situation.

1.3.4 MIC’s Core Values: Integrity, caring, professionalism, innovation, dedication to work and teamwork

- **Integrity:** Keep commitments and do our best to complete the mission. Missions that cannot be done as schedule must be reported honest in order to deliberate a solution and to show our high-standard work ethic and professionalism. The real information must be revealed and problems must be discussed honestly and openly. Be confident and have the courage to admit mistakes; be honest and do not make any inappropriate speech or behavior for self-interests. In the meantime, MIC also established “Ethical Corporate Management Best Practice Principles”, “Code of Ethical Conduct” and “Procedures for Preventing Information Disclosure and Insider Trading” as a yardstick for regulations (ex., anti-corruption and anti-trust laws; or legal compliance).
- **Caring:** Take the initiative to understand customers, colleagues and supervisors’ needs and have good interaction therewith; timely provide employees with sincere support and assistance for their contribution to the organization; proactively listen to others with empathy and be open to communicate with others; and care for customers, colleagues and supervisors and respect and show understanding for them.
- **Professionalism:** Have sufficient knowledge and skills in one’s field of expertise in order to specifically evaluate and go deep through the problems; find the root causes; propose and implement improvement measures; and prevent potential problems. Keep improving at work; continue to absorb and learn related knowledge and skills;

continue to increase one's added value; and effectively apply new and old knowledge and skills at work.

- **Innovation:** Provide high quality products and services that meet internal and external customers' needs; create a learning and sharing environment using various methods to increase the efficiency and efficacy of work procedures; and create customers' needs and internal demand to increase the enterprise value. Treat different and new people, things and object with an attitude of welcoming, accepting and encouraging them. In response to changes to the environment, take actions to pursue the awareness of new growth opportunities; upgrade the thinking, method, service and management approach to another level through changes and creations with some creativity; and, through full authorization or an effective data analysis, solve problems in a faster, better, more saving and more efficient way and make continuous improvements.
- **Dedication to work:** Complete the mission within the time limit regardless of the difficulty thereof and proactively provide necessary assistance to the others. When finding a problem, proactively propose a solution and participate in related discussions until the problem – whether it is an internal or external problem and whether it is related to one's job – is solved. Do the best to complete missions and fulfill job duties; and report the progress thereof in real-time because the key is not to do a thing, but to do it well. Proactively request to undertake more missions if one is able to do so.
- **Teamwork spirit:** Handle cross-departmental business with empathy; and trust and give assistance to each other. Cooperate with others to complete the same goals. While putting the Company as the top priority, confirm that all members know and understand the Company's goals and their personal goals, roles and responsibilities. Make sure that the benefit behind the mission is the first consideration instead of how difficult a mission can be. Be proactive in participating in the Company's action or plan.

1.4 Operational Overview

MIC and its subsidiaries (referred to collectively as MIC hereafter) perform business in the following four categories:

- (1) Sales and service of high-tech equipment and materials: MIC provides sales, distribution, service and technical support for process and factory management infrastructure for high-tech industries such as semiconductor manufacturing and photo-electronics, as well as the associated materials, chemicals and parts/components.
- (2) Automatic supplying systems: MIC provides planning, design, construction, supervision, installation, testing, operating consultation and warranty service for gas supply, automatic chemical feeding system, special gas and factory monitoring systems for high-tech industry facilities such as those in semiconductor manufacturing, photo-electronics and biochemical and pharmaceutical companies.
- (3) Total Facility Engineering Turnkey Project: for this part, MIC provides service for turn-key projects for high-tech industry facilities such as those in semiconductor manufacturing, photo-electronics and biochemical and pharmaceutical companies from electrical system, clean room, factory peripherals to process equipment. Also, MIC is known for the integration of electrical systems in, for example, petrochemical

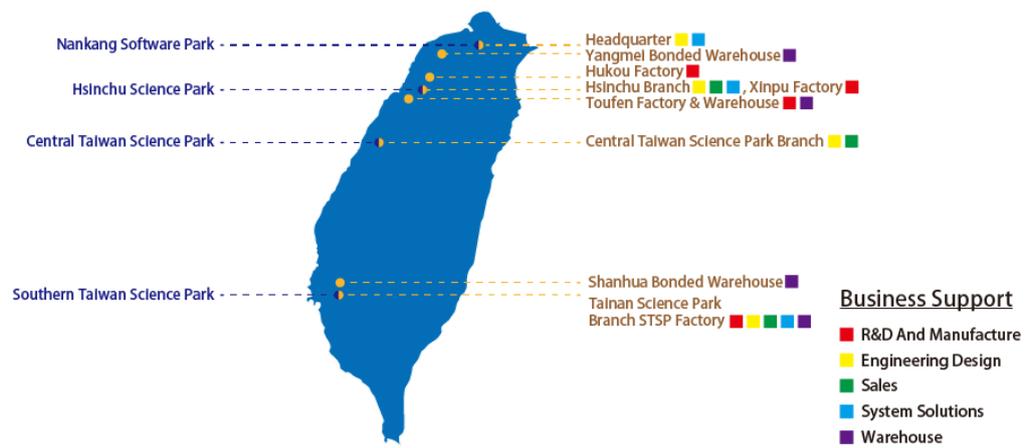
- compound, traditional industry facilities and smart buildings.
- (4) R&D and manufacturing of customized equipment: MIC designs and builds automatic factory and process equipment to the needs of clients in semiconductor manufacturing, photo-electronics and other high-tech industries as well as traditional industries.



1.5 Global Deployment

Oriented to the mission of “being a customer-oriented all-round technology service leader”, MIC Group is headquartered in Nangang Software Park in Taipei and has established a number of service locations to provide customers with rapid and real-time services nearby

- (1) Taiwan – Sales support and service locations (hereinafter referred to as MIC)



- (2) Global – Sales support and location of operations (hereinafter referred to as the MIC Group) °

Global



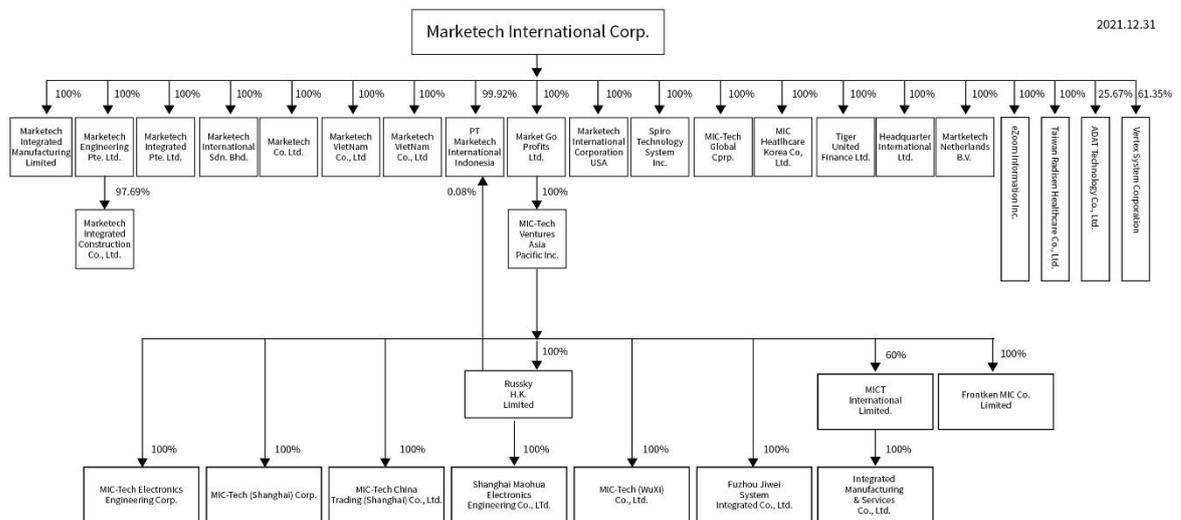
China



Business Support

- R&D And Manufacture
- Engineering Design
- Sales
- System Solutions
- Warehouse

(3) Organization Chart of Affiliated Companies



(4) Basic information of subsidiaries

December 31, 2021

Subsidiary	Location	Operation
Marketech Integrated Pte. Ltd.	Singapore	Handles the business of automated supply system in the semiconductor industry
Market Go Profits Ltd.	British Virgin Islands	Engaged in holdings and reinvestment

Headquarter International Ltd.	British Virgin Islands	Engaged in holdings and reinvestment
Tiger United Finance Ltd.	British Virgin Islands	Engaged in holdings and reinvestment
MIC-Tech Global Corp.	South Korea	General international trade
MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trading, installation and maintenance of various industrial machinery, equipment and supplies
Marketech Co., Ltd.	Vietnam	Construction contracting and the related repair business. Sale and maintenance of machine tools, sale of cosmetics and daily necessities. Software production, development and implementation and programming services; provide industrial machinery and equipment installation services
MIC-Tech Ventures Asia Pacific Inc.	Cayman Islands	Engaged in holdings and reinvestment
Marketech International Sdn. Bhd.	Selangor	Handles the business of automated supply system in the semiconductor industry
Russky H.K. Limited	Hong Kong	Engaged in holdings and reinvestment
Marketech Engineering Pte. Ltd.	Singapore	Handles mechanical and electrical installation and engineering businesses
Marketech Integrated Construction Co., Ltd.	Myanmar	Handles mechanical and electrical installation and engineering businesses
Marketech Integrated Manufacturing Company Limited	Myanmar	Design, production and assembly services for equipment and components of automated production machines.
PT. Marketech International Indonesia	Indonesia	Trading machinery and equipment
Marketech Netherlands B.V.	Netherlands	Machinery, equipment, parts and related international trade operation and technical services
Marketech International Corporation USA	USA	Handles the business of automated supply system in the semiconductor industry
Spiro Technology Systems Inc.	USA	General international trade
Shanghai Maohua Electronics Engineering Co.,Ltd.	China	Design, installation, adjustment and technical services for scrubber regeneration , pipeline system and relevant facilities used in the semiconductor industry; maintenance of equipment used in the semiconductor industry; technical advices for electronic and medical facilities; wholesaler, commission-based agent, export, import and related support services for electronic products, mechanical equipment, chemical products, communication equipment, metal products and plastic products.
MIC-Tech (Shanghai) Co. Ltd.	China	Semiconductor production, testing equipment and supplies, wholesale of power generation boiler, commission agents, import and export and other related business, boiler warehousing and distribution. international trade, entrepot trade, bonded area trade and agency, business advisory services.
Fuzhou Jiwei System Integrately Co., Ltd.	China	Cleanroom and power system, pipeline system installation and related services.
MIC-Tech Electronics Engineering Corp.	China	Mechanical and electrical installation general contracting and sub-contracting, electronic engineering sub-contracting, petrochemical pipeline installation sub-contracting, pipeline sub-contracting and provide maintenance service at the end of project, related engineering consultation services.
MIC-Tech (WuXi) Co., Ltd.	China	Mechanical and electrical installation construction engineering construction, chemical oil construction engineering construction, municipal public construction construction construction, construction decoration decoration construction engineering construction, construction intelligent construction engineering professional construction, electronic construction engineering professional construction, and related technical

		services and technical consultation. Construction equipment, building materials, electronic products, chemical products, metal products, electrical equipment, communication equipment wholesale, commission agents and import and export, and provide related supporting services
MIC-Tech China Trading (Shanghai) Co., Ltd.	China	Petrochemical products (except hazardous chemicals, precursor chemicals and specialty chemicals), semiconductors, testing equipment and supplies, solar equipment and supplies, wholesale of power generation boilers, commission agents, import and export and other related services, international trade, entrepot trade, trade and agent within the bonded area, trade advisory services.
MICT International Limited	Hong Kong	Engaged in holdings and reinvestment
Integrated Manufacturing & Services Co., Ltd.	China ,	To develop and produce equipment specially designed for the production of solar energy battery; key components of large screen color projection displays such as optical engines, light sources, projection screens, high resolution projection tubes and LCOS modules; new electronic components; and cleaning and regeneration services.
Frontken MIC Co.,Limited	Hong Kong	Engaged in holdings and reinvestment
eZoom Information, Inc.	Taiwan	Research and development, buying and selling and consultation of information system software and hardware
ADAT Technology Co., LTD.	Taiwan	Software research and development, application and services; electronic information provisioning and equipment sales
Smart Health Corp.	Taiwan	Smart health consulting service and investment.
MIC Healthcare Korea Co., Ltd	South Korea	Sale and research development of Medical equipment technology ,trading business
Vertex System Corporation	Taiwan	5G communication, IOT smart control system and software platform, IT and telecommunication CT service

1.6 Trends and Opportunities

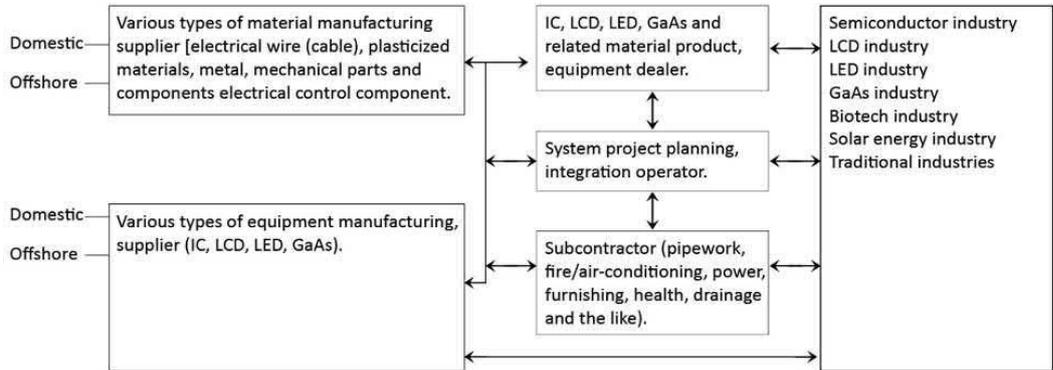
1.6.1 Current industry status and development

MIC Group's revenue is generated mainly from the sales of and repair services for traditional equipment and materials used in high-technology industries – such as the semiconductor (IC), TFT-LCD, LED, color filter, GaAs, IC packaging and flip chip substrate industries – and traditional industries; and then from the planning, design, construction, installation and testing of high-tech industries' gas, chemical monitoring and automated systems. In addition to the design, manufacturing and installation of original factory equipment, MIC Group also gradually steps into the manufacturing of related process equipment and collaborates with European, U.S. and Japanese companies that play a crucial role in the industry. The purposes thereof are to accumulate the Group's OEM and ODM capabilities, to develop local ODM industry and to further build competitive advantages in the market.

Concerning the current development, analysis and trends of the industries, in which MIC Group is located, please refer to MIC Group's 2021 Annual Report.

1.6.2 The upstream, midstream and downstream

MIC Group is an all-round provider for high-technology industries (ex., semiconductor/IC and optoelectronics). The relationship between the upstream, middle and downstream of the industries located therein is as follows:



1.6.3 Competitive status

1. Sales and services of high-tech equipment and materials:

Due to the diversified and complex types of equipment and materials sold by the Group, and the various businesses have been intertwined in major technology companies.

2. Automatic Supplying system

(a) Gas automated supply system

The group has successfully developed with gas material vendors a modularized panel to command a competitive edge in pricing and production speed; in product development aspect, it is able to offer customized product catering to the client's needs; in onsite maintenance/repair aspect, the reasoned software/firmware engineers are able to provide speedy, real-time services.

(b) Chemical automated supply system

MIC created its own brand in 2000, and since then, the whole chemical automated supply system has been copied to semiconductor industry and optoelectronic industry. From 2005, MIC took advantage of this chemical automated supply system to complete the establishment of several 300mm fabs with systems engineering, ranked one of the top brands. The group has its own brand so that the price is more competitive, and services quality is improved. As a result, we have not only won high reputation from our customers, but also accounted for high market share in newly-established high-technology market.

(c) Special gas monitoring system

For a decrease of manpower and for professional consideration, outsourcing some of the operations is an existing situation in Europe, the U.S. and Japan. In Taiwan,

currently only TCM (Total Chemical Management) and TGM (Total Gas Management) & Total Water Management (TWM) in facility system would do outsourcing to provide equipment maintenance, replacement of chemical and gas supply materials, monitoring and control system, etc. Main providers of technical services are certainly the original equipment suppliers, but still no independent and professional “technical services providers” exist.

(d) Factory automated operation

i. Special gas and facility management control system (GMS & FMCS)

This kind of service is heading towards comprehensive and integrated service, main customers of which are IC and LCD plants in Taiwan and China. They tend to seek for cooperation with stable and all-encompassing companies, like Mitec, where skilled personnel and technical support sufficient. In this way, system-integrated competitors with relatively less capital, workforce and technique can hardly enter the market, which makes the threshold higher, and by contrast, it is more difficult to compete.

ii. Computer-integrated manufacturing (CIM)

Taiwan's manufacturer must pay attention to the transparency of production in the future, to immediately adjust the production with product traceability, and respond to customer needs for additional business value. "Lean production", which presents an approach that integrates management with technology, is not likely to succeed on the first try. Enterprises should identify their key technologies based on industrial characteristics when turning to Industry 4.0. The difference between Industry 4.0 and traditional industries lies not only in the degree of automation and informatization, but in the use of cyber-physical system (CPS), big data and other technologies to achieve smart factory. Therefore, the core technologies of Industry 4.0 are IoT (for collection of all-round information), big data (for analysis and forecasting), intelligent robot, and cyber-physical system, which will be integrated by Marketech International Corp. in terms of its computer-integrated manufacturing to make productions more responsive.

iii. Automated product representation operation

The group provides customers with purpose-specific automated products and customized services which feature fast-integrating advantages and short establishment period. Meanwhile, every system can be inter-compatible and integrated, breaking the traditional frame. Hence, a huge flexibility and agility of expansion can be supplied to customers to help them completely understand the whole picture of developing information strategy planning. Unlike general automated products with multi functions on the market, great performance and

results can be presented immediately under this operation, which makes our products more competitive and valuable.

iv. Prognostic and Health Management

This management system can reduce product defects and increase the utilization of facilities, and it has become a trend. However, as the strength of manufacturing industry in Taiwan, semiconductor and optoelectronic industries have no sound solutions to improve defects and utilization. As a result, based on the expertise in system integration for more than twenty years, the Company cooperated with a domestic professional corporation, Industrial Technology Research Center, to establish Prognostic and Health Management using big data analysis. The system was first developed by Taiwanese, providing a sound solution from in-time monitoring of the status of equipment to predicting breakdown and management of the remaining service life. In the meantime, it can be perfectly integrated with parts retailers to optimize products maintenance, so the products are highly competitive.

