

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, 2022 and December 31, 2022. The last ESG report was issued on June 2022.

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 second Sustainable Report (MIC has previously issued 8 ESG reports) and the publication cycle there of 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

Reflecting on the year 2022, the ripple effects of inflation spread worldwide, casting a shadow of extreme pressure over corporate operations: Escalating energy costs, rising transportation expenses, and the risks posed by electricity and water shortages due to the volatile climate have challenged enterprises to navigate wisely through their operational decisions. To achieve carbon neutrality, the European Union (EU) is set to introduce the Carbon Border Adjustment Mechanism (CBAM), which will impose a carbon tax on all products imported into Europe in the future. Additionally, the Taiwanese government officially enacted the "Climate Change Response Act" in January 2023, ushering in a new era of carbon pricing.

MIC understands the effects and limitations of climate change on the operating environment. In our pursuit of higher data accuracy in carbon emissions, we concluded ISO 14064 GHG Inventories for all our Taiwan factory sites in 2022 and introduced the ISO 50001 Energy Management System. Through strategic scientific and technological management, we have proactively enhanced energy performance and decreased greenhouse gas (hereinafter referred to as the GHG) emissions to boost energy efficiency. This approach facilitates decreased energy consumption, further diminished GHG emissions, fulfillment of social responsibilities, and reduced associated costs.

We have been paying attention to international zero emissions development and domestic energy transformation policies. We have successfully implemented a 2,731KW solar power initiative across the rooftops of our facilities within the Southern Taiwan Science Park (hereinafter referred to as the STSP). Additionally, we remain proactive in evaluating the risks and opportunities associated with climate change; and are committed to implementing responsive strategies and actions. Through this Sustainability Report, we communicate the outcomes of our social engagement with stakeholders and further our commitment to becoming a sustainable business.

Chairman & CEO



Ms. Margaret Kao



Chairman Margaret Kao (right) received the "National CEO Award", presented by Dr. Barry Ta-Hsien Lo (left), Chairman of the Chinese Professional Management Association (CPMA).

1

Company Profile

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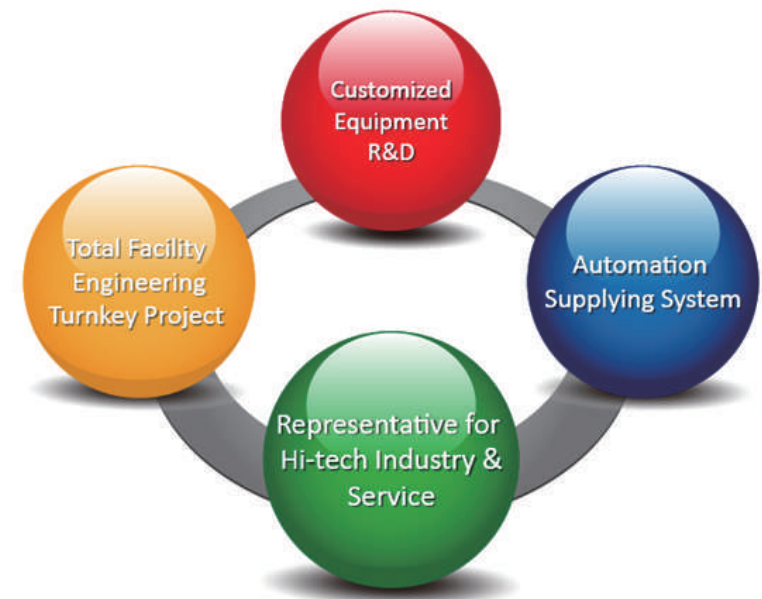


1.1 About MIC

Co-founded by Ms. Margaret Kao and Scott Lin 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

- | | |
|--|--|
| <p>1988 • Marketch International Corp. was established with paid-in capital of NT\$ 5 million in December.</p> <p>1989 • Cooperated with US TPI Systems and introduced the hi-tech products as well as technologies in February.</p> <p>1995 • Set up MIC' s 1st semiconductor cleaning room in June.</p> <p>1997 • Started oversea business expansion from Singapore in July.
• Tainan representative office was established to support customers in Tainan Science Park in October.
• Co-marketed with J.P.C. to expand business in oversea markets in December.</p> <p>1998 • Set up MIC' s 2nd semiconductor cleaning room in January.
• Changed company organization and name to Marketch International Corp.</p> <p>2000 • Divisions of Equipment & Material and Chemical Engineering received ISO 9002 certification in September.
• Hsin Chu office was officially opened.
• MIC-TECH VENTURES ASIA PACIFIC INC. was established and in charge of investment projects in China in December.</p> <p>2001 • MARKET GO PROFITS LTD. was established and in charge of oversea investment projects in February.
• Acquired MARKETECH INTEGRATED PTE LTD.
• 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.
• Hsin Chu branch office was established in July.
• Tao Yuan bonded warehouse was established and operated in August.
• Received ISO 9001 certification (modified version by year 2000) in September.
• 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.</p> <p>2002 • Acquired Shanghai Maohua Electronics Engineering Co.,Ltd. to expand business in China in January.
• Officially listed on Emerging Stock Market in April.
• Officially listed on OTC Market in October.</p> <p>2003 • Issued MIC' s 1st domestic unsecured convertible bond of NT\$ 500 million in January.
• Started building Hu Kou factory in February.
• Fuzhou Jiwei System Integrated Co., Ltd. was established to expand the business in South China.
• Got approval to set up official office in Tainan Science Park in May.
• MIC-Tech Electronics Engineering Corp. was established in June.
• Tainan Science Park branch office was established in August.
• Hu Kuo factory was officially opened in September.
• Started building Shan Hua factory in October.
• Issued MIC' s 2nd domestic unsecured convertible bond of NT\$ 580 million in October.</p> <p>2004 • Started building Tainan Science Park factory in March.
• Worked as OEM of US equipment supplier in March.
• Officially listed on Taiwan Security Exchange Market in May.
• Shan Hua factory was officially opened and operated in September.
• MIC-TECH GLOBAL CORP. was established in October.</p> | <p>2005 • Tainan Science Park factory was officially opened and operated in May.
• Wu Xi factory was officially opened and operated in June.
• Relocated headquarter to Nangang Soft Park in November.</p> <p>2006 • Worked as OEM of US well-known flat panel display equipment supplier.
• Worked as OEM of Japan Lasertech in March.
• Phase I of Tou Fen factory was officially opened and operated in November.</p> <p>2007 • Received ISO 14001 and OHSAS 18001 certification in January.</p> <p>2008 • Started building Phase II of Tainan Science Park factory in January.
• Phase II of Tainan Science Park factory was officially opened and operated in July.</p> <p>2009 • Marketch International Sdn. Bhd. was established for business expansion in Malaysia in February.</p> <p>2010 • MIC-Tech Viet Nam Co., Ltd. was established for business expansion in Vietnam in January .</p> <p>2011 • Transferred semiconductor thermal process from Japan HiKE in June.
• Recognized as certified AEO company by Custom Administration, Minister of Finance in June.
• Hoa Phong Marketch Co., Ltd. was established for business expansion in Vietnam in July.</p> <p>2013 • Phase III of Tou Fen factory was officially opened and operated in June.</p> <p>2014 • Marketch Engineering Pte. Ltd. was established in January.
• Marketch Integrated Construction Co., Ltd. was established for business expansion in Myanmar in April.</p> <p>2015 • Established the subsidiary (Marketch Integrated Manufacturing Company Limited) in Myanmar in March.
• Started to build factory in Myanmar in December.
• Received the SA8000 certification in December</p> <p>2016 • PT Marketch International Indonesia set-up
• Central Taiwan Science Park Branch set-up
• Issued MIC' s 3rd domestic unsecured convertible bond of NT\$ 500 million.</p> <p>2017 • Marketch Netherlands B.V. set-up.</p> <p>2018 • Phase III of Tainan Science Park factory was officially opened and operated in June.
• The factory in Myanmar was officially opened and operated in December.
• The new office in Shanghai was officially opened and operated in December.
• Received the ISO 45001 certification in December.
• Established the subsidiary (Marketch International Corporation USA).</p> <p>2020 • Issued MIC' s 4th domestic unsecured convertible bond of NT\$ 1.5 billion.</p> <p>2021 • Established the subsidiary (MIC Healthcare Korea Co., Ltd.)</p> <p>2022 • STSP Manufacturing Center Phase V set-up
• ISO 50001 certified</p> |
|--|--|



Structure of shareholders (2023.4.1) For ordinary shares, the price of each share is 10 dollars

Unit: shar; person; %

structure of shareholders Numbers	Government agency	Financial constitutions	Other juristic person	Individual	Foreign constitution and foreigner	Total
Number (person)	0	2	95	18,654	135	18,886
Number (share)	0	271,000	115,015,348	66,566,296	13,825,522	195,678,166
Ration of shareholding (%)	0.00%	1.14%	58,78%	34,02%	7.06%	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, 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 accumulate 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.

Marketch International Corp. (hereinafter referred to as MIC) established the Environmental, Social, and Corporate Governance Sustainability Committee (hereinafter referred to as the ESG Committee) in 2022. The objective of the Committee is to transform MIC into a more exemplary enterprise by implementing a management framework that prioritizes governance, environmental considerations, and human welfare, all within the context of a sustainable development strategy. MIC's sustainable development strategy is driven by the mission of "being a customer-oriented all-round technology service leader". In order to achieve the vision of "building a team with consensus, mutual trust, and the spirits of co-existence, sharing, and co-prosperity, and becoming the first benchmarking enterprise in Asia", the strategy follows the approach of "complying with regulatory requirements for environmental protection, implementing social responsibility standards to build a sustainable, happy enterprise for employees and shareholders". This strategy incorporates elements of the environment, economy, and people into every decision-making process, aiming to shape the company's competitive advantage in sustainable operations.

- 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.

1.3.2 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, MIS 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 :

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.

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.



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.

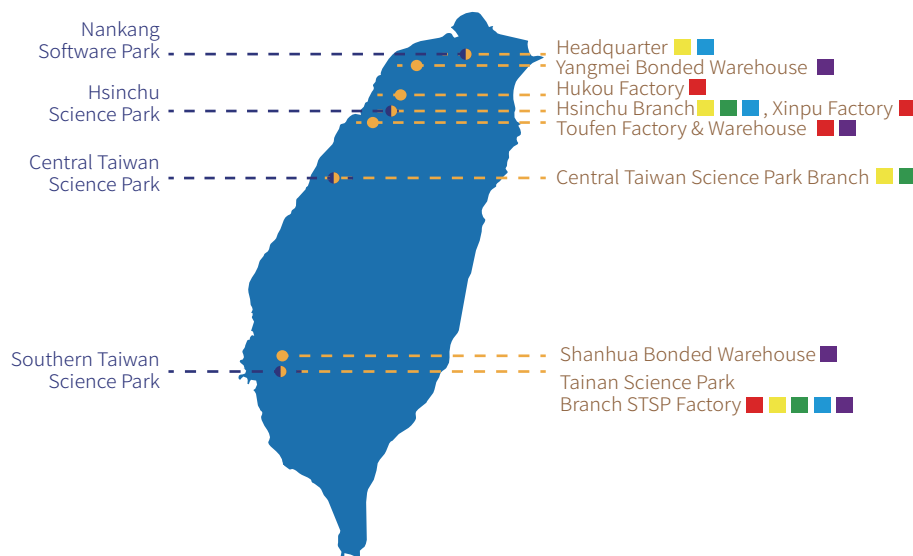
Total Facility Engineering Turnkey Project

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.

1.5 Global Deployment

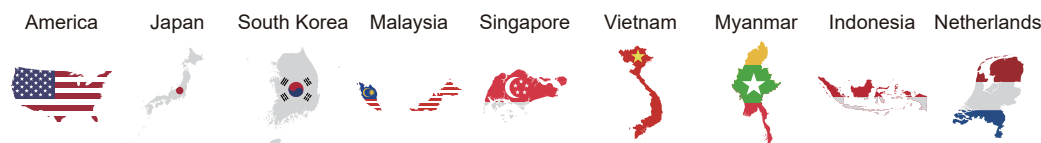
Oriented to the mission of “being a customer-oriented all-round technology service leader”, MIC Group is headquartered in Nangang Software Park in Taipei and has established a number of service locations to provide customers with rapid and real-time services nearby.

(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)