3. Total Facility Engineering Turnkey Project

From equipment expansion integration supply systems of large IC and LCD fabs to project planning, design, construction and test, a different competition field is differentiated from the companies mentioned previously, which only pays attention to design and construction monitoring of initial factory arrangement. Additionally, for special factory building requirement of middle and small factories or foreign customers, the barrier for foreign vendors to enter such field is always difficult due to cost and localized services after sales. This situation allows the Group to become one of the few professional vendors that can get across such a threshold in the industry. To maintain competitive advantages and reduce cost, high technology industries have shifted decentralized manufacturing, which even makes market competition expanded from Taiwan to China and Southeast Asia. Accordingly, the Group has developed and deployed in such a large global market with a great result.

4. R&D and manufacturing of Customized equipment

There has been serviced a number of semiconductor equipment customers and panel industry equipment customers, and Biomedicine equipment Customers, whom were from Europe, America and Japan. In order to allow process equipment technology to take root in Taiwan, MIC has been cooperated with international manufacturers and has been developed self-branded panel equipment.

1.6.4 Competition Niche

1. Wide business range capable of reducing single industry business cycle risk effectively.
2. High technological level facilitating to win whole plan turn-key engineering business because there are few vendors with both automatic supply system and process

equipment linking integration capabilities in our nation.

3. Providing customers with diversified services, based on which deepness and breadth of products can be further expanded from process equipment, material agent, automatic supply system and integration system to localized assemblage, manufacturing design (OEM, ODM), installation, maintenance service.
4. Business sites are located in Taiwan, China, Singapore, Malaysia, Vietnam, Myanmar, Korea, Japan and United States for providing customers with local services and handling local market.
5. We have robust operation team and rich experiences, and excellent professional staffs, and integrate transversely related technologies of various business divisions, go into different industries deeply, and deploy related business in Asia.

1.6.5 Advantageous and Disadvantageous Factors of Development Vision and Response Strategy

1. Advantageous Factors

- i. The business of the Company covers, for example, IC, TFT- LCD, LED, IC packaging, OLED, petrochemical, lithium ion battery, solar cell, electro mechanics, telecom, food industries, which are still the industries with large growth for the coming 10 years in Taiwan, China and Southeast Asian region. The coming growth trend is a definite fact although there is still business cycle.
- ii. As for high technology equipment material sales and service business, the Group and various suppliers have keep long term cooperative partnership. In addition to business transaction, we also obtain long term common interest with each other through cooperative production plan actively.
- iii. The high industry has grown quickly in Taiwan such that talents in building factories are insufficient for all companies. In the future, the professional vendor with "integrated system" capability will be advantageous of attracting talents. For 30 years, the Company has introduced foreign technologies and developed integration in depth as the only one choice in our nation now. Moreover, the companies with such capabilities in Europe and America are very rare. Furthermore, under "localization" requirement in our nation, the development of the Company is far superior to other European and American companies.
- iv. In order to reduce production cost and excessively large equipment (e.g., process equipment beyond 10.5G TFT-LCD) factors, the opportunity that foreign vendors search for OEM cooperation has increased. Currently, the customized equipment manufacturing business of the Group has been developed for many years, and cooperation projects with multiple original vendors are ongoing. The development with respect to capability of such technology facilitates to R&D of future

equipment of high technology industry and accelerates improvement of both manufacturing quality and quantity for introducing foreign process equipment into Taiwan.

- v. The Company has been approved with ISO 9001 international quality certification and ISO 14001, ISO13485、ISO 45001 certifications to provide customers better service quality.

2. Disadvantageous Factors and Countermeasure

- i. The growth of high technology industry grows excessively fast and graduate talents are insufficient. Moreover, excellent professional talents of the Group are susceptible to be poached by other companies and customers.

Countermeasure:

Provide internal trainings for talents actively in order to improve comprehensively product design and technical abilities, and realize professional experiences and R&D results with effective accumulation, together with offering bonus, share allotment and stock option certification programs for employees in order for employees to be more stable and in order to hire good talents.

- ii. After participation in WTO (World Trade Organization), foreign operation sites have entered our nation such that market competition is more and more intense. Therefore, partial products may suffer from reduction of price and product gross margin due to competition with companies in the same industry and mature market.

Countermeasure:

In addition of deep development of original niche market with inherent advantages with respect to domestic laws, language and culture, the Group creates products, services and technologies with "integration" and with "differentiation" compared to competitors actively. Also, with standardization of work flow, MIS system cost control budget is enhanced to save labor, increase efficiency for cost down and reduce labor waste. Moreover, domestic business is promoted, together with sales promotion in Singapore, Malaysia, Vietnam, Myanmar, Japan, Korea and China markets in response to challenge of market opening.

- iii. There are very engineering variables for automatic system and integrated system business, which are susceptible to mutual interaction of various engineering. Therefore, if the engineering work period is relatively long, increase of expenses of materials, equipment and outsourcing fees will result in increased cost, which causes business risk and financial maneuver risk.

Countermeasure:

The Group has to evaluate the factors that undertaken cases might influence work periods, and list them into predicted engineering cost, keep good cooperation relationship with suppliers, and develop long term good outsourcing vendors.

During construction period, procurement and outsourcing prices have to be handled immediately, the possibility of price fluctuation has to be predicted, and discussion meetings for countermeasure in response to price fluctuation have to be held regularly or irregularly and collaborative procurement with relative enterprises should be done to reduce variation risk of procurement and outsourcing prices effectively. Also, short term engineering business should play the major role, and company has to adopt steady financial policy with sufficient operation revolving fund to pay revolving fund necessary for engineering operation. Thereby, not only belief of proprietors to credits and trust of the company may be increased, but also capital cost may be reduced.

1.6.6 Successfully developed technology or products in 2021

Year	R&D Performance	Applications
2021	5G IO Gateway	IC、LCD、LED
	FMM repair	OLED Mask
	FPD Cassette cleaner	TFT LCD
	4/6 inch automatic bare wafer loading machining third generation	sapphire etching
	Automatic welding for ultra-high pure supply system	Using in dense pipeline and confined space for process equipment

1.7 Operational Performance

The operational performance of MIC Group between 2019 and 2021 as stated in the consolidated financial statements is as follows:

Unit: In thousand New Taiwan Dollars

Item	2019	2020	2021
Direct economic value	24,182,681	25,119,857	34,458,674
Operating cost	21,423,810	21,824,500	30,392,083
Employee salaries and benefits	1,939,533	2,093,859	2,423,505
Payments to the government	241,629	196,754	361,002
Payments to investors	485,784	655,267	867,403
Distributed economic value	24,090,756	24,770,380	34,043,993
Retained economic value	91,925	349,477	414,681

Note 1: i. Produced direct economic value=Operating income

ii. Distributed economic value = Operating cost + Employee salaries and benefits + Payments to the government + Payments to investors

iii. Retained economic value = “Produced direct economic value”- “Distributed economic value”

Note 2: Operating cost = Cost of revenue from operation + Operating Expenses – Employee salary and benefits

Note 3: “Employee salaries and benefits” includes expenses derived from salaries, employee stock option (ESO), labor and health insurance, pension and other employee benefits.

Note 4: “Payments to the government” includes taxes and income taxes paid to the government.

Note 5: “Payments to investors” refers to the amount of dividends to be distributed from earnings to shareholders as approved at annual shareholders’ meeting (The earnings of 2019 are distributed in 2020; the earnings of 2020 are

distributed in 2021; and the earnings of 2021 will be distributed in 2022)
 Note: The abovementioned financial data have been verified by CPA.

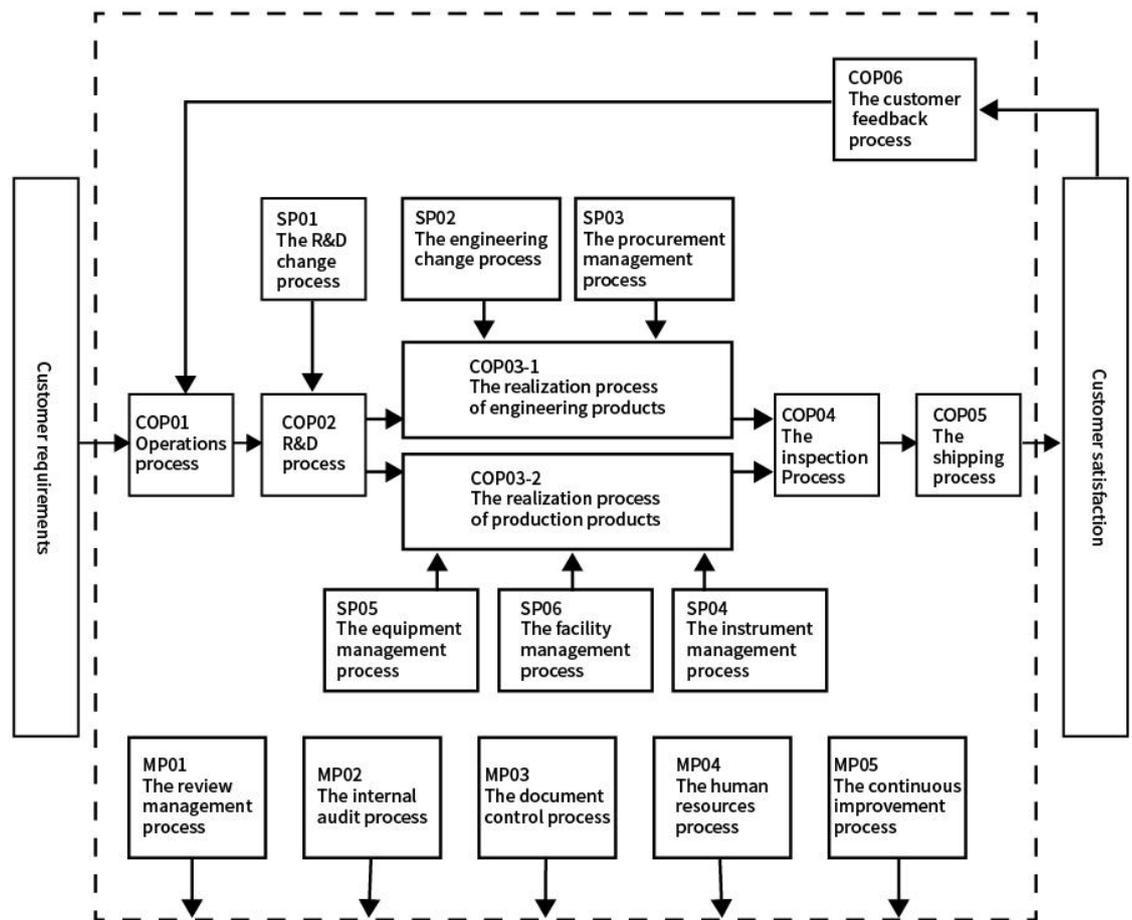
1.8 Quality Policy

MIC Group has, in accordance with the requirements of ISO 9001 International Standards, established documented information; implemented, maintained and continued to improve the quality management system to ensure the product and service quality; and set up the following quality policy:

- (1) Perform a total quality assurance system
- (2) Implement continuous improvement works
- (3) Enhance employees' satisfaction level
- (4) Meet quality, cost and delivery date requirements

1.9 Quality Management System

The flowchart of MIC Group's quality management system is as follows:



COP: Customer Oriented Processes

MP: Management Processes

SP: Support Processes

1.10 Management Policy and Elements

The management team has focused on 11 out of 15 material topics and the discussion results are presented as follows.

Material Topics	Management Approach
Economic performance	Be equipped with a perfect corporate governance and internal control systems; and establish independent directors and the “Audit Committee” to let a professional management team to set operative goals and the corporate development strategy.
Anti-corruption	Establish a strict code of ethics and request all members, including the management team and employees at all levels, to abide thereby.
Environmental compliance	Cooperate with competent authorities to monitor and control the pollutant discharge and emissions; proactively promote various environmental protection and improvement works; set the annual KPI targets; and review the index implementation progress and status on a regular basis.
Socioeconomic compliance	Establish the “Code of Ethical Conduct” to, with a rigorous system, education and training, ensure that employees fulfill the confidentiality obligation; fairly trade, protect and appropriately use corporate assets; abide by laws and regulations; and do not have any conflict of interest or opportunity for personal interests. Encourage the reporting of any illegal behavior or violation of the Code of Ethical Conduct; and implement disciplinary measures, hoping that all employees will abide by ethical rules.
Local communications	The Company’s operations shall comply with international and local environmental protection laws and regulations in order to minimize the impacts on the environment. The waste at each operational site and factory are one of the most important environmental considerations. The waste produced by the factory shall be controlled in accordance with the procedures of environmental hygiene management system.
Customer safety and health	Abide by occupational health and safety (OHS) regulations to deploy health and safety management personnel at self-owned or customers’ factories; and establish Occupational Safety and Health Committee. Products shall also be designed and produced in accordance with related safety measures.
Energy	The energy consumed by the Company is mainly purchased from other companies; and the consumption of electricity is also the primary source of greenhouse gas (GHG) emissions. By setting an energy consumption target, the Company can further draw up a management measure to control the use of electricity and reach the energy-saving and GHG reduction goals.
Emissions	Promote the GHG emission inventory in accordance with ISO 14064-1 standards.
Procurement practices	Consider suppliers as important partners. Through the expansion of business network; fulfillment of occupational safety and environmental protection requirements; and increase in related techniques, seek for and cultivate suppliers that can grow and meet customers’ quality, cost, delivery date, occupational safety and environmental protection requirements together with MIC.
Employment	To facilitate labor-management relations, create coherence among employees and assure employees’ welfare, the Company purchases not only social insurance as prescribed by the government, but also employee group insurance and annual employee health checkup; and includes employees’ spouse and children in the insurance coverage. With respect to the planning of employee welfare, the Company has a system and has established Employee Welfare Committee to provide all employees with various welfare programs and activities – such as company trip, birthday gift, maternity benefits, festival benefits, year-end party

	and bonus – to ensure that all employees are physically and mentally healthy.
Occupational health and safety	Introduced the ISO 45001 (OHS) international standards to establish “environmental health and safety management system” and implement environmental health and safety policy based thereon, including abiding by regulatory requirements; conducting education and training programs; using resources effectively; preventing accidents; continuing to promote improvement activities; and promoting plenary counseling and participation.

Secondary Topics	Management Approach
Materials	Oriented to the energy-saving concept, MIC’s production equipment is designed to provide customization services; and the products produced thereby are mostly assembled from metal, which is a recyclable material. The pallet and cartons used to transport and pack the products can also be recycled and reused by customers upon delivery.
Water	As MIC’s operations require no consumption of tap water, the Company’s use of water is coordinated with the operations of local management committee (of the science park, for example). Consequently, the Company does not have a water recovery and reuse mechanism.
Waste	Apart from waste source reduction, MIC has adopted waste classification to recycle and reuse packing materials in order to increase the reutilization rate of waste. Besides, MIC also established a waste management window at each site and assigns the Occupational Safety and Environmental Protection Division to be in charge of the management and statistics of different types of waste.
Market Presence	The employee compensation standards are set in accordance with talents’ educational and professional backgrounds. For those who have been employed, the training, assessment and promotion thereof or rewards and penalties imposed thereon shall refer to relevant regulations.

1.10 Management Policy and Elements (Continued)

Material Topics	Management Approach	Relevant policies and commitments	Resources/ Action/ Complaint Mechanism
Economic performance	Only when the Company earns profits, investors will receive reasonable remuneration and the Company will be able to take care of employees, contribute to stakeholders and achieve the goal of sustainable business.	Commitment(s): Provide good benefits and feedback to stakeholders; ensure employees’ retirement rights and interests Policy: Salary policy; labor policy	Ministry of Finance Stakeholder complaint mailbox
Anti-corruption	Upholding the spirit of “integrity”, the Company hopes that all directors and employees will, when engaging business activities, abide by code of conduct and ethical standards.	Commitment(s): Continue to build a clean company culture without violating business integrity and anti-corruption norms. Policy: “Ethical Corporate Management Best Practice	Stakeholder complaint mailbox

		Principles”; “Code of Ethical Conduct”	
Environmental compliance	Abide by regulatory requirements; implement education and training; effectively use resources; prevent accidents; and continue to promote improvement activities.	Commitment(s): Continue to maintain zero violation Policy: “Environmental Health and Safety Policy”	Health and Safety Management Division
Socioeconomic compliance	Based on the concepts of business integrity, law-abiding spirit and decent business practice the Company abides by domestic and international laws, regulations and standards no matter in strategic planning, management or business practice.	Commitment(s): Abide by local laws and regulations; maintain zero violation Policy: “Code of Ethical Conduct”	Internal audit Stakeholder complaint mailbox
Local communications	Implement various environmental protection works as the environmental quality of each site is considered as an important target and our corporate social responsibility.	Commitment(s): Care for local people; maintain zero violation Policy: “Environmental Health and Safety Policy”	Health and Safety Management Division Stakeholder complaint mailbox
Customer safety and health	Ensure that every business practice carried out by MIC and the products are safe without any concerns; and that all hazardous substances are directly controlled by MIC.	Commitment(s): Strict verification procedures; compliance with safety regulations Policy: “Environmental Health and Safety Policy”	Customer service mailbox
Energy	To reduce environmental impacts caused by GHG effects and the consumption of energy, all relevant data are collected to fulfill our will of protecting the environment.	Commitment(s): Environmental safety management, monitoring and measurement Policy: “Environmental Policy and Commitments of Environmental Management Systems ISO 14001: 2015 Environmental Manual 3 – Management Rules”	Stakeholder complaint mailbox Health and Safety Management Division Human Resources Division
Emissions	To reduce environmental impacts caused by GHG effects and the consumption of energy, all relevant data are collected to fulfill our will of protecting the environment.	Commitment(s): Quantify monitoring and measurement through GHG inventory Policy: “Environmental Health	Health and Safety Management Division

		and Safety Policy”	
Procurement practices	Effectively choose and manage suppliers to ensure that the products or services provided thereby meet customer requirements.	Commitment(s): Enhance supplier management Policy: “Quality Policy”	Stakeholder complaint mailbox Audit
Employment	Various welfare measures and benefits are provided to take care of employees and to assess employees’ work ethic discipline and contributions at work. The said measures are also used as an accordance for salary adjustments, promotion, rewards and penalties.	Commitment(s): Optimize the compensation system Policy: “New Employee Guidance and Management Regulations”; “Performance Assessment Regulations”; “Employee Group Insurance”	Human Resources Division Labor-management meeting Employee Complaint Mailbox
Occupational health and safety	Occupational review and coordinate occupational safety and health related matters through the implementation of the ISO 45001 Occupational Health and Safety Management Systems; and by establishing the Occupational Health and Safety Committee.	Commitment(s): Continue to improve the workplace as requested by occupational safety and health requirements; prevent the occurrence of occupational safety accident in order to reduce occupational safety risks. Policy: ISO 45001 Occupational Health and Safety Management Systems	Labor-management meeting Occupational safety meeting Stakeholder complaint mailbox Environmental, Health and Safety (EHS) Feedback Form

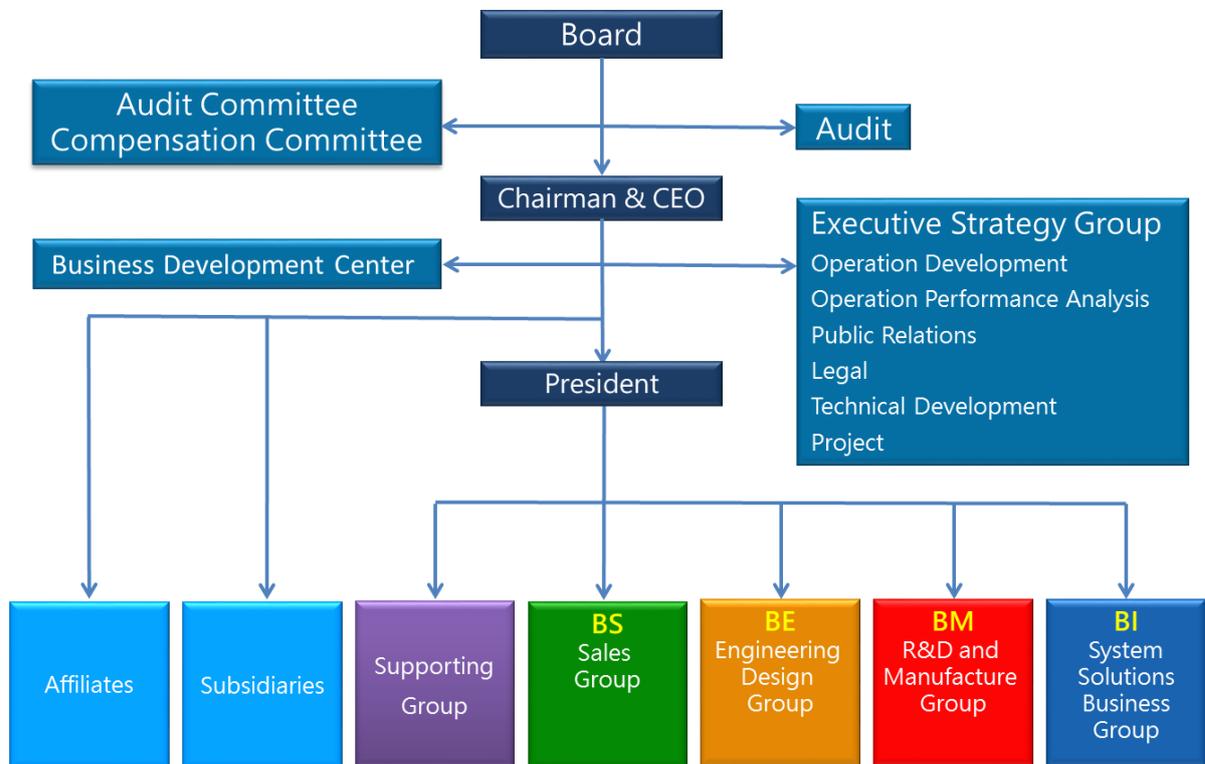
1.11 Evaluation of Management Policy

Material Topics	Evaluation Mechanism	Performance and Evaluation Results (Chapter)	Related Adjustments
Economic performance	Board of Directors; audit mechanism; internal control; and external auditor.	1.7Operational Performance	None
Anti-corruption	Internal control; employee complaint mechanism; and Corporate Governance Evaluation of Securities and Futures Institute.	2.1Organization Chart	None
Environmental compliance	External EHS auditors.	2.2Customer Supplier Relationship	None
Socioeconomic compliance	Internal control system; and Corporate Governance Evaluation of Securities and Futures Institute.	2.1Organization Chart	None
Local communications	Investigate each factory's energy use intensity; resource recycling statistics; GHG inventory; water use; toxic chemical substance management; and applications of raw materials, energy and recycled materials.	3.3Environmental protection	None
Customer safety and health	External EHS auditors.	2.2Customer Supplier Relationship	None
Energy	Environmental operations management procedures.	3.3Environmental protection	None
Emissions	Regular monitoring and control of the air pollution source prevention equipment shall be carried out by assigned personnel; and control plans shall be set by the EHS management system accordingly.	3.3Environmental protection	None
Procurement practices	Supplier evaluation and assessment procedures.	2.2Customer Supplier Relationship	None
Employment	Corporate Governance Evaluation of Securities and Futures Institute; and secretary pink tea	4.3Labor-Management Relations	None
Occupational health and safety	Check works; identify hazards and assess the risk level.	3.4 Health and Safety Management	None

2. Corporate Governance

2.1 Organization Chart

Organization Chart



As a TWSE listed company (stock code: 6196), MIC is structured in compliance with the Company Act, Securities and Exchange Act and relevant regulations. The Company elects directors at the Shareholders' meeting and selects "independent directors", who are jointly liable for the Company's operational management, in accordance with the system. The Company also established the "Compensation Committee" to formulate and review directors and managers' performance evaluation and compensation/ remuneration policy; and to submit its proposals to the Board of Directors for approval. The "Audit Committee", on the other hand, was also established to conduct related operations in accordance with "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies".

An "audit" unit was also established under the Board of Directors to evaluate the internal control system; make sure that the regulations are sound; evaluate each department's implementation results; and to timely provide recommendations on improvement measures in order to facilitate the Company's operations.

The keys of corporate governance are summarized as follows:

1. Three out of nine directors are independent directors.
2. Two out of all directors are female.
3. The Compensation Committee is formed by two independent directors and one external expert.
4. The Audit Committee is formed by three independent directors.

5. “Compensation Committee Charter” disclosed on the Company’s internal website.
6. “Audit Committee Charter” disclosed on the Company’s internal website.
7. The average attendance rate of directors in the board meeting was 100%; the average attendance of Compensation Committee members was 100%; and the average attendance rate of Audit Committee members was 100%.
8. All member of the Board of Directors have taken education and training sessions as prescribed.

Members of the Board of Directors		
	Item	Percentage
Gender	Male	77.8%
	Female	22.2%
Age	51 to 60 years old	55.6%
	61 to 70 years old	33.3%
	71 to 80 years old	11.1%

The Company receives the “Corporate Governance Evaluation” externally. As for internal practice, the Company has not only adopted the “Profit Center System”, but also implemented its expertise and corporate ethical education, training and promotion and conducted assessment/evaluation works in accordance with “Human Resource Control Procedure”, “Sexual Harassment Prevention Regulations”, “Reward and Punishment Management Regulations”, “Performance Assessment Regulations” and “Attendance Management Regulations”. The Company’s internal organization is divided into five major groups as follows:

1. Support Units: Refer to the Company’s backup support units, including the Executive Strategy Group, Audit Office, Business Development Center, Finance & Accounting Division, Logistics Division, Health and Safety Management Division, Human Resources Division, Quality Control Center and Information Center.
2. BS Sales Group: Refers to units that are responsible for the sales and distribution of equipment and materials (of their respective scope of business) purchased from domestic and foreign suppliers, including the Equipment and Material Division; High-Tech Products Division; Display Industry Division; Resources Service Division; and Semiconductor Mask Technology Business Division.
3. BE Engineering Design Group: Refers to units that are responsible for engineering projects related occupational safety, environmental protection, design, construction, supervision and management works. The said units include Gas Engineering Division; Chemical Engineering Division; System Engineering Division; Turnkey Engineering Division; General engineering Division; and Resources Services Division.
4. BI System Solutions Business Group: Refers to the unit that is in charge of computer system, factory monitoring system and cloud related works: System Integration Division.
5. BM R&D and Manufacture Group: Refers to units that are responsible for OEM/ODM and customization equipment related business. The units include Gas Engineering Division, Advanced Manufacturing Division; Optoelectronics Division; New Product Development Division; and Precision Process Equipment Enterprise Division.

2.2 Customer Supplier Relationship

2.2.1 Value Proposition:

Oriented to the values of “integrity, caring, professionalism, innovation, dedication to work and teamwork” and the missions of “being a customer-oriented all-round technology service leader”, MIC considers customers and suppliers as the community of life; and has established a number of regulations and industry related standards and passed related certifications, such as ISO 9001/14001/45001, AEO, SA 8000, ISO 13485, GMP and SEMI S2/S8, aiming to create a triple win situation.

1. System certification: ISO 9001/14001/45001, AEO, SA 8000, ISO 13485 and GMP certificates.



溫室氣體排放量 查證聲明書

聲明書編號: CS21876-2021-TAF-TWN 日期: 2021年9月27日
 客戶名稱: 航宇系統科技股份有限公司 地址: 臺南市 安平區 永興路 35 號(南口) 7 之 1 號

查證機構資訊
航宇系統科技股份有限公司
 通訊地址: 新竹縣湖口鄉光復路 35 號(南口)
 聯絡電話: +886 3 5974779

查證標準與範圍
 茲證明本廠符合行政院環境保護署行政規定，查證結果發現未違反實質性限制，符合行政院環境保護署認可之心智驗證等規。

查證範圍
 溫室氣體核算方法: 溫室氣體核算方法查證管理辦法等法規章，行政院環境保護署發布之國家溫室氣體核算方法之抽樣核算規定，CNS 14064-1:2006溫室氣體-第1部: 組織層級溫室氣體核算程序之量估、核算與報告之規範。

查證期間
 航宇系統科技股份有限公司(資料編號:35909823): 新竹縣湖口鄉光復路 35 號(南口) 廠房與營業之1號工廠、半導體晶圓代工製程廠，共計1廠設施。

查證日期
 自中華民國110年1月1日至110年12月31日

聲明書編號: CS21876-2021-TAF-TWN 頁數: 2 之 2 頁
 日期和日期: 台北, 中華民國 111 年 X 月 X 日

查證結果
 依 IPCC 2007 年第四次評估報告(AR4)公布之 GWP 值查證總排放量，總計 865,099 公噸二氧化碳當量，包含：
 - 直接溫室氣體排放量(1)排放量: 47,507 公噸二氧化碳當量
 - 間接溫室氣體排放量(2)排放量: 817,739 公噸二氧化碳當量
 (外購電力之溫室氣體排放量根據經濟部 110 年 9 月 27 日公告 109 年度電力線碳排放 0.502 公噸 CO2e/度計算)

查證意見
 此報告內容符合行政院環境保護署行政規定，查證結果發現未違反實質性限制，符合行政院環境保護署認可之心智驗證等規。

查證限制
 無

查證聲明
 此報告內容可能包含航宇系統科技股份有限公司之機密資訊，除作為行政院環境保護署相關用途外，不得向任何第三方洩露。未經航宇系統科技股份有限公司書面同意，其他個人、團體或公司禁止自行複製或發行。

利益衝突與聲明
 (一) 查證機構與客戶及附件內容完全依照行政院環境保護署及有關機關之相關規定，秉持公正、誠實之原則進行查證作業，絕無虛偽不實，如有違反，就政府機關所交納之查證費用予以沒收，且接受主管機關依法所處之行政處分及刑事處罰。
 (二) 查證機構如在查證過程中發現客戶有違反相關法規之行為，應即通知客戶，並應即停止查證作業，公同尋求妥善解決之方案及妥為清理糾紛之相關規定，如有違反，應為司法及警方所察知之法律對象，概不受查證之法律保護。
 (三) 除本報告內容及附件內容外，本報告內容與客戶之關係，並符合主管機關對於查證機構之要求，如有違反前述事項者，概不受查證機構保護，此報告內容與客戶之關係與本報告無關。

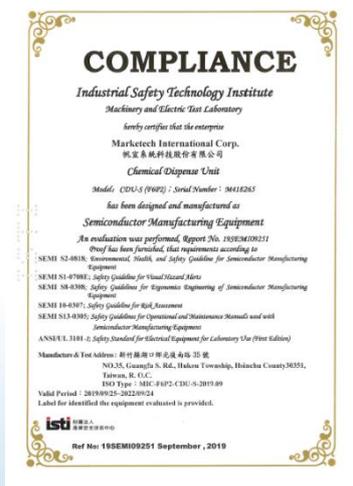
此 證
 負責人簽名: 謝啟輝 職務: 總經理 中華民國 111 年 X 月 X 日
 查證人員簽名: 許仲豪 職務: 主任



This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. TAF cannot guarantee the accuracy or completeness of the information. TAF cannot be held liable for any errors, omissions or damages caused by the use of this information.



2. Product certification: SEMI compliance certificates (regulations of the semiconductor equipment industry)



2.2.2 Customer Services

1. Engaged in sales, factory engineering, equipment manufacturing, system integration business, MIC is closely integrated with customers to comprehensively understand customers' demands for products and provide customized equipment.
2. With interdisciplinary cooperation experiences in the OEM of industry equipment (ex., FPD, PV and Semiconductor industries), MIC is capable to apply different production concepts during the process and continuously seek for innovation and change).
3. MIC has the ability to develop operating software and can, based on customers' request, develop required operating software.
4. All departments can directly contact with foreign manufacturers in English to reduce the communication time and further increase work efficiency.
5. MIC has been closely operating with industrial, academia and research units in coordination; and has established a network to introduces topnotch technologies.
6. MIC has set mailboxes and a number of local service locations to communicate with customers freely and to meet demands for order, customer complaint and services in real-time.
7. MIC has established a customer-oriented quality system and business philosophy in accordance with "customer satisfaction level management procedures". MIC uses an objective inspection system to comprehensively evaluate customers' satisfaction level of MIC's products or services and to understand the gap between customers' demands and expectation in order to ameliorate operational management and achieve the Company's goal of sustainable business.
8. All occupational safety and environmental protection measures are implemented in compliance with customers' requirements and regulations.
9. Respond to customers' CSR and ESG activities to work together on caring for the society's welfare
10. Joined various associations, including TSIA (Taiwan Semiconductor Industry Association), TEEIA (Taiwan Electronic Equipment Industry Association), TDUA (Taiwan Display Union Association), TPSA (Taiwan Panel & solution Association), SEMI, TPVIA (Taiwan Photovoltaic Industry Association), Chinese Professional Management Association of Hsinchu, The Allied Association for Science Park Industries, Friends of the Police Association and so on to facilitate exchange with practitioners of the same and different industries, expand international network, absorb new knowledge, support government activities and promote social welfare.

2.2.3 Supplier Relationships

MIC considers suppliers as important partners. Through the expansion of business network; fulfillment of occupational safety and environmental protection requirements; and increase in related techniques, MIC seeks for and cultivates suppliers that can grow and meet customers' quality, cost, delivery date, occupational safety and environmental protection requirements together with MIC in accordance with "Supplier Control Procedures"

With respect to products purchased by MIC and MIC's outsourcer, apart from customers' designated materials supplied by foreign original manufacturers and materials that are hardly be purchased domestically, MIC should choose to cooperate with Taiwanese suppliers – counting 75% of MIC's total procurement amount – for the purposes of

facilitating local development and economy.

2.3 Significant Changes to the Management Framework and Response Measures

There is no major change to the management structure during the reporting period and comparing with last period. From the scale of the organization, the number of employees has increased due to the need of operational development, but there is no change to the structure. With respect to the ownership, there is no division or merger of ownership. Finally, regarding the supply chain, the R&D supply chain is formed mainly by domestic and foreign component, part and material suppliers and is considered as an external cooperation established based on each project's respective characteristics. At the moment, MIC does not produce any components, parts or materials.

Regarding the management, the Board of Directors is the decision-making unit for both of the corporate structure and budget in the final review management structure. As for internal operations, all business units are responsible for implementing their respective internal control systems; the audit unit is responsible for implementing internal audits; and interdepartmental functional committee/task force are established for different demands at each stage. At the moment, MIC has established the Compensation Committee (formed by two independent directors and one external expert; and is directly subordinated to the Board of Directors), Audit Committee (formed by three independent directors; and is directly subordinated to the Board of Directors), Occupational Health and Safety Committee (formed by the chairman, president and business unit representatives; and is directly managed by the chairman and president), Employee Welfare Committee (formed by business unit representatives; and is managed by the committee chairperson) and CSR Performance task force (formed by the HR representative, EHS management representative, quality management representative, CSR management representative and SA 800 employee representative; and is directly managed by the chairman and president) to conduct business management and CSR related operations and to discuss response measures.