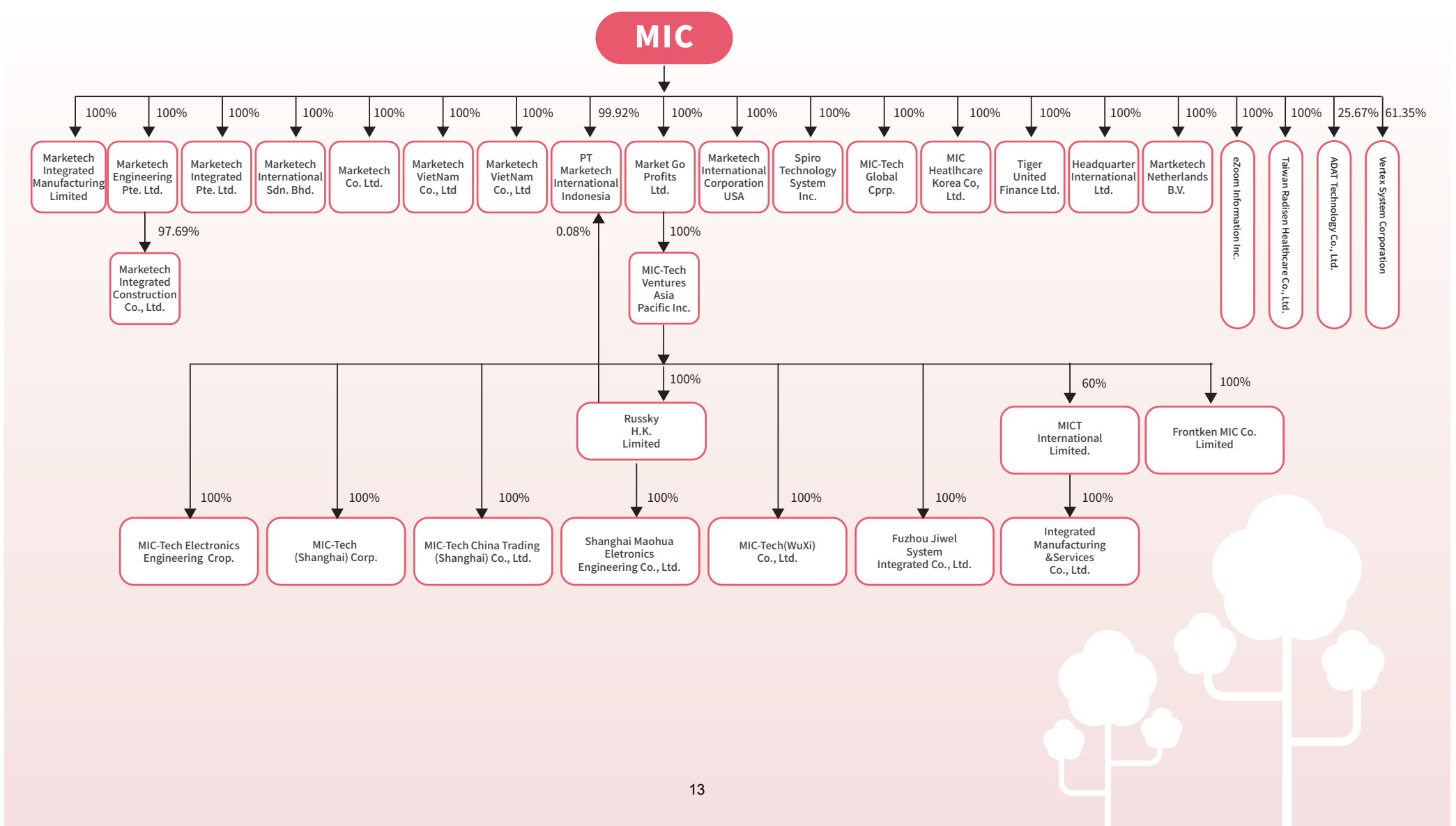
Global



Business Support

- R&D And Manufacture (Red)
- Engineering Design (Yellow)
- Sales (Green)
- System Solutions (Blue)
- Warehouse (Purple)

(2) Organization Chart of Affiliated Companies.



(3) Basic information of subsidiaries (December 31, 2022)

Subsidiary	Location	Operation
Marketch 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.-
Marketch 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
Marketch International Sdn. Bhd.	Selangor	Handles the business of automated supply system in the semiconductor industry
Marketch Engineering Pte. Ltd.	Singapore	Handles mechanical and electrical installation and engineering businesses
Marketch Integrated Construction Co., Ltd.	Myanmar	Handles mechanical and electrical installation and engineering businesses
Marketch Integrated Manufacturing Co., Ltd.	Myanmar	Design, production and assembly services for equipment and components of automated production machines.
PT Marketch International Indonesia	Indonesia	Trading machinery and equipmen
Marketch International Corporation USA	USA	Handles the business of automated supply system in the semiconductor industry
Spiro Technology Systems Inc.	USA	General international trade

(3) Basic information of subsidiaries (December 31, 2022)

Subsidiary	Location	Operation
MIC Healthcare Korea Co., Ltd	South Korea	Sale and research development of Medical equipment technology ,trading business.
Marketch International Corp. Japan	Japan	General international trade.
Russky H.K. Limited	Hong Kong	Engaged in holdings and reinvestment.
Frontken MIC Co.,Limited	Hong Kong	Engaged in holdings and reinvestment.
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.
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.

(3) Basic information of subsidiaries (December 31, 2022)

Subsidiary	Location	Operation
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.
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.
Vertex System Corporation	Taiwan	5G communication, IOT smart control system and software platform, IT and telecommunication CT service.

1.6 Trends and Opportunities

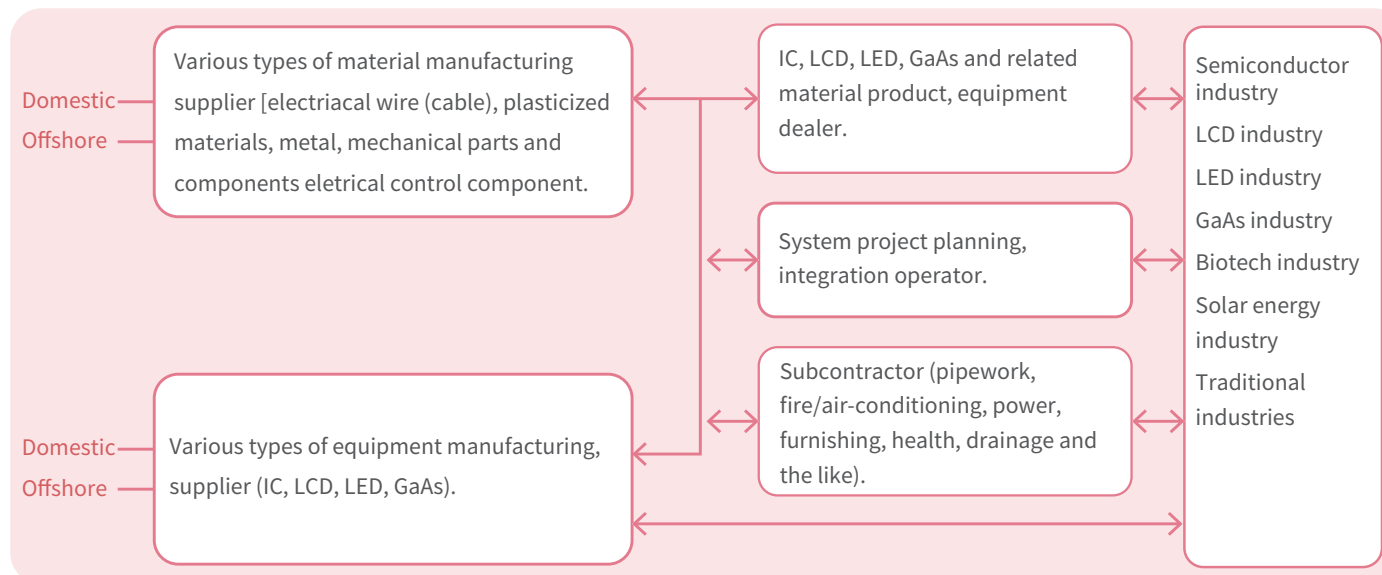
1.6.1 Current industry status and development

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:

(a) Equipment Business

SEMI, the Semiconductor Equipment and Materials International, has reported that the total sales of semiconductor manufacturing equipment by global original equipment manufacturers (OEMs) in 2022 reached a new record of \$117.5 billion, representing a significant increase of 14.7% compared to \$102.5 billion in 2021. However, SEMI predicts that the global sales of semiconductor manufacturing equipment in 2023 will likely drop below the \$100 billion mark, slipping to \$91.2 billion, due to the effects of the market downturn. Nevertheless, with the boost from the front-end and back-end sectors, the sales of semiconductor manufacturing equipment are expected to rebound in 2024.

(b) Material Business

Materials are sold for supporting production requirement of factories of customers all over the world. Therefore, the sales of various related materials would increase in response to outputs of various industries. With respect to supply, increase of customer satisfaction in technology, cost and after sales service is focused to increase market share.

(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

Using our own brand, MIC has successfully introduced factory-wide chemical supply system equipment to the semiconductor and optoelectronics industries through turnkey system engineering. We have completed several 12-inch wafer fab projects and have established ourselves as a first-class brand with an excellent market share in the high-tech construction industry.

c. Operating service businesses

Outsourcing operation services has become a common practice in Europe, America, and Japan due to the demand for specialized labor and streamlined human resources. In Taiwan, currently, only TCM (Total Chemical Management), TGM (Total Gas Management), and TWM (Total Water Management) in the facility management system are outsourced to provide on-site maintenance, replacement of chemicals and gas supply materials, monitoring and supervision of the system. The main providers of technical services are still the original equipment suppliers, and there is no independent "technical service provider" that specializes in this field yet.