2.4 Stakeholder Communication Channels

The stakeholders are identified through the discussion held by the Company's senior management. The stakeholders include the investors, customers, employees, suppliers, government and communities/local groups. The Company has spokesperson and acting spokesperson; and has provided the "Contact Us" information (mailbox) on our corporate website (www.micb2b.com) and established communication channels with stakeholders. Examples of communication methods are as follows:

Stakeholders	Concerned Issues	Communication Methods	Communication Frequency
Investors	Operational performance Market presence Anti-corruption Risk management Product quality and R&D	Annual shareholders' meeting (on a regular basis as prescribed by law) Issue annual (quarterly) financial statements Reply through the spokesperson system or reply to email enquiries	Once a year 4 times a year Irregularly Irregularly Permanent

		Corporate official website Stakeholder complaint mailbox	
Customers	Product quality and R&D Customer health and safety Socioeconomic compliance Environmental compliance Customer privacy Emissions	Customer service hotline / corporate official website Email, regular meetings and audits Customer satisfaction survey Customer complaint handling procedures Self-assessment questionnaire (SAQ) and on-site examination	Irregularly Once a year Irregularly Irregularly Irregularly
Employees	Labor-management relations/ employment Occupational health and safety Diversity and equal opportunity Training and education Freedom of association and collective bargaining Human rights / complaint mechanism Forced or compulsory labor / child labor No discrimination / no harassment Advice for improvement	Internal announcements Staff E-news Secretary pink tea Employee opinion survey Employee complaint and opinion mailbox Panel discussion for newcomers and senior management Employee Welfare Committee meetings Labor-management meeting	Irregularly Monthly Quarterly Quarterly Irregularly Irregularly Irregularly Quarterly Quarterly
Suppliers	Supplier environmental assessment Supplier social assessment Supplier human rights assessment Procurement practices Material quality management Raw material management Compliance with Responsible Business Alliance (RBA) Code of Conduct	New supplier review Supplier audit and interviews QBR or quality meeting Supplier e-Kanban Stakeholder complaint mailbox Self-assessment questionnaire (SAQ) and on-site audit	Irregularly Irregularly At least 4 times a year Irregularly Permanent Irregularly
Government Agencies	Corporate governance and operational performance Business integrity and legal compliance Investor protection Climate change	Competent authority's Market Observation Post System (M.O.P.S.) Report relevant information according to government agencies' requests Dispatch personnel to conduct an on-site inspection as prescribed by law Official letters	Irregularly Irregularly Irregularly
Communities / Local Groups	Wastewater / sewage discharge and waste disposal Air-pollution and other environmental issues Social welfare Community services	Corporate official website Routine meetings held by science parks' management center Stakeholder complaint mailbox	Irregularly Once a year Permanent

2.5 Issues of Materiality

MIC has adopted the following 4 steps to ensure all issues concerned by stakeholders have been fully replied in this Report.

1. Select and identify GRI sustainability aspects that are applicable to MIC

Managerial staffs of all business divisions shall study all GRI sustainability aspects (i.e., topics in GRI standards); summarize a list of aspects that are applicable to Taiwan and the business nature of MIC; and further determine whether related impact will affect MIC's internal operations or external environment. This Sustainability Report mainly presents aspects occurred at MIC.

2. Evaluate and prioritize summarized aspects and topics

When analyzing the aspects, it is a must to evaluate whether the aspects should be disclosed depending on the materiality thereof and stakeholders' tolerance.

3. Reconfirm the arrangement order

Review the aspects and prioritize them according to their materiality. Request managerial staffs of business units to reconfirm whether the aspects disclosed in the sustainability report can provide valuable information to stakeholders, helping stakeholders to fully understand the Company's responses to issues of materiality.

4. Report review and approval

The completed report should be reviewed upon completion thereof to ensure all major aspects are fully presented in the Sustainability Report. Besides, the Chairman should also personally review the Report to ensure the Report presents the Company's passion for sustainability report and the core values of "integrity, caring, professionalism, innovation, dedication to work and teamwork".

5. MIC prepares the Report using GRI sustainability aspects

Material Topics	Impacts on MIC	Scope of impact		
		Direct impact	Indirect impact	Impact on business relationship
Economic Performance	A good management strategy is required to ensure the soundness of capital base, helping to maintain investors, creditors and market's confidence, to support future operational development and to maximize the interests of customers, suppliers and employees.	AB	DF	C E
Anti-corruption	"Integrity" is one of MIC's core values. MIC requests members of the governance unit and employees to keep high ethical standards and to implement the integrity policy; and, to achieve the goal of sustainable business, it is also prohibited to have any conduct that damages the Company's reputation and interests.	ABE	DF	
Environmental	Oriented to eco-friendly policy, MIC continues to	DF	BC	E

Compliance	supervise energy management, GHG emission management, air pollution prevention and control, water resource management and waste management; or adopt pollution/resource reduction behaviors to minimize environmental impacts on the environment with our greatest efforts.			
Socioeconomic Compliance	Comply with local regulations and ethical standards to enhance the Company's advantages in all aspects and to build a sustainable business that is responsible to the society.	DF	AB	CE
Local Communications	Participate in social caring activities.	DF	AB	CE
Customer Health and Safety	Pay great attention to customers' satisfaction level and fully promote product and service safety.	CEF		B
Energy	Complete effective energy management and generate power from the factory.	ABC	EF	
Emissions	Abide by environmental regulations; protect environmental hygiene; and, with our greatest efforts, implement and reduce environmental impacts caused by the production.	DF	CE	B
Procurement Practices	Strengthen supplier management; enhance quality; reduce supply risks involved in the supply chain; and assist suppliers in understanding and establishing sustainable operations are crucial factors for building long-term operations.	CE	AB	
Employment	Fulfill social responsibilities, reduce human right risks and provide employees with a friendly workplace.	A	C	B
Occupational Health and Safety	Enhance the operations and promotion of EHS management system to effectively reduce potential risks, prevent accident, protect workers' physical and psychological health and protect employees.	ACE	F	B

Note:

Internal impacts: including A – MIC, MIC's subsidiaries and employees.

External impacts: B – Investors; C – Customers; D – Communities/ local groups; E – Suppliers; F – Government.

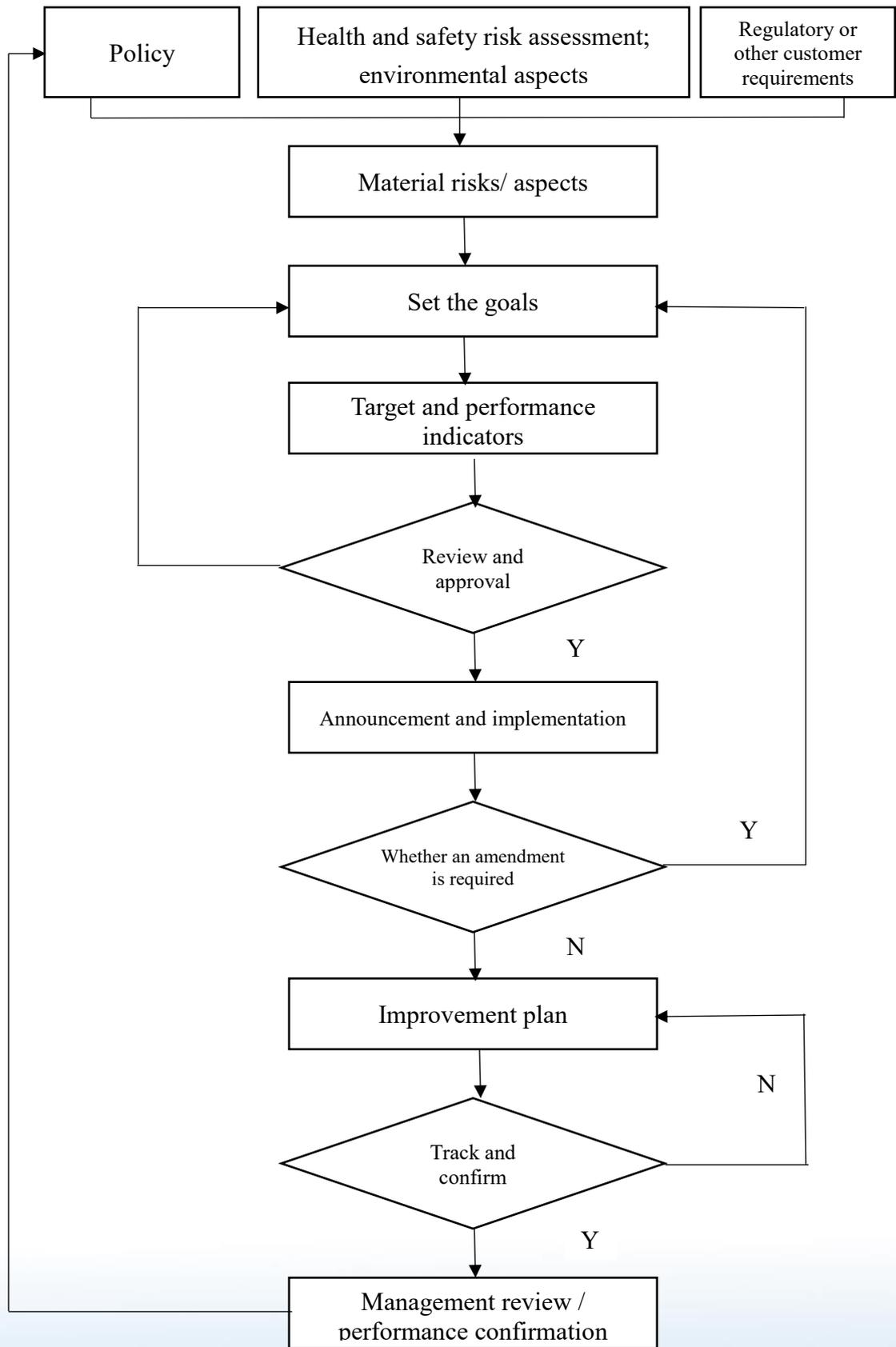
3. Sustainable Environment and Labor Safety

3.1 Environment, Health and Safety (EHS) Management System

MIC introduced ISO 14001 (Environmental Management Systems) and OHSAS 18001 (Occupational Health and Safety Assessment Series) in 2005. In 2017, Hukou Factory received the third-party external verification statement ISO 14064 (Greenhouse Gas Inventories) and set the year as the base year. In September 2018, MIC passed the ISO 45001(Occupational Health and Safety Management Systems) certification; and, in the same year, received the certification of ISO 45001 renamed from OHSAS 18001. Over the years, MIC has established EHS management system in compliance with international standards and included environmental sustainable development strategy in the management system, such increasing resource efficiency and minimizing environmental impacts caused by pollutants. By continuously discussing on and respond to issues concerned by stakeholders, MIC succeeded in fulfill our commitments for sustainable development, complying with regulatory requirements and meeting customer requirements. It is our expectation to, with the use of the “P-D-C-A Cycle” (i.e., Plan, Do, Check and Action), sustainable head towards the goal of building EHS sustainability.

Year	Milestones
May 2005	Introduced ISO 14001 (ISO 14001: 2004) and OHSAS 18001 (OHSAS 18001: 1999).
January 2007	The entire company passed the certification.
November 2009	Implemented ISO 14001 (ISO 14001: 2004) and OHSAS 18001 (OHSAS 18001: 2007), where recertification is required every three years. Renewed the certification in January 2010 for the first time.
November 2012	ISO 14001 (ISO 14001: 2004) and OHSAS 18001 (OHSAS 18001: 2007), where recertification is required every three years. Renewed the certification in January 2013 for the second time.
September 2015	ISO 14001 (ISO 14001: 2004) and OHSAS 18001 (OHSAS 18001: 2007), where recertification is required every three years. Renewed the certification in 2015 for the third time.
April 2017	Hukou Factory received the third-party external verification statement ISO 14064 and set the year as the base year.
January 2018	Introduced ISO 45001 (ISO 45001: 2018).
September 2018	Updated ISO 14001 (ISO 14001: 2004) to the ISO 14001: 2015) version; and OHSAS 18001 (OHSAS 18001: 2007) to the ISO 45001 version. The entire company passed the ISO 45001 (ISO 45001: 2018) certification.
July 2021	ISO 14001 (ISO 14001: 2015) and ISO 45001 (ISO 45001: 2018) , where recertification is required every three years.

EHS Management System Flowchart



3.2 EHS Policy

MIC's operating activities, product development, manufacturing process, engineering construction, maintenance works and customers services must comply with the government's EHS regulations and customers' EHS requirements. MIC is also obliged to implement education and training to enhance employees and management level's EHS knowledge and skills; prevent environmental pollution and reduce the production of waste during the process; effectively use energy; and recycle and reuse resources. The Company is also dedicated to improving employees' work environment by enhancing equipment safety and protection; and instructing safety operations to prevent the occurrence of occupational safety and environmental accidents. Through regular reviews of the EHS management system, the Company also manages to review the EHS performance and to continuously promote improvement activities.

All employees of MIC must understand the contents of Environmental Health and Safety Policy; commit to abide by EHS Management Manual and instructions specified in the documents of the EHS management system; and implement EHS policy requirements in order to enhance the image and ensure sustainable operations of the Company.



MIC has established the Health and Safety Management Division dedicated to handle the entire company's OHS and environmental management works. The division is directly subordinated to the President and has two units – Environmental Protection Department and Occupational Safety Department – to implement matters as follows:

1. Make occupational disaster prevention and emergency response plans; and instruct related business units to implement the said plans.
2. Plan and supervise business units to implement OHS audit and management related affairs.
3. Plan and supervise the examinations and checks of health and safety facilities.
4. Plan and supervise related personnel to implement patrols and regular checks on equipment and tools.
5. Plan and implement health and safety education and training for employees and suppliers (ex., hazard reporting education and training).
6. Plan and hold health checkups for workers and implement health management.
7. Supervise the investigation, handling and statistical analysis of occupational hazards (ex., disease, injury, disability and death suffered by workers).
8. Provide OHS management related information, counseling and advice.
9. Plan environmental protection related works for the Company, factories and the surrounding environment thereof. For example, air pollution prevention and control; water pollution prevention and control; toxic chemical substance management; waste disposal and management; planning for environmental pollution response plans; assisting sales units in controlling the import and export of chemicals; applying for license/permit and managing the declaration and records of monthly operation volume

(online); chemical counseling, evaluation and operational management; noise management and so on.

Besides, all of MIC's factories comply with regulatory responsibility rules, based on which air pollution prevention personnel, toxic chemical substance technical and management personnel, Class A occupational safety management specialist, Class A health management specialist, Class B OHS management personnel and Class A OHS affair managers were established accordingly.

3.3 Environmental Protection

3.3.1 As MIC has always considered environmental protection and effective use of resources as our sustainable goals, all of our operations follow international and local environmental protection regulations in order to minimize environmental impacts. The waste of operating sites and factories, on the other hand, are also considered as one of the important environmental factors, where waste produced by the factories are controlled according to the procedures of the EHS management system.

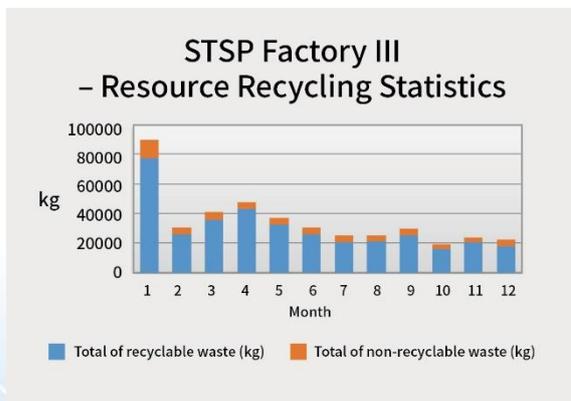
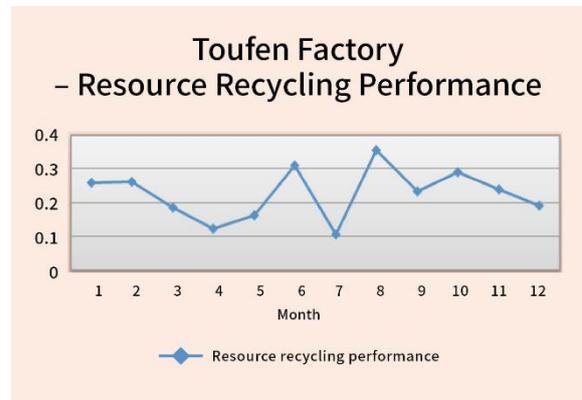
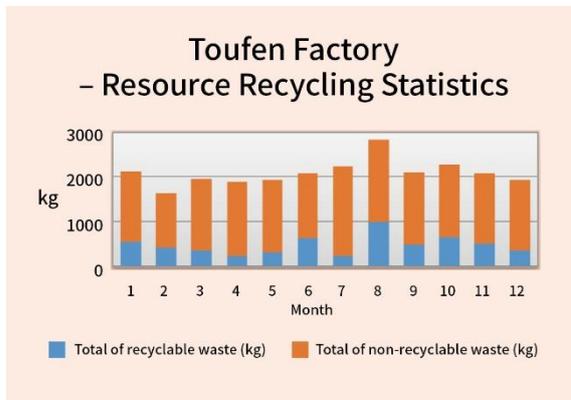
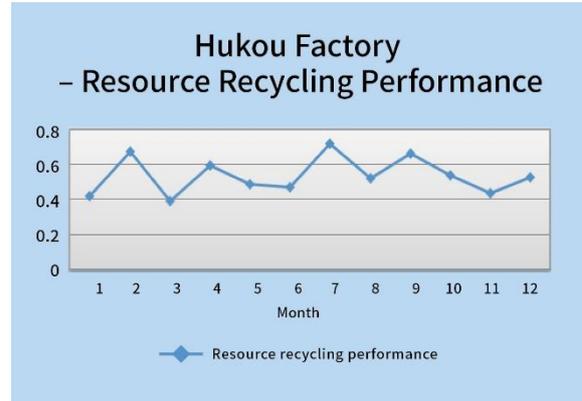
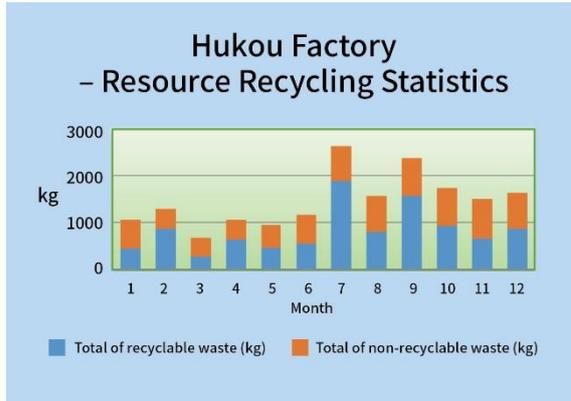
The Company has collected the statistics on primary factories' waste reduction and resource disposal status, where most of the waste have been recycled as secondary resource – particular paper, iron and aluminum materials. As MIC has managed to reduce the amount of waste from the source, the volume of domestic waste to be handled has largely reduced and domestic waste is disposed of by incineration.

In the future, the Company will stay a focus on the proportion of recycling and handling different types of wastes; and will, according to the environmental policy and management rules, consider to further reduce the volume of raw materials from the frontend in order to minimize the production of waste. Apart from source reduction, the Company will also recycle and reuse packing materials to continuously increase the waste reutilization rate. Besides, the Company has established a waste management window at each site and assigned the Occupational Safety and Environmental Protection Division to be in charge of the management and statistics of different types of waste; to assist all units in promoting waste reduction and recycling works; and to supervise the implementation of waste management on a monthly basis.

With respect to the legal and effective disposal of hazardous waste, all factories shall, according to regulations of local competent authority (environmental protection bureau) and the Company's environmental health and safety management procedure, carefully select legal waste disposal and handling companies to prevent environmental impacts caused by the improper disposal/ handling. In addition, all hazardous industrial waste produced by all factories have been legally handled.

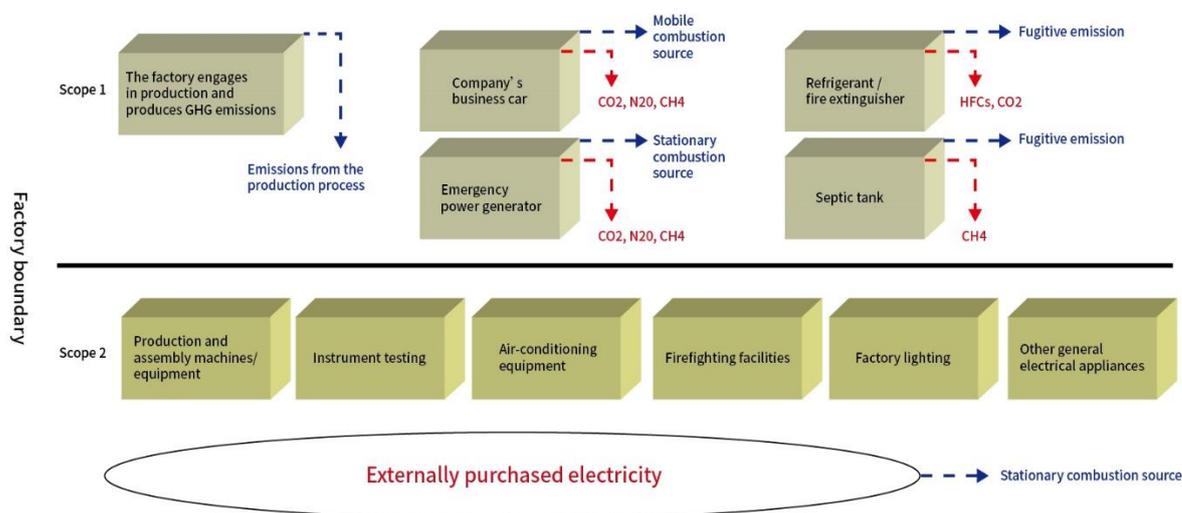
MIC's energy use in 2021: The total electricity consumption is 16,615,439kW (kilowatt).

3.3.2 2021 Waste Reduction Management



3.3.3 Greenhouse Gas Inventory

In response to international trends and regulatory requirements, MIC's Hukou Factory started to summarize GHG emission data in 2017 and the data have been checked. Therefore, 2017 (from January 1, 2017 to December 31, 2017) is set as the inventory base year.



MIC's Hukou Factory mainly engages in equipment assemblage; and its primary emission source is externally purchased electricity. Comparing with other factories at science park or in industrial zone, Hukou Factory obviously produces low GHG emissions. On the premise of not affecting production capacity, we have maximized our effort to continuously reduce the factory's GHG emissions in order to fulfill our responsibilities of reducing environmental impacts. Hukou Factory has selected the emission factor from Environmental Protection Administration's (EPA) GHG emission factor management list 6.0.4 to calculate the values; and then, according to GHG global warming potentials (GWPs) announced by IPCC, converted the results into CO₂e (carbon dioxide equivalent) with the unit of metric tons/year. As for the selection of GWP value, it is based on the GHG GWPs announced by IPCC on the Fourth Assessment Report (AR4).

Emissions of 2021 (Unit: metric tons of carbon dioxide equivalent; tCO₂e/y)

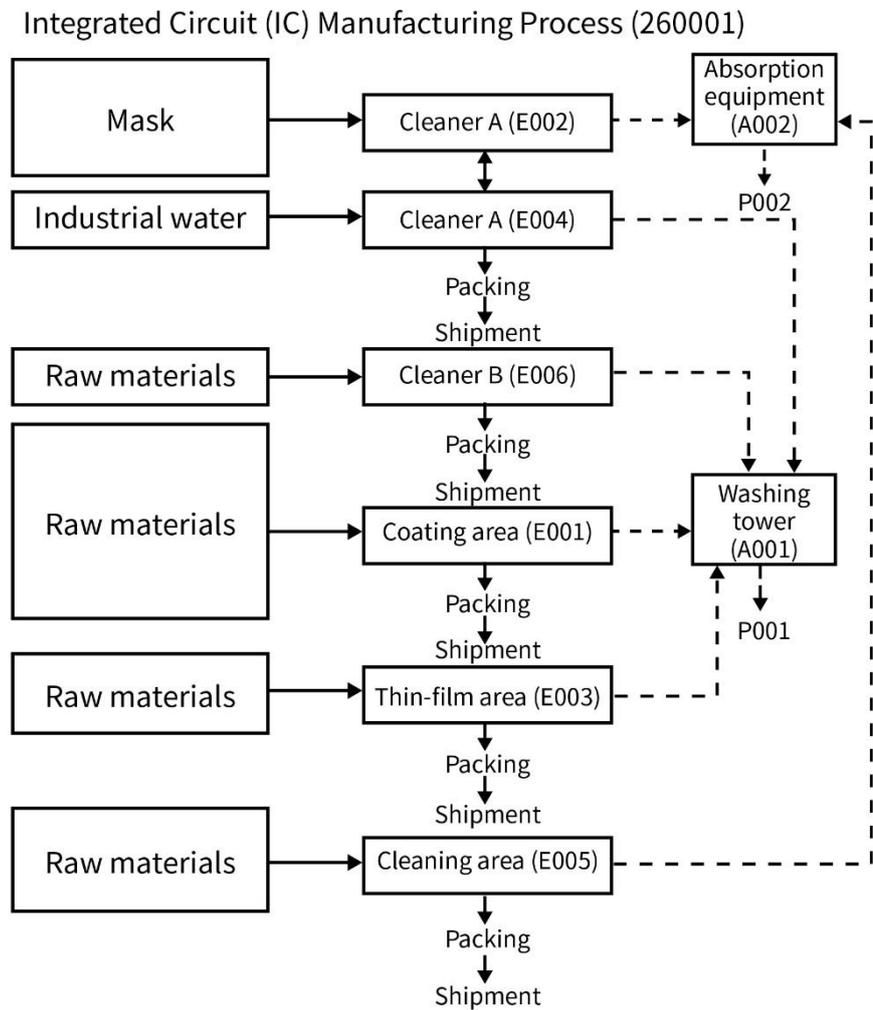
Year	Scope 1	Scope 2	Total emission equivalent*	Comparing with the base year
2017 (base year)	237.3813	894.8673	1132.249	---
2021	47.3677	817.7309	865.099	Scope 1 – The total of emissions has decreased due to the reduced amount of methane and octafluorocyclobutane in the process.

Hukou Factory's CO₂ emissions from biological sources in 2021 is 8.6775 metric tons of carbon dioxide equivalent (tCO₂e/y).

3.3.4 Air Pollution Prevention and Control

The VOCs (volatile organic compounds) waste gas produced by MIC's Hukou Factory in the process is handled using the activated carbon adsorption method; and activated carbon consumables are replaced on an annual basis. The waste gas (acid) produced from etching tank is handled by water tower by washing; and the washing is arranged on an annual basis. To meet regulatory requirements, MIC not only commissions qualified a testing company to detect stationary pollution source, but also proactively places air-volume automatic monitoring facilities at emission outlets to monitor and record the numbers on a daily basis for the purpose of self-inspection and further reducing environmental impacts. Hukou Factory does not emit nitrogen oxides, sulfur oxides and other significant gases.

Air Pollution Prevention and Control Equipment (Process) Flowchart



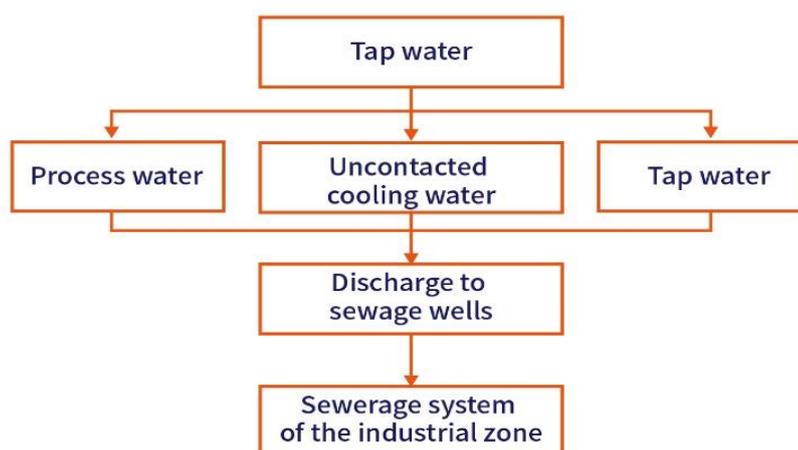
3.3.5 Water Pollution Prevention and Control

MIC's operations require no consumption of tap water and MIC's total water consumption in 2021 is nearly 59,170 liters; and the Company's use of water is coordinated with the operations of local management committee (of the science park, for example). Currently, the Company does not have a water recovery and reuse mechanism.

The Power Consumption Status of MIC Factories in 2021

Item	Factory	Liters	Expense	Note
1	Hukou Factory	13,330	169,599	
2	Toufen Factory	9,753	127,249	
3	STSP Factory I and Factory II	18,625	216,385	
4	STSP Factory III	14,998	196,545	
5	STSP Factory V	595	13,328	
6	Shanhua Bonded Warehouse	1,869	31,280	

MIC's wastewater consists mainly of domestic wastewater, uncontacted colling water and process water. Domestic wastewater and uncontacted colling water are discharged to sewage wells and then to the sewerage system of the industrial zone; and then processed by the sewage treatment plant of the park (or industrial zone). The foundry process wastewater, on the other hand, are discharged and collected according to characteristics thereof and then the waste liquid is disposed by legal disposal companies. The water quality inspection, on the other hand, is carried out by a qualified testing company commissioned by MIC on a semi-annual basis according to regulatory requirements. MIC also proactively places pH monitoring facilities at discharge outlets to monitor and record pH values on a daily basis for the purpose of self-inspection.



3.3.6 Energy Management

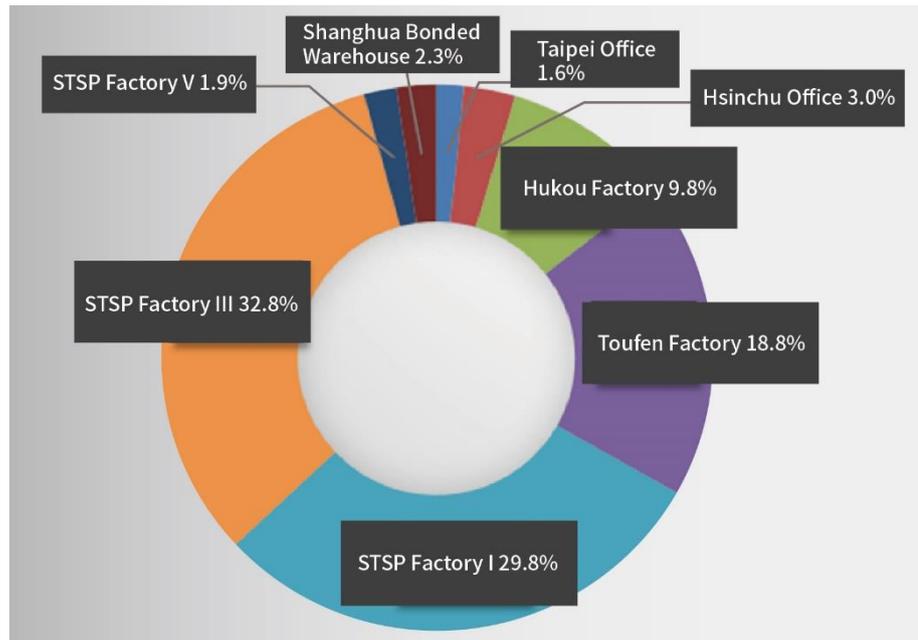
Over the years, MIC has made continuous effort to save energy and integrated with external resources to achieve maximum performance. In 2019, Hsinchu Branch Office (hereinafter referred to as the Hsinchu Office) participated in “Hsinchu City Energy-Saving Equipment Replacement Subsidy Program for Condominium, Commercial Buildings and Government Agencies” to replace the office’s traditional T8 lamps that have been used for many years with energy-saving LED panel lights; and received the “Energy-Saving Golden Award” from “Hsinchu City Energy-Saving Equipment Replacement and Demonstrative Unit Reward Activity”. In 2020, as the air-conditioners and pumps in some floors are worn down and resulted in a high power consumption, Hsinchu Office installed inverter modules to save energy and applied for energy-saving subsidy for air-conditioning inverter technology service. In July 2020, a company was commissioned to install the converters and had a trial run. The results revealed that the average energy-saving rate for air-conditioners and pumps was 28%; and, based on the calculation of electricity bill, the overall energy-saving rate could reach around 9%. Therefore, Hsinchu Office will ask the company to continuously optimize the system in order to achieve maximum benefits.

The energy consumed by MIC is mainly purchased externally and the consumption of electricity is the major source of the Company’s GHG emissions. In 2021, the Company’s total energy consumption has reached 16,615,439 kW (kilowatt).

2021 Electricity Consumption Status

Unit	Electricity Bill (NT\$)	Electricity Consumption (kW)	%
Taipei Office	1,793,444	261,093	1.6
Hsinchu Office	2,029,012	503,040	3.0
Hukou Factory	4,721,318	1,628,964	9.8
Toufen Factory	8,975,649	3,127,360	18.8
STSP Factory I and Factory II	12,667,753	4,952,682	29.8
STSP Factory III	14,628,057	5,451,800	32.8
STSP Factory V	1,123,084	315,220	1.9
Shanhua Bonded Warehouse	1,115,770	375,280	2.3

2021 Electricity Consumption Status (in percentage; %)



Dedicated to reducing power consumption and saving energy, MIC has launched various engineering projects, such as replacing factories incandescent lamps with energy-saving LED panel lights; using the auto switch-on and switch-off functions of the central air-conditioning system to save energy; continuously evaluating the energy-saving transformation of production equipment with a high power consumption; adjusting the ice-water outlet temperature of the air-conditioning system; and controlling indoor air-conditioning temperature.

Solar Energy Generation Plan for STSP Factories:

1. Be CSR-oriented: Maintain the efficiency of the 345-kW solar energy generation system of STSP Factory I; maintain the efficiency of the new 494 kW solar energy generation system; and maintain the efficiency of the 1,892-kW solar energy generation system.
2. Performance over the years or of 2021:

Year	Amount of Generated Power (kW)	
	STSP Factory I	STSP Factory III
2017	279,338	0
2018	273,024	0
2019	346,860	0
2020	360,051	394,584
2021	1,128,181	2,628,293

Future directions:

1. Continue to clean solar panels on a regularly basis to maintain the best performance thereof.
2. Enhance inspections on power generation related units and modules to avoid failures that can affect power generation efficiency.
3. Regularly monitor power generation related data and eliminate abnormalities immediately, if any.

3.3.7 The Use of Raw Materials, Energy and Recycled Raw Materials

Due to the characteristics of the industry, MIC consumes little energy and tap water; and produces limited waste.

Being a citizen of the world, MIC practices energy saving and waste reduction. MIC's offices not only advocates water and electricity saving, but also adopts unit management in regard to the power and air-conditioning design. That is, the light in areas that do not need light will be automatically switched off; and air-conditioning system in meeting rooms that do not need air-conditioning will be automatically switched off. With respect to the spatial design, glass is largely used to increase the lighting; sun control window films and curtains have been adopted to reduce the temperature; and the air-conditioning temperature has been adjusted properly to reduce operational energy consumed in life or by the office.

The water used by the Company classified as general wastewater as it does not cause major pollution and does not have recovery value. Therefore, the Company's wastewater is discharged through public sewers planned by the science park (or industrial zone). With respect to the office paper, MIC has gradually launched the e-document workflow system, enabling employees to apply for leaves or business trips. The system has shown a good performance: it not only saves paper, but also provides administrative efficiency, such as allowing employees to submit an application 24 hours a day or approve the application without boundary. In addition, the Company's employees also share official envelopes; use post-it repeatedly; recycle printed papers for printing or making notes; temporarily retain electronic printing documents in the printer until the printing is confirmed and son on. Besides, the Company also recycles printer toner cartridges, so that the supplier can refill the cartridges and give them back to MIC. Unlike reclaimed materials that have been cautiously defined by national standards, these measures that emphasize on things that appear to be trivial can actually increase the use efficiency, which will become an image that roots in employees' hearts and motivates employees to take actions to protect the earth environment. As MIC does not use reclaimed materials in the product manufacturing and engineering process, the procurement of reclaimed raw materials is therefore not applicable. Besides, as no procurement of reclaimed raw materials is involved in MIC's assemblage, the procurement amount of reclaimed raw materials is zero.