1.6.3 Factory automated operation

d-1. Facility Monitoring Control System (FMCS)

This system is an important investment that introduces facility monitoring for whole plant into factory building in high technology industry. In addition to high technology, other industries will also increase the demands for such automatic plant monitoring facility due to advanced technique. However, expansion of potential market demand results in the trend of increased participant companies.

d-2. Automatic Special Gas Monitoring System (GMS)

GMS, like the central brain, is a design necessary for safety measure in building factories for high technology industry. Additionally, because life and security of people are involved, the threshold for new competitors is very high. The Group can still be one of the leaders in this field as long as the technological function keeps improved. This should be an apparent fact. Such monitoring system market has increased due to production expansion of original IC, LCD and LED industries. Other peripheral related industries also have to introduce use of such system because of production related equipment or materials with respect to security and monitoring requirements.

d-3. Manufacturing Integration Business (CIM, Computer-Integrated Manufacturing)

With the advent of Industry 4.0, all industries are turning to automation, digitization and smart plant. MIC helps enterprises with Customer Relationship Management (CRM) and Supply Chain Management (SCM) systems, and establish a horizontal integration system. We also integrate Enterprise Resource Planning (ERP), Computer-Integrated Manufacturing (CIM) and Manufacturing Execution System (MES), to strengthen the vertical integration system. Through horizontal, vertical and related systematic integration, we achieve massive custom, efficient production, 122 independent decision-making and fault prediction targets to meet customer needs.

d-4. Information & Communication and Software Services

The software services are based on the development of integrated capabilities of information and communication technology, the mastery of digital convergence trends, and the collaboration of group resources to provide enterprises with complete ERP, BI, and Cloud solutions. The company also utilizes intelligent cloud-based system solutions, such as enterprise clouds and education clouds, to achieve interconnectedness, information integration, and sharing services, thereby establishing long-term stable business relationships with customers.

d-5. Prognostic and Health Management

Especially for semiconductor and optoelectronic industries, how to reduce product defects and increase the utilization of facilities has been the most significant issue in every manufacturing industry. The Company developed the first Taiwanese-built prognostic and health management system focusing on important instruments in semiconductor and optoelectronic industries. As technology has advanced, the demand for monitoring remotely the health state of equipment and predicting breakdown will also increase in other industries, like precision machinery.

(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

- a. 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.
- b. 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.
- c. For past decades, 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.
- d. 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.
- e. The Company has been approved with ISO 9001 international quality certification , ISO 14001, ISO13485, ISO 45001, and ISO 50001 certifications to provide customers better service quality.

(2) Disadvantageous Factors and Countermeasure

- a. 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.

- b. 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.

- c. 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 2022

R&D Performance	Applications
Desktop multiaxis cutting machine	Dental instruments
96-specimen automatic extrator	Biotechnology
Automatic wrap-packaging for reagent production line	Biotechnology
Fabrication and testing of high pressure products (1,300 bar)	Sub-modules of laser source for mask aligner
GDD mask atomizer	Reliability check of mask pellicle for mask aligner
Composite vacuum laminating machine	Micro LED panel lamination
MLA on UTG substrate	Fabrication of micro optoelectronic components
Automati chemical cap replacement system	Facility system for semiconductor/LCD/advanced packaging

1.7 Operational Performance and Tex

1.7.1 Operational Performance

The operational performance of MIC Group between 2020 and 2022 as stated in the consolidated financial statements is as follows

Unit: In thousand New Taiwan Dollars

Item	2020年	2021年	2022年
Direct economic value	25,119,857	34,458,674	50,366,704
Operating cost	21,824,500	30,392,083	44,980,634
Employee salaries and benefits	2,093,859	2,423,505	3,047,242
Payments to the government	196,754	361,002	631,691
Payments to investors	655,267	867,403	(註5) 1,105,811
Distributed economic value	24,770,380	34,043,993	(註5) 49,765,378
Retained economic value	349,477	414,681	(註5) 601,326

Note1 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"

Note2 Operating cost = Cost of revenue from operation + Operating Expenses - Employee salary and benefits

Note3 "Employee salaries and benefits" includes expenses derived from salaries, employee stock option (ESO), labor and health insurance, pension and other employee benefits.

Note4 "Payments to the government" includes taxes and income taxes paid to the government.

Note5 "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 2020 are distributed in 2021; the earnings of 2021 are distributed in 2022; and the earnings of 2022 will be distributed in 2023)
Note: The abovementioned financial data have been verified by CPA.

1.7.2 Tax Policy

Upholding business integrity to implement regulations and fulfill obligations, MIC Group is committed to corporate sustainable development and fulfilling corporate social responsibilities.

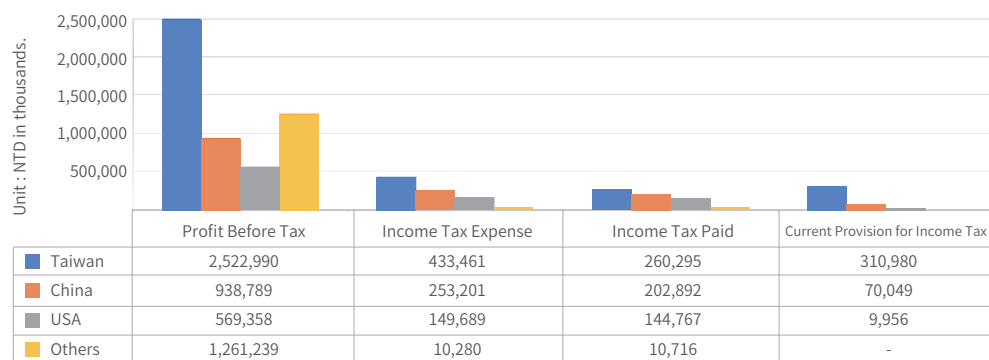
MIC Group meticulously conducts tax operations in accordance with legal regulations and fulfills our obligations for accurate tax declaration and payment. We not only appropriately disclose our tax information to enhance transparency, but also maintain open and constructive communication with tax authorities based on the principle of integrity.

In response to the international trend of tax governance, MIC Group remains vigilant about changes in taxation policies and regulations across different countries worldwide. We promptly assess tax risks associated with local business development and incorporate significant decisions involving taxation matters into our tax evaluations. Additionally, we seek timely consultation with external experts to gather their insights, aiming to minimize potential violations and asset losses.

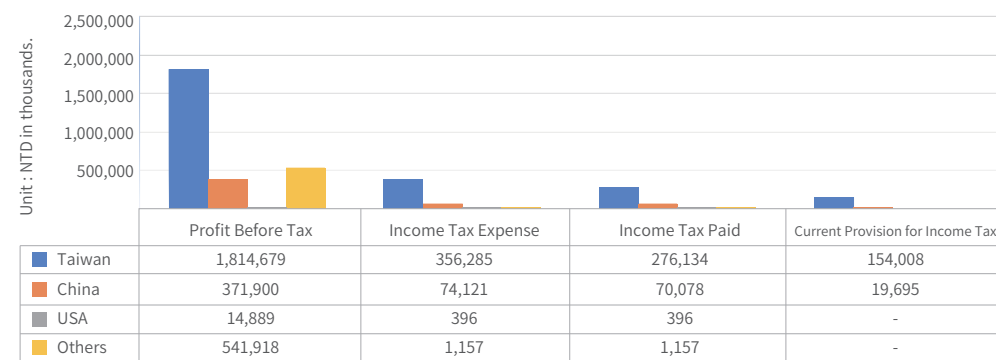
The MIC Group is headquartered in Taiwan, with branches spanning across Taiwan, China, Singapore, the Netherlands, Malaysia, Vietnam, Myanmar, Korea, Indonesia, the United States, and Japan. Our branches calculate the current income tax based on the tax rates legislatively enacted or substantively enacted in the countries where they operate and generate taxable income as of the balance sheet date. MIC Group's management team periodically assesses the status of income tax declarations in accordance with relevant regulations. When applicable, they also estimate income tax liabilities based on the expected tax payments to tax authorities.

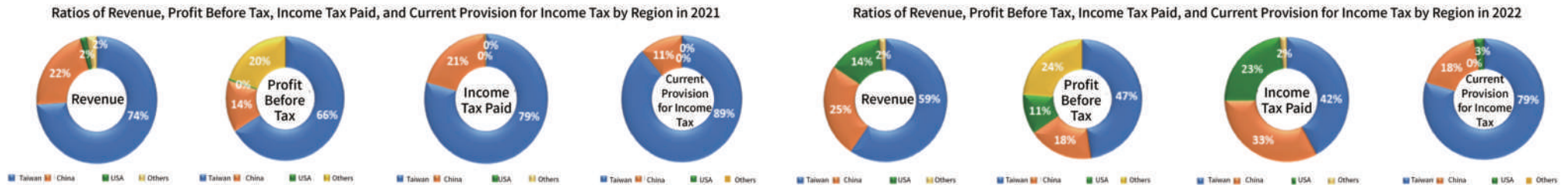
Information on MIC Group's income tax expenses and tax payment over the last two fiscal years are presented as follows

MIC Income Tax Information in 2022



MIC Income Tax Information in 2021





Note: regional breakdown of Profit Before Tax, Income Tax Expense, Income Tax Paid, and Current Provision for Income Tax are categorized by where our company or subsidiary registered in.

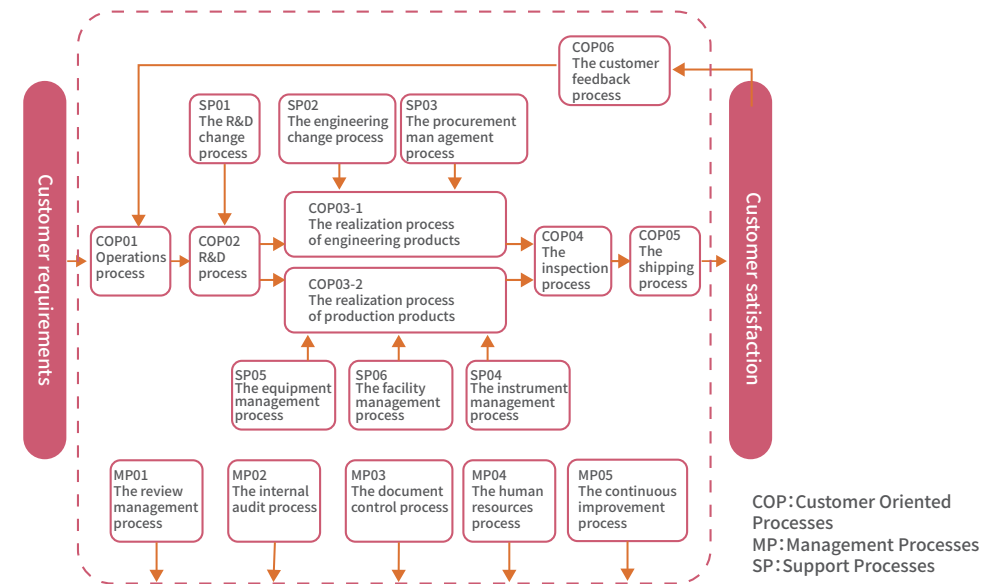
1.8 Quality Policy

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 :



1.10 Management Policy and Elements

The management team has focused on 9 out of 13 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. Anti-corruption and opposition to vicious competition.
Local communications	Regular and irregular investment in local community and school charity activities.
Customer safety and health	The products and services provided by the Company do not cause any harm to customers’ health and safety.
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	Performance in 2022	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.	Policy: Salary policy; labor policy Commitment(s): Provide good benefits and feedback to stakeholders; ensure employees' retirement rights and interests	The revenue of 2022 increased by 46% comparing with 2021.	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.	Policy: "Ethical Corporate Management Best Practice Principles"; "Code of Ethical Conduct" Commitment(s): Continue to build a clean company culture without violating business integrity and anti-corruption norms.	Zero corruption incident	Stakeholder complaint mailbox
Local communications	The implementation process and products of MIC's business items do not have any concerns, and are guaranteed not to have any doubt regarding customers' health and safety.	Policies: Implemented in accordance with the annual donation management regulations. Commitment(s): Caring for the neighborhood and maintaining friendly relationships.	In 2021, a total of NT\$1.53 million was invested in community care and public welfare activities. In 2022, a total of NT\$12.58 million was invested in community care, with a growth of 722% in charitable activities.	Health and Safety Management Division Stakeholder complaint mailbox
Customer safety and health	The implementation process and products of MIC's business items do not have any concerns, and are guaranteed not to have any doubt regarding customers' health and safety.	Policies: Comply with the product and service quality and safety regulations. Commitment(s): Strict verification procedures; compliance with safety regulations.	The products and services of the year complied with customers' regulations and standards.	Customer service mailbox

Material Topics	Management Approach	Relevant policies and commitments	Performance in 2022	Resources/ Action/ Complaint Mechanism
Energy	In response to the environmental impacts of the greenhouse effect and in an effort to reduce energy consumption, the Company has gathered statistics on relevant data to contribute to environmental protection.	Policy: ISO 50001 Energy Management System Commitment(s): Energy management monitoring and measurement	Energy-saving performance in 2021 comparing with 2022: The three factories at STSP collectively saved 408,753 kWh, resulting in a reduction of 3.5-4% comparing to the previous year. Introduced the ISO 50001 Energy Management System in 2022.	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.	Policy: "Environmental Health and Safety Policy" Commitment(s): Quantify monitoring and measurement through GHG inventory	Already completed the third-party verification of GHG emissions In 2021, GHG emissions were 0.144 metric tons of CO2 per square meter In 2022, GHG emissions were 0.137 metric tons per square meter, reflecting an annual reduction of 0.05%	Health and Safety Management Division
Procurement practices	Effectively choose and manage suppliers to ensure that the products or services provided thereby meet customer requirements.	Policy: "Quality Policy" Commitment(s): Enhance supplier management	The supplier evaluation results comply with requirements.	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.	Policy: "New Employee Guidance and Management Regulations"; "Performance Assessment Regulations"; "Employee Group Insurance" Commitment(s): Optimize the compensation system	The average salary adjustment for the current year ranges from 2% to 3%. 1 labor dispute in 2021. 0 disputes in 2022.	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.	Policy: ISO 45001 Occupational Health and Safety Management Systems 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	There were 5 violations of cybersecurity laws during the year, resulting in a total fine of NT\$470,000; and none of these individual violations incurred fines exceeding NT\$1 million as a major violation. The Company has already made the necessary improvements in accordance with the requirements of the competent authorities and has successfully closed all of these cases.	Labor-management meeting Occupational safety meeting

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.	1.7 Operational Performance	None
Anti-corruption	Internal control; employee complaint mechanism; and Corporate Governance Evaluation of Securities and Futures Institute.	2.1 Organization Chart	None
Local communications	Proactively participate in community caring activities, maintain effective communication with the community, and fulfill corporate social responsibility.	4.4 Social Care	None
Customer safety and health	Product and service units	2.2 Customer Supplier Relationship	None
Energy	Environmental operations management procedures. Energy review management procedures, energy performance indicators and energy baseline operating procedures.	3.3 Environmental 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.	3.3 Environmental protection	None
Procurement practices	Supplier evaluation and assessment procedures.	2.2 Customer Supplier Relationship	None
Employment	Corporate Governance Evaluation of Securities and Futures Institute; and secretary pink tea	4.3 Labor-Management Relations	None
Occupational health and safety	Check works; identify hazards and assess the risk level.	3.4 Health and Safety Management	None