3.3.8 The Environmental Impact Reduction Approach for Products

Oriented to the energy-saving concept, MIC's production equipment is designed to provide customization services; and the products produced thereby are mostly assembled from metal, which is a recyclable material. The pallet and cartons used to transport and pack the products can also be recycled and reused by customers upon delivery. MIC's fundamental facilities are, for example, factories, testing instruments, hand tools and transportation equipment, which do not cause any direct or indirect economic or environmental impacts.

With professional engineering capabilities, MIC provides customers with rapid and flexible integration services from design and planning to engineering construction to engineering supervision to maintenance works after the transfer. This turnkey service and "triple multiple" strategy (i.e., multiple industries, multiple work types and multiple talents) enable MIC to provide professional and comprehensive factory planning service to customers. The horizontal integration of the industrial chain and specialization of each segment enable MIC to gradually increase service items across the livelihood and technology industries to the optoelectronics industry, semiconductor industry, biochemical industry, energy industry and energy-saving engineering. In addition, MIC has successively increased the number of production facilities and created the mansion electromechanical/ air-conditioning engineering service to provide customers with diversified engineering technology integration services.

The techniques and R&D involved in MIC's system integration engineering are different from those of other industries. What MIC is doing is to reassemble materials and equipment using specific techniques to increase customers' operational efficiency. Besides, according to customers' respective requirements and industry characteristics, customization services, which require an integration of architecture, electromechanical, air-conditioning, firefighting, instrument control, pipelines and engineering management knowledge, is also provided to build a high-quality space that meet customers' processing demand. Through our team's professional planning and capabilities, MIC pays attention to every engineering detail in order to maintain the design quality standards and functional requirements.

Electromechanical engineering: By taking "transfer peak loads with ice-storage" as an example, the refrigerant compressor operates in off-peak electricity consumption hours at night to produce ice. That is, when the compressor starts to operate and the brine temperature is lower than 0°C, the water inside the storage tank will go through phase transition and become ice to store a large amount of latent heat; and then, during the peak electricity consumption hours in daytime, the stored ice will melt to release cold energy to meet the air-conditioning needs and reduce the loading of compressor. In other words, the hours of consuming electricity will be shifted to the off-peak hours, successfully transferring the air-conditioning system's loading from peak hours to non-peak hours and reducing electricity bill.

Cleanroom engineering: By taking "cleanroom turnkey engineering" as an example, MIC controls the temperature, humidity, flow, pressure and particulates of indoor air to, together with indoor lighting design and dust-free building materials, assist companies in completing the cleanroom engineering.

MIC not only abides by regulatory requirements to build and maintain an environment that is ideal for sustainable development, but also regularly identifies and updates regulations on a quarterly basis to ensure legal compliance.

Infrastructure do not cause any direct or indirect economic or environmental impacts; and the operations thereof are undertaken by personnel assigned by MIC in compliance with related management rules and the characteristics of the substance (ex., solid waste, waste liquid or wastewater). MIC also commissioned a qualified waste disposal company to dispose waste derived therefrom in accordance with the regulations of the science park (or the industrial zone). MIC did not cause any environmental pollution or engage in any activity that can affect the ecology.

MIC has established a spokesperson system. Any environment-related problem may not only be proposed to our spokesperson and external spokesperson, but also be sent to us via our corporate website mailing system (<http://www.micb2b.com/tw/contactus.php>) or specially established mailbox as a communication or reporting channel at your choice. MIC has not received any complaint concerning environmental impact so far.

3.3.9 The Impact of Transportation System on the Environment

MIC's total fuel expense in 2021 was NT\$21,363,569.

The impact of transportation on the environment is minor in MIC's operating system.

1. Materials and supplies:

When purchasing consumables locally, transportation can cause little impact on the environment.

2. Commercial products:

Land transportation is the major transportation mode from the MIC's production site to customers' factories. Batch shipment from the production site can reduce environmental impact caused by single transportation.

3. Employee commuting and business trips:

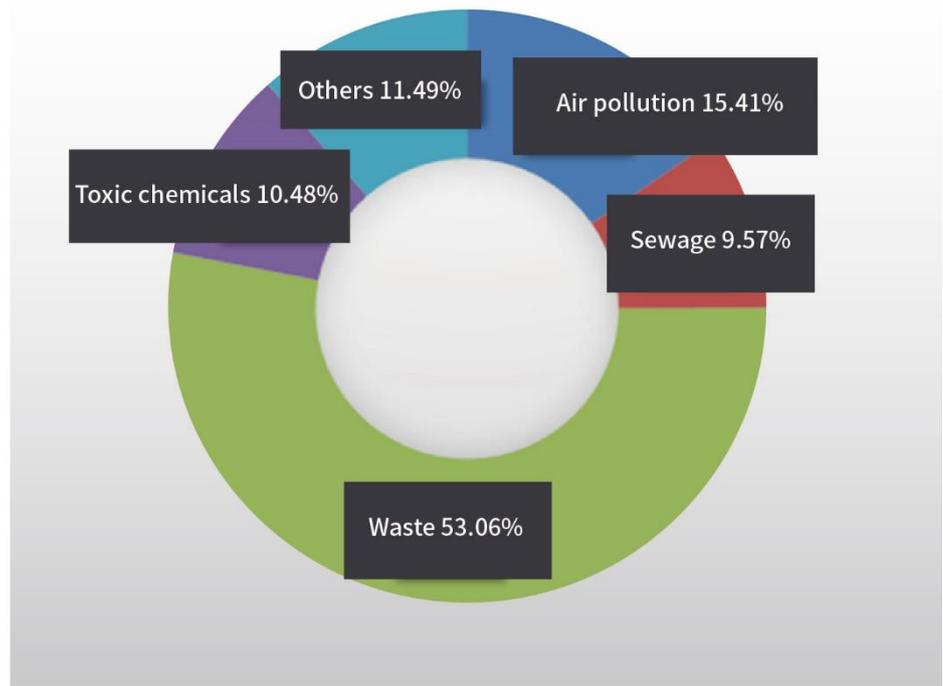
Most employees commute via the mass transit system, such as MRT, train and bus, within Taipei City. For employees of other cities and counties, as most of them live nearby the workplace, the transportation tools used thereby have little impact on the environment.

3.3.10 Total Environmental Expenditure and Investments

The total of MIC’s environmental expenditure and investments was NT\$4,238,231 in 2021. The expenditure and investment details are as follows:

Investment Type	Expenditure Amount	Investment Amount	Total
Air pollution prevention and control	345,056	308,000	653,056
Waste disposal	2,248,679	0	2,248,679
Toxic chemicals	427,578	16,485	444,063
Water pollution prevention and control	405,523	0	405,523
Others	486,910	0	486,910
Total	3,913,746	324,485	4,238,231

Total Environmental Expenditure and Investments (in percentage; %)



3.4 Health and Safety Management

According to our country’s OHS regulations, business entities should establish “occupational health and safety management units”. These units should be set as level-1 units and, for medium and high-risk works, business entities are recommended to hire personnel with “Class B Occupational Safety and Health Management Personnel” and “Class A Occupational Safety/ Health Management Specialist” licenses. The main jobs of the said personnel are to confirm the safety and hygiene of the workplace. For example, whether the lighting is enough in the workplace; whether there is any gas or smell that can harm human

body; whether the firefighting equipment is frequently checked (firefighting management personnel); whether personnel correctly manipulate machineries; and other matters in regard to employee health checkups, and the prevention and control of occupation disasters. All of these require not only strict planning and establishment of emergency response measures, but also assurance of legal compliance and implementation of OHS regulations in order to minimize occupational disasters and the severity thereof, enabling all employees to work in a safe and healthy workplace.

In regard to OHS management of, not only has the P-D-C-A (Plan-Do-Check-Action) approach been applied to reach health and safety management goals, but also, through continuous health checkup and discovery of problems, corrective measures are adopted to effectively prevent occupational hazards and facilitate workers' health and safety in the workplace.

Concerning hazard identification and risk assessment. MIC conducts work inventory, hazard identification, risk assessment and environmental aspect identification at least once a year to identify and assess physical, chemical, biological and human factor engineering hazards that may be resulted from the raw materials, machinery, equipment, operating environment and personnel activities involved in the Company's operations and services. The purposes thereof are to facilitate the adoption of reasonable, effective and accessible control measures in order to reduce the impacts of the said hazards on the health and safety of the Company's personnel and related third parties. The identification personnel shall take and pass related training in order to facilitate the implementation of the said works.

Through online education and training (ex., three hours for general employees during the working hours; and on-the-job training for managerial staffs at all levels) and "Hazard Identification and Risk Assessment for the Prevention of Unlawful Assaults in the Workplace", employees of each unit shall give feedback, discover problems and make improvements in regard to the workplace and work environment. When seeing a potential imminent danger, the person in charge of the workplace shall immediately demand workers to stop operations and retreat to a safe place. Workers who see a potential imminent danger during the work may suspend the operations, retreat to a work place and report to their direct superior under the circumstances of not affecting other workers' safety. The superior shall not dismiss or reassign the said workers, refuse to pay their wages during the suspension of works, or impose any disadvantaged penalty thereon.

Concerning counseling and communication, the Company's "Health and Safety Management Division" is in charge of planning, supervising and promoting worker health and safety related affairs. Formed by the CEO, president occupational safety and health management personnel, health service and medical personnel, department head/supervisor/commander and labor representatives (shall be more than one third of all committee members), "Occupational Health and Safety Committee (hereinafter referred to as the OHS Committee)" holds a meeting every quarter to review, coordinate and make recommendations on OHS related affairs. The purpose thereof is to provide managers and employees with official channels that enable them to communicate and discuss health and safety issues face-to-face. The employees may also engage in counseling and communication in compliance with "Counseling and Communication Management Procedures".

In regard to OHS education and training, MIC's implementation of regular health and safety education and training is based on Articles 16 and 17 of Occupational Health and Safety Rules:

1. Implement 3 hours of general health and safety education for new employees and employees switched over to another position.
2. Implement 3 hours of health and safety education and training for in-service personnel every three years.
3. Implement health and safety education and training specified for special operations (ex., first responders, operator of stationary cranes, operator of forklift and so on; 3 hours every three years)
4. Implement other on-the-job education and training prescribed by other regulations and standards.
5. Regularly implement firefighting training to strengthen disaster prevention education in factories and enhance employees' disaster prevention awareness in order to prevent the occurrence of disasters. Regularly implement firefighting training on a semi-annual basis as prescribed in Article 13 of the Fire Services Act and Article 15 of the Enforcement Rules of Fire Services Act/

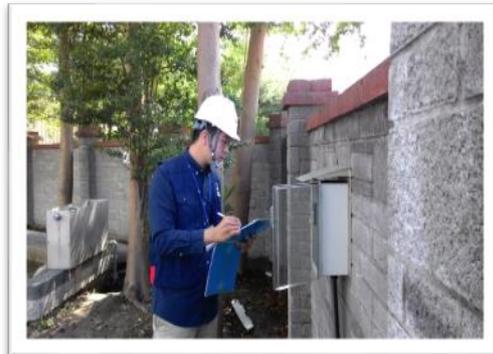
3.4.1 Factory Inspection

To do health and safety prevention works well and effectively, MIC has established a good health and safety management system to promote health and safety management works at factories. In addition, through the implementation of EHS inspection system, MIC is capable to discover possible risk factors within the factory and make immediate improvements to prevent the occurrence of severe accident or abnormal event.

The purpose of implementing factory inspection is to discover potential hazards, such as:

1. Improper actions of the operators;
2. Abnormal operations of equipment;
3. Abnormal 6S management;
4. Abnormality during the operations;
5. Safety abnormality in workplace

Picture: Photos taken during the inspections



3.4.2 Testing of Operating Environment

MIC conducts operating environment testing twice a year to understand the exposure of potential hazards in each work environment. If the measurement results indicate any abnormal testing value, an observation will be made to the area in which the abnormality is

found to make further improvements and to protect labor's safety in the work environment.

3.4.3 Labor Personal Protection

To maintain employees' safety and health and to reduce their contact with hazards during the operations, MIC has established Regulations Governing Personal Protective Equipment (PPE). Employees are also requested to wear appropriate PPE when engaging in dangerous operations to protect their safety and health and to reduce the occurrence of occupational hazards.



3.4.4 Emergency Response Drills

Each factory has established an emergency response organization consisting of the safety control team, firefighting rescue team, first aid team, administrative support team and commander. MIC conducts firefighting (chemical disasters) training and drills on the emergency response organization; and train employees to participate in firefighting (chemical disaster) evacuation drills to enhance their disaster prevention awareness. Besides, MIC also assists production units in planning and implementing regular regional evacuation drills to enhance employees' participation and practice in evacuation and response drills.



Class A Personal Protective Equipment (PPE) wearing training



3.4.5 Health and Safety Education

In regard to OHS education and training, to continuously increase employees' OHS awareness, MIC has continuously enhanced employees' OHS concepts and implemented safety education and training in compliance with "Occupational Health and Safety Education and Training Rules" to establish a safety culture inside MIC. The purposes thereof are to enable staffs to understand the importance and necessity of OHS, including employer's responsibilities and employees' obligations in regard to OHS (from the legal aspect); knowing about the types of and preventive approaches for common accidents and disasters (from the environmental aspect); MIC's OHS regulations and matters on which employees should cooperate (from the safety aspect) and so on.

New employees must take MIC's safety education and training before starting to work in their position. Workers engaged in special operations, on the other hand, should take training for special operation and obtain a certificate before operating specific equipment. Besides, subcontractors should also complete supplier OHS safety education and training before engaging in related operations on site.

Evacuation and shelter guidance



Fire extinguishing team - extinguish the fire



Review mistakes and deficiency observed during the drill



Review mistakes and deficiency observed during the drill

Dressing patient's wound



Gathering place - counting the number of people





Introduction to the use of fire extinguisher and practicing using it



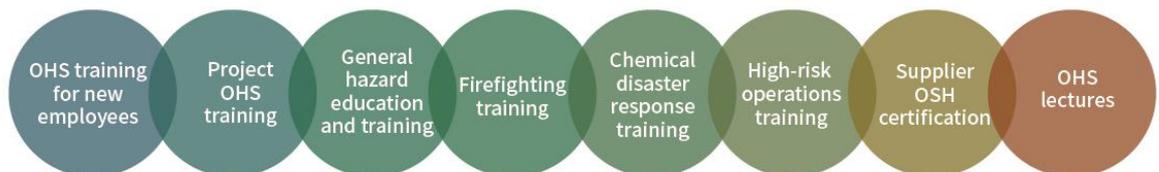
AED & CPR training and practice



Introduction to the use of fire hydrant and practicing using it



MIC plans various education and training programs, such as OHS training for new employees, project OHS training, general hazard education and training, supplier OSH certification, high-risk operations training, firefighting training, OHS lectures, PPE training and so on, to enhance the OHS awareness of employees and suppliers' personnel. It is also our aspiration to establish MIC's safety culture as safety is our responsibility.



3.4.6 Supplier Management

To ensure that our OHS management system reaches our internal consensus and to establish OHS management commitments and a bi-directional communication channel for internal employees, external subcontractors and relate stakeholders, MIC has specially established "Supplier Environmental Health and Safety Management Rules". Based on the Rules, all units shall promote OHS concepts to subcontractors; request subcontractors to sign "Supplier Environmental Health and Safety Management Rules Confirmation Form" and to abide by MIC's rules; and, in regard to suppliers' personnel, perform supplier OHS training, inform related hazards and provide OHS related training (ex., aerial work platform, oxygen-deficiency operations, organic solvent operations supervisor and so on)

3.4.7 Accident Investigation and Disabling Injury

MIC already established accident investigation and handling operating procedures to confirm the causes thereof; analyze the disaster and personnel injury; set accident prevention countermeasures; and track and confirm the implementation of suggested improvement works to prevent the accident from reoccurring again.

Apart from setting up a unit that accepts the reporting of accident and establishing accident investigation procedures, MIC also performed new employee education and training to let employees known about the reporting channel, enabling them to report the accident to related units and support units when an accident occurs. Besides, the Health and Safety Management Division and related units shall form an investigation team to carry out an investigation; and accompany the representative of OHS Committee to jointly review and supervise the investigation procedures and make investigation conclusions accordingly.

In 2021, there were 3 traffic accidents occurred during commutation; 0 occupational accident death case among employees; and 0 occupational accident death case among non-employees within MIC's operating sites. To reduce traffic accidents, MIC not only regularly promote the importance of traffic safety, but also issues EHS e-news to promote traffic safety related concepts and enhance employees' awareness, ensuring that they will go to the workplace happily and return home safely. With respect to the prevention of accident, MIC has either developed plans to implement related promotions or set SOP by which employees are requested to abide. MIC also implements hazard identification and risk assessment work at least once per year; and classifies hazards into Levels A/B (unacceptable) or C/D (acceptable). When an unacceptable risk has been identified, MIC is required to set a goal/ target/ management plan; include it in control measures, education or training; and promote or mark it in order to eliminate it.

Occupational Disabling Injuries in 2021 by Type

Type of Disabling Injuries	No. of Cases
Traffic accident during commutation	3 cases
Accidents in the workplace	0 case

Accidents Occurred in the Workplace of MIC in 2021 by Type (non-employee injuries includes accidents occurred inside and outside the factory under MIC's control)

Type	Employee Injuries		Non-Employee Injuries	
	No. of Cases	No. of Injuries	No. of Cases	No. of Injuries
Fall from a high place/ tumble over	0	0	1	1
Fall down	0	0	3	3
Collision	0	0	0	0
Falling of an object	0	0	0	0
Collapse of an object	0	0	0	0
Bumped	0	0	0	0
Clamped/rolled	0	0	6	6
Stamped o	0	0	0	0
Cut/bruised	0	0	0	0
Drowned	0	0	0	0

Contact with high/low temperature	0	0	0	0
Contact with a hazardous object	0	0	0	0
Electric shock	0	0	0	0
Explosion	0	0	0	0
Breaks of an object	0	0	0	0
Fire	0	0	0	0
Improper action	0	0	0	0
Transportation accident	0	0	0	0
Leakage	0	0	0	0
Others	0	0	0	0
Total	0	0	10	10

1. Loss time in 2021

Month	Number of total work days	Total person-work hours	Number of employees applying for occupational injury leave	Lost days
From January to December	185,737	1,471,176	5	28

P.s. The number of employees applying for occupational injury leave includes employees who apply for return visits across the years in 2021.