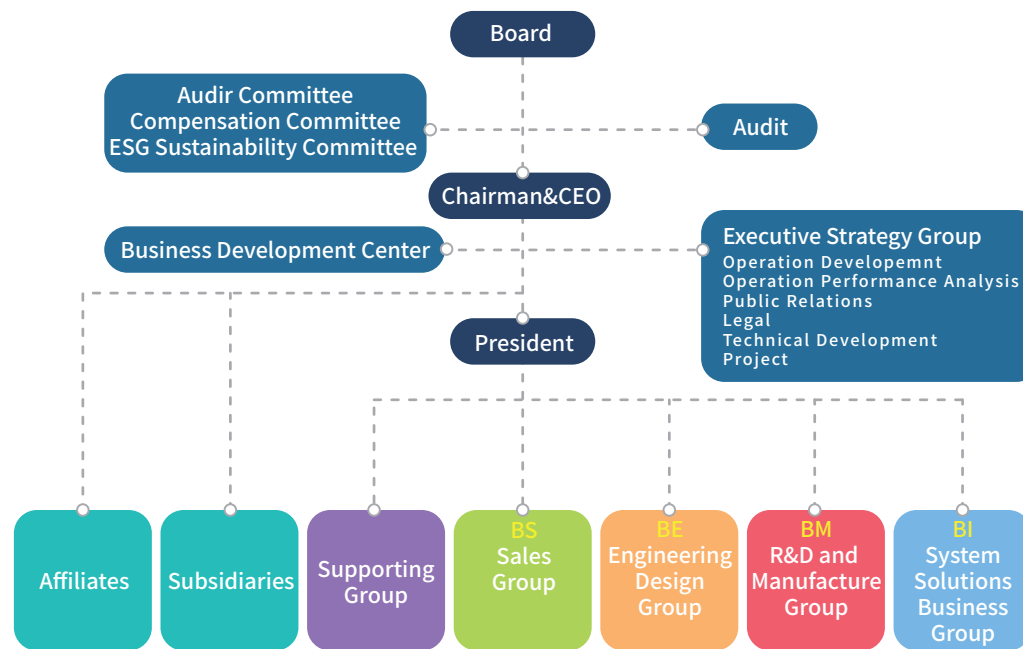
2 Corporate Governance

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2.1 Corporate Governance

Organization Chart :



As a TWSE listed company (sock code: 6196), MIC is structured in compliance the Company Act, Securities and Exchange Act and relevant regulations. The Company elects directors at the Shareholders' meeting and select "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".

Based on a strong spirit of self-discipline, members of the Board of Directors have managed to avoid conflicts of interest. Moreover, in accordance with the "Rules and Procedures of Board of Directors Meetings", when directors or their authorized representatives engage in activities within the scope of the company's business, they must disclose their interests to the board, as required by law. Additionally, their actions can only be implemented upon obtaining approval through a vote by the board members.

To implement corporate governance and enhance the effectiveness of the Company's Board of Directors, the Company has established performance targets aimed at improving the operational efficiency of the Board. Additionally, the "Board of Directors Performance Evaluation Rules" have been formulated. It is mandated that an internal performance evaluation of the Board of Directors should be conducted annually in accordance with the evaluation provisions and indicators specified in these rules. Furthermore, every three years, an external professional and independent institution or experts and/or scholars from external organizations may conduct an evaluation. Both internal and external evaluations should be completed during the first quarter of the following year.

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.

As of December 31, 2022 The keys of corporate governance are summarized as follows :

- (1) Three out of nine directors are independent directors. 1 chairman.
- (2) Two out of all directors are female. 1 female director.
- (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 98.6%; 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	88.9%
	Female	11.1%
Age	51~60 years old	44.4%
	61~70 years old	55.6%

Note: On May 31, 2023, the Company appointed an additional independent director in accordance with regulations.

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.

In 2022, directors, executives, employees, appointees, or individuals with substantial controlling power at MIC were not involved in any direct or indirect offering, pledging, requesting, or accepting any improper benefits, nor engaged in any dishonest conduct or actions contrary to integrity, legality, or fiduciary obligations.

The Company's compensation policy, standards and procedures are as follows:

- (1) Compensation for the Board of Directors (including independent directors) and senior managerial officers at or above the level of Vice President (inclusive):
In accordance with Article 16 of the Company's Articles of Incorporation, the remuneration of the chairman shall not exceed twice that of the president and shall be deliberated by the Remuneration Committee before being determined by the Board of Directors. Independent directors who concurrently serve on functional committees under the Board shall receive remuneration based on the number of meetings held by functional committees. Their remuneration shall be determined by the Board of Directors according to industry standards.
Article 20 of the Articles of Incorporation further stipulates that, in the event of annual profits, an allocation of no more than three percent shall be made for directors' remuneration, and an allocation of one to fifteen percent shall be made for employee compensation.
The decision regarding the total amount of directors' remuneration and employees' compensation is made by considering the Company's environment, future business development, the need for expansion funds, and capital expenditure budgets. Within the range specified in the Company's Articles of Incorporation, the proposed distribution of the total of directors' remuneration and employees' compensation is presented to the shareholders' meeting after being approved by the Compensation Committee and the Board of Directors.
The individual disbursement amounts of director's remuneration are assessed according to the criteria outlined in the Board's Performance Evaluation Rules. This evaluation measures the level of directors' participation in the Company's operations and the value of their respective contributions. The proposal is presented for review by the Compensation Committee and is implemented for disbursement after approval by the Board of Directors.
- (2) Stipends for directors' (including independent directors) attendance and transportation are proposed based on industry-standard practices. These proposals are submitted for review by the Compensation Committee and are subject to approval by the Board of Directors. The attendance and transportation stipends are provided to directors (including independent directors) who personally attend or participate via video conferencing in board meetings or functional committees.
- (3) The remuneration for directors who concurrently serve as employees and other executives also includes salaries, duty differential pay, employee benefits, various bonuses, and employee compensation.
The establishment of salaries, duty differential pay, and allowances is carried out by the Company's Human Resources Division in accordance with the Salary Management Regulations, Job Classification and Grade Comparison Table, as well as the salary range for job grades. This process also takes into consideration the market competitiveness of managerial roles and Company's policy mandates.
The payment of bonuses and employee compensation is linked to the attainment of both managerial officers and the Company's operational objectives and departmental goals. These payments are also distributed in alignment with the Company's performance and consideration of future operational risks.
The design of employee benefits is rooted in regulatory compliance while also addressing employees' needs, encompassing diverse benefit provisions.
The employee compensation amounts distributed to directors who concurrently serve as employees and other executives are determined in accordance with the Performance Management Rules. These rules encompass both financial and non-financial performance metrics, such as management performance indicators, departmental performance indicators, and performance assessment outcomes, including individual excellence and contributions. These indicators are utilized to establish the employee compensation for managerial officers. This proposed compensation is subjected to review by the Compensation Committee and is subsequently presented to the Board of Directors for approval prior to distribution.

(4) To address changes in the future economic environment, make measurements on the management team's operating performance, achievement rate and level of contribution, and prevent directors and managerial officers from engaging in conduct that exceeds the Company's risk tolerance due to the pursuit of high compensation and remuneration, the Company's remuneration disbursement policies for directors and managerial officers have incorporated management performance and future risks into the evaluation criteria. Additionally, the Company regularly reviews the remuneration policy for directors and managerial officers based on actual business practices and relevant regulations.

(5) The remuneration for general directors and independent directors in the year of 2022 are as follows (Unit: NTD):

Title	Name	Director remunerations								The ratio of the sum of the four items A, B, C and D to the after-tax net earnings (Note 10)		Pertinent remunerations doubling employees collect								The ratio of the sum of the seven items A, B, C, D, E, F and G to the after-tax net earnings (Note 10)		Whether collecting remunerations from reinvested entities beyond the subsidiaries (Note 11)
		Return (A) (Note 2)		Retirement pension (B)		Directors' Remuneration (C) (Note 3)		Business execution expenditure (D) (Note 4)				Wages, bonuses and special expensed expenditure etc. (E) (Note 5)		Retirement pensions (F)		Employees' Remuneration (G) (Note 6)						
		The company	All companies in the financial statements (Note 7)	The company	All companies in the financial statements (Note 7)	The company	All companies in the financial statements (Note 7)	The company	All companies in the financial statements (Note 7)	The company	All companies in the financial statements (Note 7)	The company	All companies in the financial statements (Note 7)	The company	All companies in the financial statements (Note 7)	The company		All companies in the financial statements (Note 7)		The company	All companies in the financial statements (Note 7)	
																Cash bonus amount	Stock bonus amount	Cash bonus amount	Stock bonus amount			
Chairman and CEO and subsidiary president	Ji-Xuan Investment Corp. representative: Kao, Hsin-Ming	0	0	0	0	19,807	19,807	576	576	20,383 0.92%	20,383 0.92%	29,838	31,493	0	0	10,000	0	10,000	0	60,221 2.72%	61,876 2.88%	None
Chairman President	E-Win Investment co representative: Lin, Yue-Yeh																					
Director	Ennoconn International Investment Co., Ltd. representative: Chu, Fu-Chuan																					
Director	Ennoconn International Investment Co., Ltd. representative: Lou, Chao Tsung																					
Director	Ennoconn International Investment Co., Ltd. representative: Tsai, Neng-Chi																					
Director	Ennoconn International Investment Co., Ltd. representative: Wu, You-Mei (Note 12)																					
Director	Ennoconn International Investment Co., Ltd. representative: Selenia Lin (Note 12)																					
Independent director	Lin, Hsiao-Ming	0	0	0	0	9,903	9,903	548	548	10,451 0.47%	10,451 0.47%	0	0	0	0	0	0	0	0	10,451 0.47%	10,451 0.48%	None
Independent director	Wu, Chung-Pao																					
Independent director	Wang, Yi-Chun																					

Note 1: The remuneration for independent directors of the Company includes directors' fees, as well as attendance and transportation stipends for their participation in both the Board of Directors and concurrent functional committee roles. There are no signing bonuses, severance payments, claw back mechanisms, or retirement benefits.

Note 2: In addition to the disclosures provided in the above table, the remuneration received by directors of the Company for services rendered to all companies within the latest fiscal year (such as serving as non-employee advisors, etc.) is as follows: None.

Composition, Responsibility and Operations of Compensation Committee

(1) Information on Compensation Committee Members

April 1, 2023

Title (Note 1)	Qualification Name	Professional qualifications and experience (Note 2)	Independence situation (Note 3)	Number of members who are concurrently members of the remuneration committees of other public offering companies
Independent Director Convener	Wu, Chung-Pao	Graduated from the Graduate School of International Business Management of National Taiwan University Chairman of Protech Systems Chairman of PROX Systems Co., Ltd. Director of CHENBRO MICOM Co., Ltd. Director of CPC Corporation, Taiwan Independent director of EVA Airways	Meet the independence eligibility requirements stipulated in Article 6 of the "Regulations on the Establishment and Exercise of Powers of the Remuneration Committee of Companies Listed in Stocks or Trading on the Business Offices of Securities Firms", have no direct or indirect interest in the Company, and do not have any of the following: 1. I, spouse, relatives within the second degree act as directors, supervisors or employees of the Company or its affiliated companies 2. The natural person shareholders who hold more than 1% of the total issued shares of the Company or hold the top ten shares by me, spouses, relatives within the second degree of kinship (or in the name of others) 3. Acting as a director, supervisor or employee of a company that has a specific relationship with the Company 4. Provide the Company or its affiliates with business, legal, financial, accounting and other services in the last 2 years and receive remuneration.	1
Independent Director	Lin, Hsiao-Ming	Graduated from the Graduate School of Business Studies of the School of Management, National Taiwan University Chairman of Taiwan Finance Corporation Independent director of GODEX International Co., Ltd	Meet the independence eligibility requirements stipulated in Article 6 of the "Regulations on the Establishment and Exercise of Powers of the Remuneration Committee of Companies Listed in Stocks or Trading on the Business Offices of Securities Firms", have no direct or indirect interest in the Company, and do not have any of the following: 1. I, spouse, relatives within the second degree act as directors, supervisors or employees of the Company or its affiliated companies 2. The natural person shareholders who hold more than 1% of the total issued shares of the Company or hold the top ten shares by me, spouses, relatives within the second degree of kinship (or in the name of others) 3. Acting as a director, supervisor or employee of a company that has a specific relationship with the Company 4. Provide the Company or its affiliates with business, legal, financial, accounting and other services in the last 2 years and receive remuneration.	1
Other	Chao, Rong-Shiang	Graduated from the Graduate School of Business Studies of the School of Management, National Taiwan University Independent director of Brillian Network and Automation Independent director of Foward SCience Corp. Director of Everlight Chemical Industrial Corporation Advisor of FST Corporation Deputy GM and Corporate Governance director of FST Corporation	Meet the independence eligibility requirements stipulated in Article 6 of the "Regulations on the Establishment and Exercise of Powers of the Remuneration Committee of Companies Listed in Stocks or Trading on the Business Offices of Securities Firms", have no direct or indirect interest in the Company, and do not have any of the following: 1. I, spouse, relatives within the second degree act as directors, supervisors or employees of the Company or its affiliated companies 2. The natural person shareholders who hold more than 1% of the total issued shares of the Company or hold the top ten shares by me, spouses, relatives within the second degree of kinship (or in the name of others) 3. Acting as a director, supervisor or employee of a company that has a specific relationship with the Company 4. Provide the Company or its affiliates with business, legal, financial, accounting and other services in the last 2 years and receive remuneration.	2

- (2) The Compensation Committee's duty is to establish and review the evaluation of supervisors and executives, to compensation policies of the Company's directors of the board and, to report its suggestions to the board of directors.
- (3) Information on Operations of Compensation Committee
 The Compensation Committee consists of 3 members.
 Period of compensation committee : June 14th, 2022~May 26th, 2025
 In 2022, Compensation Committee held 4 meetings
 The relevance between compensation and impacts on the environment and people is as follows:
 1. Impacts on the environment: Changes in the business environment can affect business operations and performance, subsequently influencing the performance and contributions of the Board of Directors and management team. Therefore, the Company's performance evaluation indicators, such as the level of environmental contribution, are designed to assess the performance and contributions of the board of directors and management team. Based on this assessment, a reasonable compensation system is established.
 2. Impacts on people: Enterprises' social responsibilities and sustainable development also have an impact on the performance and contributions of the board of directors and management team. The Company places emphasis on various issues, including those related to human rights, labor rights and benefits, and environmental protection. We also value public recognition of and valuation on the enterprise, as these factors can influence our operating performance. Therefore, the Company's compensation system is designed to consider the contributions of the board of directors and management team in promoting corporate social responsibility and sustainable development, with the aim of encouraging their active involvement in relevant initiatives.

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 9001/14001/45001/50001, AEO, ISO 14064-1, SA 8000, ISO 13485, GMP and SEMI S2/S8, aiming to create a triple win situation.

(1) System certification: ISO 9001/14001/45001/50001, AEO, ISO 14064-1, SA 8000, ISO 13485 and GMP certificates.