2. Disabling Frequency Rate (F.R.)

Disabling Frequency Rate (F.R.) = No. of people suffering from disabling injuries *1000000/ Total person-work hours

$$(F.R.)=5*1,000,000/1,471,176=3.40$$

3. Disabling Injury Severity Rate (S.R)

Disabling Injury Severity Rate (S.R.) = Lost days due to injuries *1000000/ Total person-work hours

$$(S.R.)=28*1,000,000/1,471,176 =19.03$$

3.4.8 A Safe and Healthy Workplace

MIC values employees' rights and interests and provides reasonable treatments. The establishment of any of MIC's system is to comply with legal regulations as MIC pays great attention to employees' OHS with the highest standards as prescribed by the laws. Aiming to protect employees' safety with zero occupational injury, MIC is dedicated to promoting OHS policy and continuously improving the environment. With the joint effort of all employees, MIC succeeded in continuously enhancing OHS and hopes that the establishment of this system will enable employees to work safety. MIC has also been proactive in facilitating employees' health and, through the sharing of health knowledge and regular health checkups, let employees to serve MIC in a safe

workplace and with healthy physical fitness.

MIC pays great attention to protection and assistance provided to employees in the first minute during work activities. Every department should be equipped with at least one part-time safety specialist who has taken and passed professional training. MIC also provides emergency kit in the workplace in order to give first aid to employees properly in the first minute.

To enhance employees' OHS knowledge, we conduct EHS education and training for employees, including internal and/or external training for on boarding and on-the-job employees. We also request all factories to implement two firefighting drills and two chemical leakage response drills a year; and demand all employees to participate in it in order to increase their awareness and reduce disaster losses.

In response to the pandemic of COVID-19, MIC has planned, launched and implemented pandemic prevention policy with a high standard. We have timely performed pandemic prevention measures in factories and offices located in pandemic hotspots to prevent personnel hazards; and demand employees whose footprints are overlapped with confirmed cases to work from home in order to reduce related risks.

3.5 Awards

Awards received in 2017

On December 27, 2017, MIC received the “Certificate of Excellence in the Assessment of Air Pollution Control Personnel of Stationary Pollution Source in 2017” issued by Hsinchu County Government.



Awards received in 2018

On December 14, 2018, MIC received the “Certificate of Outstanding Performance in the Assessment of Air Pollution Control Personnel in 2018” issued by Hsinchu County Government.



Awards received in 2019

On September 20, 2019, MIC joined TSMC's F15A/F15B Contractor 100 and received the "Certificate of Excellent Subcontractor" therefrom.



Awards received in 2020

On October 26, 2020, MIC joined TSMC's Contractor 100 and received TSMC's "Certificate of Excellent Subcontractor" for the year of 2020.



3.6 Health Management

To guard the most important assets – employees’ health, MIC has introduced not only OHS regulations, but also a professional medical team to serve employees in our factories and offices. In 2020, MIC has planned related health facilitation activities related to, for example, the prevention of diseases in news; prevention and treatment of three highs (hypertension, high blood glucose and high blood lipid); emergency training; cancer screening checks; joint testing; prevention of epidemic and so on.



To maintain employees’ physical health, MIC implements employee health checkup each year; and, based on the health checkup analysis results, design medical examination programs that meet employees’ needs. MIC also organizes and setup health checkup procedures and analyze health checkup data, based on which health consultants can further analyze, cross-checking and classify the results to precisely control, track and manage personnel in order to implement health management approaches effectively.



Health services are not closed during the pandemic period. With respect to the prevention of the three highs and the pandemic of COVID-19, MIC has invited practicing physicians to deliver health facilitation seminars, teaching our employees the importance of health checkup report, cardiovascular system, diet and doing exercises in a lively way. MIC has totally held four sessions of health facilitation seminars, which were participated by 236 people with an average satisfaction rate of 4.8.



Awards

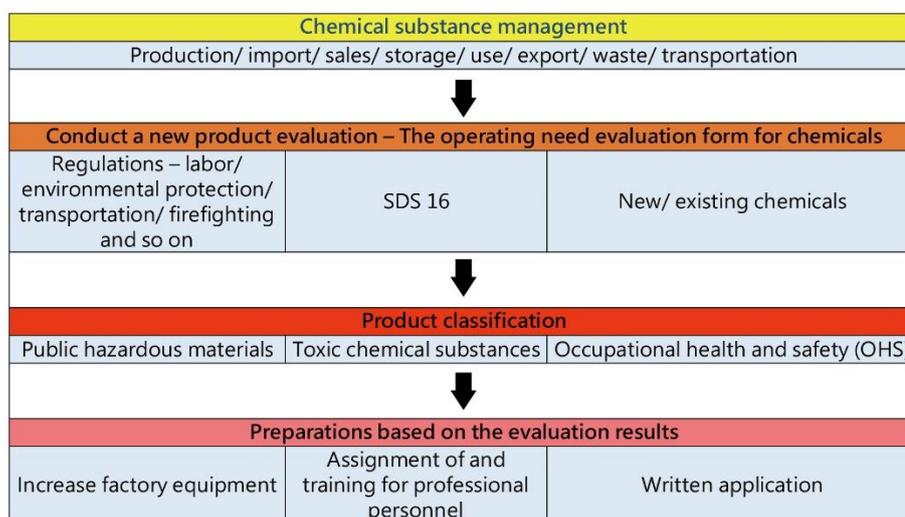
On December 28, 2018, MIC received “Badge of Accredited Healthy Workplace” issued by the Health Promotion Administration (HPA), Ministry of Health and Welfare; and apply for an extension thereof in 2022.



3.7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships

As regulatory requirements are becoming even more strict following the rise of environmental awareness, MIC has been protecting the natural environment for the great nature human’s welfare by abiding by regulations.

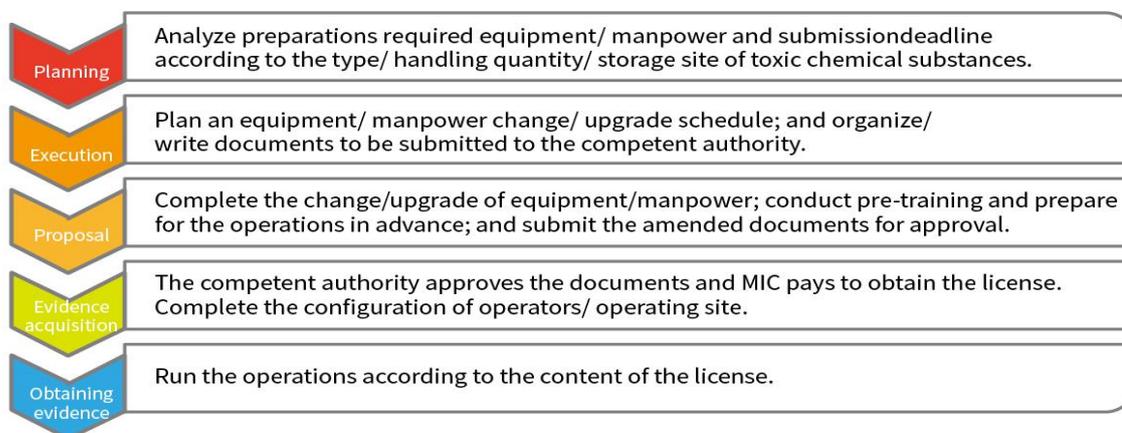
Apart from carrying out analyses according to the content of safety data sheets, MIC not only abides by basic OHS norms, but also meets self-requirements in order to prevent accidents before the occurrence thereof.



Before the operations (import/ storage/ sales) of toxic chemical substances, MIC carries out the following works according to the product type: early stage – paper application/ site configuration/ equipment installation; middle stage – stability of product operations/ factory check points/ regular application/ no warning and overall emergency response drill; late stage – reuse/ waste/ an integral planning for document write-off.

MIC started to operate toxic chemical substances (import/ storage/ sale) in 2003. To ensure that the operations are themed on the safety of personnel/ things/ objects during this

period, MIC not only complied with the competent authority's requirements to proactively participate in regulation amendments and response seminars and meetings, but also promoted related regulations and policy to internal department for the implementation thereof.



To enhance our international competitiveness, we have continuously developed new customers, provided customers with high-quality products and considered how to maintain a good partnership. In addition, MIC has also conducted an overall evaluation on toxic chemical substances to tighten our trusting business relationship with customers.

MIC has summarized the handling of toxic and concerned chemical substances in 2021 and the results indicate that related operations were rather stable. As “prevention” is the top priority of accident response works, MIC has therefore established a complete emergency response mechanism covering the stages of “disaster mitigation, preparedness, response and restoration” for the leakage of toxic chemical substances.

1. Allocate different equipment for different toxic and concerned chemical substances.
2. Regularly train personnel to reduce the occurrence of an accident.
3. Proactively participate in team training/ test response meetings.
4. Proactively inform internal needs in order to increase emergency response capacity.

Toxic and concerned chemical substance response management:

National Toxic Disaster Joint Prevention Organization	A Large Handling Volume – Transportation Hazard Prevention and Response Plan	Factories – Hazard Prevention and Response Plan
<ul style="list-style-type: none"> • Toufen Factory and Hukou Factory has amended/ submitted the data as scheduled; and joined the joint prevention organization. • Regularly participate in related meetings/ team training to enhance the Company/ individuals’ accident response capability. 	<ul style="list-style-type: none"> • The Company and transportation company signed a contract to protect both parties’ rights and obligations during the transportation. For example, the vehicle must be equipped with SDS/ emergency response equipment; the personnel must understand the basic characteristics of toxic chemicals; and both parties shall carry out audits on a regular basis to increase accident response and handling efficiency. 	<ul style="list-style-type: none"> • Toxic operating site – Hukou Factory and Toufen Factory. Concerning the Factory Hazard Prevention/ Response Plan, any amendments to the human resource content/ data shall be made immediately. The data may be retrieved in the online system or from the competent authority for review.

MIC has introduced the certification of ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety Management Systems) to establish environmental health and safety management system in accordance with international standards. MIC has also included our environmental sustainable development strategy in the management system; and will continue to consider “zero occupational safety accident, protecting environment” as our priority goals.

4. Employee Care and Social Welfare

4.1 Labor Policy

MIC not only complies with “Labor Standard Act” and “Act of Gender Equality in Employment”, but also respects employees’ basic human rights and protect employees’ personal data to ensure that their rights and interests are properly protected. We also value employees’ rights and interests, provide reasonable treatment and abide by relevant regulations. All of our employees are fairly treated in terms of salary, benefits and other labor conditions without any discrimination due to their race, religion, political party, gender, age, marital status, horoscope and so on.

MIC recruits employees in compliance with labor regulations; and, to build an organizational framework that complies with MIC’s development, selects required personnel based on their talents and our needs through public recruitment channels without discriminating their race, gender, age, religion and nationality. In the meantime, forced labor and employment of child labor are strictly prohibited. When reporting to work, all new employees must submit the signed labor contract, which includes intellectual property right protection, business confidentiality and non-compete related clauses to maintain the employee and employer’s rights and interests. To implement business integrity, MIC has established “Ethical Corporate Management Best Practice Principles”, which are timely promoted via meetings or the internet on a regular basis. The purpose thereof is to let employees to fully understand MIC’s determination, policy and prevention plan for business integrity; and the results of violating business integrity. With respect to specific reports of any illegal or unethical conduct, MIC not only provides an internal communication mailbox, but also keeps whistleblower’s identity and report content confidential. Up to now, the Company has not received any confirmed complaint about human rights (ex., discrimination on account of race, gender or disability) or labor’s rights

and interests (including the rights of indigenous people).

In 2021, MIC has well used the pandemic slow-down period to proactively participate in various talent recruitment activities, such as the campus recruitment activities of Southern Taiwan University of Science and Technology (STUST), Kun Shan University (KSU), Far East University (FEU) and Ling Tung University (LTU); the Chemical Society National Meeting held at National Central University, where MIC was introduced to students during meeting breaks; and the participation in regional job fairs. It is our aspiration that the influence of the pandemic will be gone, so that we will be able to facilitate our speed in recruiting talents.



The pandemic situation remained intense in 2021. To take care of employees' health and maintain MIC's operations stably, MIC not only prohibited employees to work in different areas or asked them to work in the office in turns depending on the pandemic situation, but also requested all units to make related arrangements (i.e., to work in the office or from home). For employees whose footprints are overlapped with confirmed cases or those with other concerns, MIC also provides free Rapid diagnostic tests thereto as the frontline confirmation and protection.

The Company is also dedicated to diversifying the composition of manpower with proportions specified as follows:

All employees		
	Item	Percentage
Gender	Male	72.7%
	Female	27.3%
Age	Below 30 years old	9.9%
	31 to 50 years old	71.0%

	Above 51 years old	19.1%
	People with mental/physical disabilities and indigenous people	1.4%

4.2 Information on Employees

All of MIC's senior managers are the nationals of our country. The statistics of our workers are as follows (excluding temporary workers and subcontractors' personnel)

Unit: persons; %

Item / Year		2019	2020	2021
No. of workers (persons)	Direct employees	314	312	319
	Indirect employees	421	428	418
	Total	735	740	737
Distribution and ratio of educational background (%)	PhD	1.36	1.35	1.22
	MSc/ master's degree	19.86	21.07	21.03
	University (bachelor's degree)	50.07	51.35	50.88
	College	23.95	21.87	22.52
	Others	4.76	4.35	4.34
Work type (persons)	Managers	15	15	13
	R&D personnel	32	23	27
	Management and other personnel	688	702	697

*Definitions:

- Direct employees: The job categories include operations and engineering personnel.
- Indirect employees: The job categories include sales, management/administrative and R&D personnel
- Managers: Shall refer to the definition specified in Letter Tai-Cai-Zheng-San-Zi No. 0920001301 issued by the former Securities and Futures Commission of the Ministry of Finance on March 27, 2003.

4.3 Labor-Management Relations

4.3.1 Employee Welfare Measures:

To facilitate the harmony of labor relations, improve employee engagement and to increase employee well-being, MIC purchases not only social insurance prescribed by the government, but also employee group insurance and annual employee health checkup.

In regard to employees' welfare, employee group insurance not only includes life and accident insurance, but also covers medical and cancer insurance items. In addition, employees' spouse and children are also insured at the expenses of MIC. Apart from the insurance, the Company also established a number of facilities for employees' use, including the breastfeeding room, an art space and boarding house. In 2021, 3 people applied for unpaid parental leave for raising child(ren); 5 people applied for pregnancy checkup leave; 13 people applied for paternity leave; and 13 people applied for family care leave. These numbers indicate how much care MIC has paid to employees' family.

Apart from abovementioned protection provided by employee group insurance, MIC also minimized the opportunities for employees to travel abroad for business trip due to the global prevalence of COVID-19. Regarding employees who needed to go abroad due to

business needs, MIC purchased additional insurance apart from the original business travel insurance to better protect employees during their business trip and to make them feel secured. In addition, MIC also provided a pandemic prevention kit – including a protective garment, facial masks, a face shield, alcohol wipes and a business trip health guidance – to employees who had to travel abroad for business.

To take care of our employees in terms of their physical health, MIC offered vaccinated employees a full paid vaccine leave (one day) and an unpaid vaccine leave (one day) in 2021 to increase employees' willingness of receiving COVID-19 vaccination and to better protect every employee. In 2021, 1,012 people have applied for vaccine leave.

Concerning welfare planning, MIC has a set of system and established the Employee Welfare Committee to provide all employees with various welfare activities and benefits to make them physically and psychologically healthy and to balance their work and life. The said activities and benefits include company trips, birthday/ birth-giving/ festival gifts, year-end party and so on. To avoid the risk of exposure to the COVID-19 pandemic, MIC canceled all activities that could possibly result in a disease cluster (ex., company trip and year-end party) in 2021. Nevertheless, the Employee Welfare Committee still did its greatest effort to hold the “Listen Before You Sing” movie appreciation event that integrates social care and employees' welfare during the pandemic slow-down period. It is our aspiration that, regardless of the spread of the pandemic, all employees will be able to feel warmth and inspiration in life; and, in total, 303 employees joined this event with their family and friends. In the meanwhile, MIC still held the year-end lucky draw activity online together with MIC's headquarters, Hsinchu Office and STSP Branch Office; and had increased the lucky draw amount to express our appreciation to employees for their contributions in the year.





Concerning employees' salary, benefits or welfare, none of them varies due to employees' location, gender, marital status, religion, race, nationality and political position; and none of MIC's employees ever complained about compensation, benefits or labor related affairs.

4.3.2 Employee Training

In response to the rapid changing industrial environment and technological development, MIC Group provides learning grants to employees every year. The purposes thereof are to create competitive and highly potential employees; enable employees to use what they have learned and new knowledge; and encourage employees to engage in research, development and creations. All of these will help the Company to receive fruitful results with great profits.

To enhance employees' quality and work skills; and to increase their work efficiency and quality, the Company has set "New Employee Guide Rules", "Education and Training Expense Claim and Grants Management Measures" and "Human Resource Control Procedure" to train and guide new employees. MIC also holds regular

occupational safety training to ensure work safety; plan annual education and training plans to perform general and professional training for employees at different levels and serving in different positions, in order to cultivate professional talents, increase the Company's operational performance and effectively develop and use human resources. To provide employees with learning opportunities, related courses were held either physically during the pandemic slow-down period or online when the pandemic situation was intense in 2021. In regard to the arrangement of annual course schedule, MIC emphasize on the development of trends, performance management and work skills with the aspiration to make the organization's operations even more efficient and to let MIC grow sustainably.

In 2021, 2,279 people have participated in internal and external training. The internal training includes management, expertise, general health education and other courses that help employees to strengthen their work skills and to have a healthy body and mind. External training, on the other hand, is arranged depending on each unit's respective expertise or regulatory requirements.

4.3.3 Employee Compensation:

Talents are the assets that MIC values the most. Based on MIC's performance, we provide employees with compensation and benefits that are above the market standards and in compliance with the Labor Standards Act, enabling every employee to work without concerns and to make use of their expertise.

The design of MIC's compensation system is oriented to supporting MIC's goals and to effectively recruit, inspire and retain talents. We have been continuously collecting and analyzing information about the external compensation market and adjusting our compensation package according to the consumer price index in order to maintain the competitiveness of our compensation package above the standards. As for the internal aspects, it is our aspiration to inspire and encourage employees with excellent performance and ensure that the compensation packages are offered fairly on the same basis. This requires an integration with MIC's operating goals in order to evaluate an employee's work performance, job-based competence, contribution to the Company and future potential, based on which we will determine the employees' total compensation. In addition, employees' compensation does not vary due to their location or gender. In 2020, MIC was positioned in the 6th place among 37 listed companies in the sector of other electronics in terms of our employee benefits (salary), indicating that our compensation package remains competitive in the industry.

4.3.4 The System and Implementation of Retirement

MIC has established Supervisory Committee of Labor Retirement Reserve in accordance with "Labor Standard Act". The Committee is responsible for supervising the savings and retirement of reserve funds; and to contribute labor pension funds in accordance with "Labor Pension Act". Each December, the Committee also precisely calculates the appropriation rate of labor retirement reserve funds through a professional business management firm in order to protect employees' rights and benefits for applying for the pension. 100% of our employees have participated in the pension program.

1. Retire reserve funds in accordance with the “Labor Standard Act” (also known as the old labor pension system):

MIC appropriates 2% of employees’ total monthly salary as the pension reserve funds; and save the said funds in an account of National Taiwan Bank under the name of the Supervisory Committee of Labor Retirement Reserve. As of the end of 2021, the fair value of plan assets was NT\$142,612,000; and the total of pension amount that shall be appropriated to employees by law was NT\$163,688,000, which is recognized as a net defined benefit liability.

MIC’s employees may be voluntarily retired or compulsorily retired. Those who have been working at MIC for more than 25 years, for more than 15 years and above 55 years old, and for more than 10 years and above 60 years old may apply for voluntary retirement. Employees who are unable to take over the job due to age (above 65 years old) or physical/mental difficulties, MIC may be requested to retire compulsorily. The calculation and payment of the pension shall refer to the “Labor Standard Act”.

2. Retire reserve funds in accordance with “Labor Pension Act” (also known as the new labor pension system):

Employees who are above 60 years old and who have been working at MIC for more than 15 years may apply to receive either monthly pension payments or a lump-sum pension payment. Nevertheless, employees who have been working at MIC for less than 15 years shall receive a lump-sum pension payment.

The total of defined contribution pension (the old labor pension system) and withheld pension (the new labor pension system) was NT\$42,302,000 in 2021.

4.3.5 Labor-Management Communication and Negotiation

The Company’s stable and sustainable development relies on good communication not only among employees, but also between employees and the Company. Good communication can help to create a friendly work environment and foster a Company’s human capital. Apart from providing a safe and comfortable work environment and reasonable compensation package, MIC also care for employees’ life through official and non-official channels in order to build employees’ sense of identity with the company and to facilitate the harmony of labor relations. We respect employees’ right of free association and collective bargaining agreements. As of December 31, 2021, no employee stood out to form a labor union or make collective bargaining agreements. Other communication channels include regular and irregular meetings that help to facilitate communication; various internal education and training; feedback among members and between members and lecturers; and at least two performance management counseling sessions that enable every employee to discuss his/her current work status, performance, expertise and development of future career with his/her superior. In addition, the Company also issues Staff E-news, which shares managers’ ideas about corporate development/ wisdom of life and reports of what has happened inside the Company, on a quarter basis. The Company also set up an employee communication mailbox to enhance the mutual trust and understanding between

employees and the Company and to facilitate the formation of a good relations.

4.4 Social Care

To encourage employees' participation in local activities, to optimize our fulfillment of corporate social responsibility and to promote neighborhood relations, MIC irregularly participates in social welfare activities, such as charity sale with local social welfare groups. For example, MIC totally held 7 charity sales in Taiwan in 2021; and placed charity boxes in Taipei and Hsinchu with the aspiration that our employees can show their compassion by donating some coins. In 2021, our colleagues at Hukou Factory also participated in the blood donation activity held by Hsinchu Blood Donation Center to donate their blood and compassion.

Charity Group	Session(s)	Charity revenue
Zhanyi Bakery	2	\$13,651
Hung-Chia Sanctuary Center	1	\$15,425
LUWAY Opportunity Center	2	\$11,380
Fuhaner (Sin Te Bakery)	1	\$8,576
Lian Sin Yuan	1	\$11,000
Total	7	\$60,032





In addition, with our recognition to CPMAH's (Chinese Professional Management Association of Hsinchu) mechanism of promoting social welfare, MIC has been proactive in promoting and participating in various activities as CPMAH's chairman, honorary chairman and chairman of the Membership Committee starting from 2021.

In the beginning of the year, MIC participated in the tangerine charity sale activity "10 Years in Social Welfare, Let's Purchase Tangerines Together" held by Industrial Technology Research Institute (ITRI) again. Launched in 2021, this activity has been supported by a number of enterprises and created a big echo among them. MIC has participated in this tangerine charity even for 10 consecutive years. Apart from witnessing farmers' dedication to developing a friendly environment, we also hope that our customers will receive not only the fruit gift box that shows our support to social welfare activities, but also the good lucks and blessings that we wish to deliver to them.

Regardless of the impact of the pandemic, enterprises still show their high support to this activity and the total sales of this event had a growth of 6% against the trend. Over the last 10 years, MIC already assisted farmers in Hsinchu in selling about 114,000 kg of tangerines with a total purchase amount of nearly NT\$3,000,000. This amount was donated to Aiheng Special Needs Center, Chuhsin Family, Blue Sky Homeland, TFCF Hsinchu Branch, Huei Ming Home for Blind Children, Ren-ai Senior Citizens' Home and Grown-up with hands family, more than 140 social welfare institutions in total. It is ITRI's expectation to, with the extraction technology and overproduced raw materials or raw materials with a poor appearance, assist farmers in producing tangerine water or essential oil (a raw material

of cleansing products) to add value to agricultural products. MIC also expects to facilitate our employees' social participation through similar activities and encourage them to care about disadvantaged minority in the society with real actions.



4.5 Industry-Academia Collaboration

MIC has been paying attention to the fulfillment of “corporate social responsibility” with the aspiration to make greater contributions to the society. Our cooperation with schools in internship programs is also originated from this concept. To the extent possible, the Company is willing to provide resources and opportunities to help the society to cultivate talents. It is also our aspiration that interns will, by learning and being cultivated at MIC, have a greater development and better prospects. Our Company launched our first industry-academia collaboration program together with Fu Jen Catholic University in 2004. During this period, we also conducted a cooperative education program with Hwa Hsia University of Technology (formerly known as Hwa Hsia College of Technology and Commerce) by participating in the “Taiwan-Germany Talent Program”. In both 2015 and 2016, we provided internships to students of National Cheng Kung University and Far East University (FEU). In 2017, we started to cooperate with Car East University. In 2020, we provided FEU’s Department of Electrical Engineering and STUST’s (Southern Taiwan University of Science and Technology) Department of Mechanical Engineering with 8 cooperative education opportunities. In 2021, we continued to cooperate with STUST’s Department of Mechanical Engineering and started to cooperate with KSU’s (Kun Shan University) Department of Electrical Engineering on cooperative education and totally provided 19 internship opportunities. In addition, some students also came to us, asking about internship opportunities. Some of these students came to our Company to participate in practice learning throughout the semester; and some gave up their summer and winter vacation and worked in our Company as an intern. All of them are worthy to be praised and encouraged.

5. Conclusions

Upholding the philosophy of business sustainability, MIC has established a long-term partnership with customers and social groups; fulfilled our corporate social responsibility; maintained high EHS standards by stipulating important EHS policy. We pay great attention to human rights, take care of employees, provide a good work environment, abide by anti-corruption, fulfill environmental protection and report our implementation results to the Board of Directors on an annual basis.

Oriented to the spirit of SA 8000, MIC has established a high-efficiency management system of social responsibilities and demonstrated our commitments to fulfill corporate social responsibility to stakeholders. We commit to our employees that we will continue to improve work conditions, build a healthy workplace and facilitate labor-management communication. We commit to our suppliers that we will enhance our competitiveness, obtain orders from brand companies, improve our management abilities and reduce additional costs. We commit to brand companies that we will maintain our competitiveness in terms of reputation, establish a reliable supply chain and have sustainable operations.

Annex I GRI Standards Index

GRI 101: Foundation 2016					
GRI 102: General disclosures 2016					
Series	Disclosure	Descriptions	Chapter		Page
Organizational profile 2016	102-1	Name of the organization	1.1	About MIC	4
	102-2	Activities, brands, products, and services	1.4	Operational Overview	9
	102-3	Location of headquarters		About this Report	2
	102-4	Location of operations		About this Report	2
	102-5	Ownership and legal form	1.2	Company History	5
	102-6	Markets served	1.3	Business Philosophy	7
	102-7	Scale of the organization	1.5	Global Deployment	10
	102-8	Information on employees and other workers	4.2	Information on Employees	61
	102-9	Supply chain	2.2	Customer Supplier Relationship	27
	102-10	Significant changes to the organization and its supply chain		No major change during the reporting period	
	102-11	Precautionary Principle or approach	2.3	Significant Changes to the Management Framework and Response Measures	30
	102-12	External initiatives	3.5	Awards	54
	102-13	Membership of associations	2.2	Customer Supplier Relationship	27
Strategy 2016	102-14	Statement from senior decision-maker		Words from the Management	3
	102-15	Key impacts, risks, and opportunities	1.3	Business Philosophy	7
Ethics and integrity 2016	102-16	Values, principles, standards, and norms of behavior	4.1	Labor Policy	60
	102-17	Mechanisms for advice and concerns about ethics	4.1	Labor Policy	60
Governance 2016	102-18	Governance structure	2.1	Organization Chart	26
	102-19	Delegation authority	2.1	Organization Chart	26
	102-20	Executive-level responsibility for economic, environmental, and social topics	2.1	Organization Chart	26
	102-22	Composition of the highest governance body and its committees	2.3	Significant Changes to the Management Framework and Response Measures	30

GRI Standards Index (continued)

GRI 102: General disclosures 2016					
Series	Disclosure	Descriptions	Chapter		Page
Governance 2016	102-23	Chair of the highest governance body	2.1	Organization Chart	26
	102-26	Role of highest governance body in setting purpose, values, and strategy	1.3	Business Philosophy	7
	102-27	Collective knowledge of highest governance body	1.3	Business Philosophy	7
	102-33	Communicating critical concerns	2.1	Organization Chart	26
	102-40	List of stakeholder groups	2.4	Stakeholder Communication Channels	31
	102-41	Collective bargaining agreements		No such circumstance in the year	
	102-42	Identifying and selecting stakeholders	2.4	Stakeholder Communication Channels	31
	102-43	Approach to stakeholder engagement	2.4	Stakeholder Communication Channels	31
	102-44	Key topics and concerns raised	2.5	Issues of Materiality	32
GRI 102: General disclosures 2016					
Series	Disclosure	Descriptions	Chapter		Page
General Disclosures 2016	102-45	Entities included in the consolidated financial statements	1.5	Global Deployment	10
			1.7	Operational Performance	19
	102-46	Defining report content and topic boundaries		About this Report	2
			2.5	Issues of Materiality	32
	102-47	List of material topics	2.5	Issues of Materiality	32
	102-48	Restatements of information		No effect of such information and no reason therefor	
	102-49	Changes in reporting		The management approach and its components	
	102-50	Reporting period		About this Report	2
	102-51	Date of most recent report		About this Report	2
	102-52	Reporting cycle		About this Report	2
	102-53	Contact point for questions regarding the report		About this Report	2
	102-54	Claims of reporting in accordance with the GRI Standards		About this Report	2
	102-55	GRI content index		GRI Standards Index	70
102-56	External assurance		About this Report	2	

GRI Standards Index (continued)

GRI 103: Management approach 2016					
	Disclosure	Descriptions	Chapter		Page
	103-1	Explanation of the material topic and its boundary	2.5	Issues of Materiality	32
	103-2	The management approach and its components	1.10	The management approach and its components	22
	103-3	Evaluation of the management approach	1.11	Evaluation of the management approach	25
GRI 200: Economic Series 2016					
Series	Disclosure	Descriptions	Chapter		Page
Economic Performance 2016	201-1	Direct economic value generated and distributed	1.7	Operational Performance	19
	201-2	Financial implications and other risks and opportunities due to climate change	3.3	Environmental Protection	36
	201-3	Defined benefit plan obligations and other retirement plans	4.3	Labor-Management Relations	62
GRI 200: Economic Series 2016					
Series	Disclosure	Descriptions	Chapter		Page
Economic Performance 2016	201-4	Financial assistance received from government		No such circumstance in the year	
Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.3	Labor-Management Relations	62
	202-2	Proportion of senior management hired from the local community	4.2	Information on Employees	61
Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	3.3	Environmental Protection	36
Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.2	Customer Supplier Relationship	27
Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Not applicable	This disclosure does not exist during the reporting period	
GRI 300: Environmental Series 2016					
Series	Disclosure	Descriptions	Chapter		Page
Materials 2016	301-2	Recycled input materials used	3.3	Environmental Protection	36
	301-3	Reclaimed products and their packaging materials	3.3	Environmental Protection	36
Energy 2016	302-1	Energy consumption within the organization	3.3	Environmental Protection	36

GRI Standards Index (continued)

GRI 300: Environmental Series					
Series	Disclosure	Descriptions	Chapter		Page
Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.3	Environmental Protection	36
	305-2	Energy indirect (Scope 2) GHG emissions	3.3	Environmental Protection	36
Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations		No violation of environmental laws and regulations during the reporting period	
GRI 400: Social Series					
Series	Disclosure	Descriptions	Chapter		Page
Employment 2016	401-1	New employee hires and employee turnover	4.2	Information on Employees	61
	401-2	Benefits provided to full-time employees (excluding temporary and part-time employees) that are not provided	4.3	Labor-Management Relations	62
	401-3	Parental leave	4.3	Labor-Management Relations	62
Labor-Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Not applicable		
Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management Systems	3.4	Health and Safety Management	46
	403-2	Hazard identification, risk assessment, and incident investigation	3.4	Health and Safety Management	46
	403-3	Occupational health services	3.4	Health and Safety Management	46
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.4	Health and Safety Management	46
	403-5	Worker training on occupational health and safety	3.4	Health and Safety Management	46
	403-6	Promotion of worker health	3.6	Health management	56
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business	3.7	Prevention and Mitigation of Occupational Health and Safety	58

		relationships		Impacts Directly Linked by Business Relationships	
Training and Education 2016	404-1	Average hours of training per year per employee	4.3	Labor-Management Relations	62
	404-2	Programs for upgrading employee skills and transition assistance programs	4.3	Labor-Management Relations	62
	404-3	Percentage of employees receiving regular performance and career development reviews	4.3	Labor-Management Relations	62
GRI 400: Social Series					
Series	Disclosure	Descriptions	Chapter		Page
Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	2.1	Organization Chart Information on Employees	26
			4.2		61
	405-2	Ratio of basic salary and remuneration of women to men	4.3	Labor-Management Relations	62
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.1	Labor Policy	60
GRI 400: Social Series					
Series	Disclosure	Descriptions	Chapter		Page
Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		No such circumstance during the reporting period	
Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor		No such circumstance during the reporting period	
Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		No such circumstance during the reporting period	
Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	4.1	Labor Policy	60
Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments		No such disclosure during the reporting period	
Local Communications	413-1	Operations with local community engagement,	4.4	Social Care	66

2016		impact assessments, and development programs			
	413-2	Operations with significant actual and potential negative impacts on local communities		No such disclosure during the reporting period	
Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No violation during the reporting period	
Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling		No violation during the reporting period	
	417-3	Incidents of non-compliance concerning marketing communications		No violation during the reporting period	
Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No such disclosure during the reporting period	
Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	4.1	Labor Policy	60



INDEPENDENT ASSURANCE OPINION STATEMENT

Marketch International Corp. 2021 Sustainability Report

The British Standards Institution is independent to Marketch International Corp. (hereafter referred to as MIC in this statement) and has no financial interest in the operation of MIC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of MIC only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by MIC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to MIC only.

Scope

The scope of engagement agreed upon with MIC includes the followings:

1. The assurance scope is consistent with the description of Marketch International Corp. 2021 sustainability Report.
2. The evaluation of the nature and extent of the MIC's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Marketch International Corp. 2021 sustainability Report provides a fair view of the MIC sustainability programmes and performances during 2021. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the MIC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate MIC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that MIC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to MIC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 8 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that MIC has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the MIC's inclusivity issues.

Materiality

MIC has established relative procedure in organization level, as the issues which were identified by all departments have been prioritized according to the extent of impact and applicable criterion for sustainable development of organization. Therefore, material issues were completely analyzed and the relative information of sustainable development was disclosed to enable its stakeholders to make informed judgments about the organization's management and performance. In our professional opinion the report covers the MIC's material issues.

Responsiveness

MIC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for MIC is developed and provides the opportunity to further enhance MIC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the MIC's responsiveness issues.

Impact

MIC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. MIC has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the MIC's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

MIC provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the MIC's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the MIC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu, Managing Director BSI Taiwan



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Statement No: SRA-TW-2021149

2022-10-24

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Marketech International Corp.
2021 Sustainability Report

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