(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 ESG Performance task force (formed by the HR representative, EHS management representative, quality management representative, ESG management representative and SA 800 employee representative; and is directly managed by the chairman and president) to conduct business management and ESG 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	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 Corporate official website Stakeholder complaint mailbox	Once a year 4 times a year Irregularly Irregularly Permanent	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
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	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
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	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

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

2.5 Issues of Materiality

(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 Topocs	Positive and negative impacts on MIC	Scope of impact		
		Direct impact	Indirect impact	Impact on business relationship
Economic Performance	Positive : 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	Positive : "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	
Local Communications	Positive: Actively participate in community care activities and build good communication channels.	DF	AB	CE
Customer Health and Safety	Positive : Pay great attention to customers' satisfaction level and fully promote product and service safety.	CEF		B
Energy	Positive : Complete effective energy management Actively promote the construction of solar power generation facilities among business entities.	ABC	EF	
Emissions	Positive: In response to the government's policy for achieving net-zero emissions by 2050, the Company has been actively promoting on-site energy-saving and carbon reduction activities and conducting GHG emissions inventory.	DF	CE	B
Procurement Practices	Positive : 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	Positive : Fulfill social responsibilities, reduce human right risks and provide employees with a friendly workplace.	A	C	B
Occupational Health and Safety	Positive : 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. Negative: There were 5 violations of occupational safety laws in the year, resulting in a total fine of NT\$470,000; and none of these individual violations incurred fines exceeding NT\$1 million as a major violation. The Company has already made the necessary improvements in accordance with the requirements of the competent authorities and has successfully closed all of these cases.	ACE	F	B

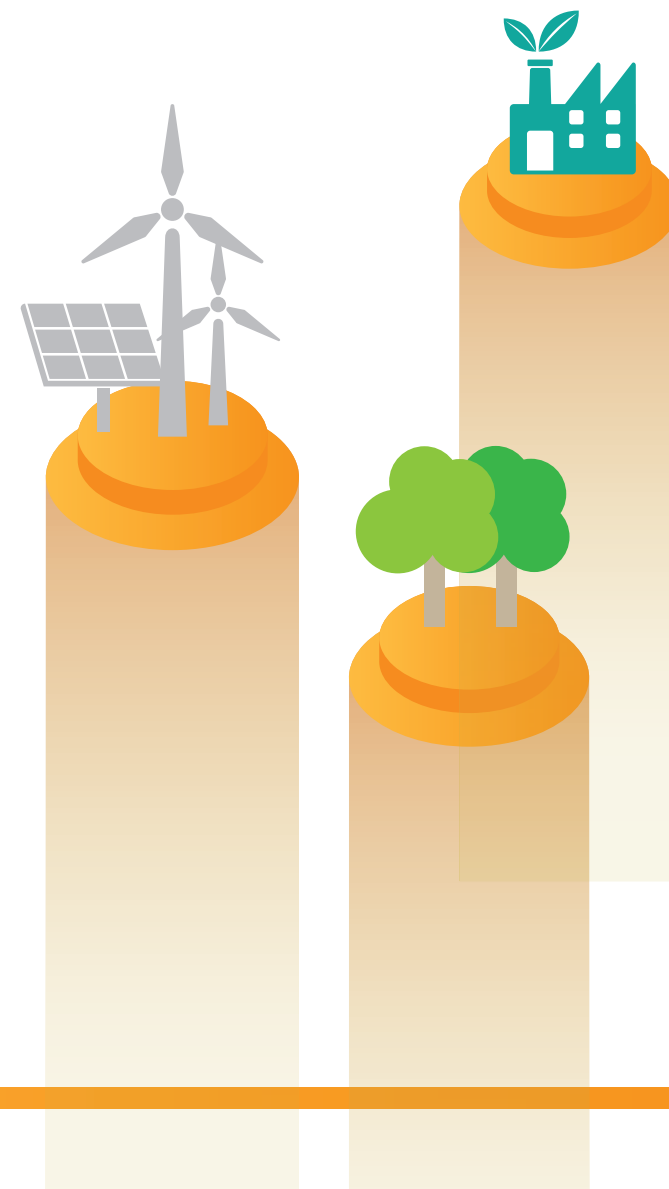
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Internal impacts: including A – MIC, MIC' s subsidiaries and employees.

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

(6) Comparison of materiality Issues between 2022 and the previous year

2021	2022	Explanation of Differences
Economic Performance	Economic Performance	
Anti-corruption	Anti-corruption	
Environmental Compliance		Deletion due to the revision of GRI
Socioeconomic Compliance		Deletion due to the revision of GRI
Local Communications	Local Communications	
Customer Health and Safety	Customer Health and Safety	
Energy	Energy	
Emissions	Emissions	
Procurement Practices	Procurement Practices	
Employment	Employment	
Occupational Health and Safety	Occupational Health and Safety	



3

Sustainable Environment and Labor Safety

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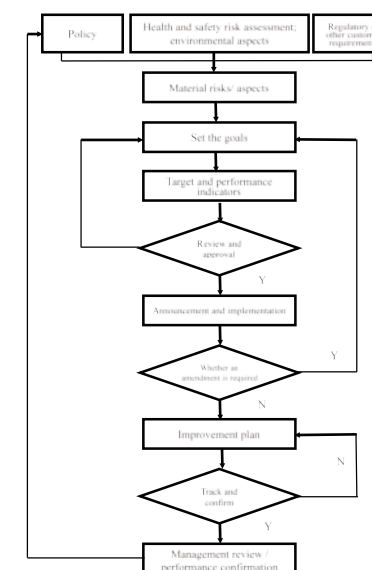


3.1 Environment, Health and Safety (EHS) Management System

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) & 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 14064-1 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.
December 2022	ISO 50001 (ISO 50001 : 2018) certified

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.

Abide by
regulatory

Conduct
education

Use
resources

Prevent
accidents

Continue
to promote

Promote
plenary

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.

3.3.2 Waste Reduction Management

Category of industrial waste. Category D, general industrial waste; category C, hazardous waste; category R, designated recyclable or reusable waste; category E, mixed metal waste.

no	Factory/Unit	Category	Management measures	Disposal
1	Taipei Office	D	The comprehensive Building will be organized	D Bury
2	Hsinchu Office	D	The comprehensive Building will be organized	D Bury
3	Hukou Factory	D、C、R	Plan of Waste cleanup (D, C, R)	D、C Bury / Recyclable
4	Toufen Factory	D、R	D contracting with Legitmate Transport companies R Resource Recycling companies	D Bury / Recyclable
5	STSP Factory I and Factory II	D、R、E	Plan of Waste cleanup (D, C, R)	D、E Bury / Recyclable
6	STSP Factory III	D、R	D R contracting with Legitmate Transport companies	D Bury/ Recyclable

Industrial waste – Annual handling amount :

no	Factory/Unit	Landfill (mt)						Reuse	
		Category D, general industrial waste.		Category C, hazardous waste industrial waste.		Category E, mixed metal waste.		Category R, designated recyclable or reusable waste(mt)	
		Output	Clearance volume	Output	Clearance volume	Output	Clearance volume	Output	Clearance volume
1	Hukou Factory	5.89	5.89	3.13	4.43	0.00	0.00	7.39	7.39
2	Toufen Factory	27.37	27.37	0.00	0.00	0.00	0.00	14.75	14.75
3	STSP Factory I and Factory II	75.18	75.18	0.00	0.00	0.17	0.17	231.96	231.96
4	STSP Factory III	73.68	73.68	0.00	0.00	0.00	0.00	206.92	206.92
5	STSP Factory V	4.71	4.71	0.00	0.00	0.00	0.00	0.00	0.00
Total		186.83	186.83	3.13	4.43	0.17	0.17	461.02	461.02

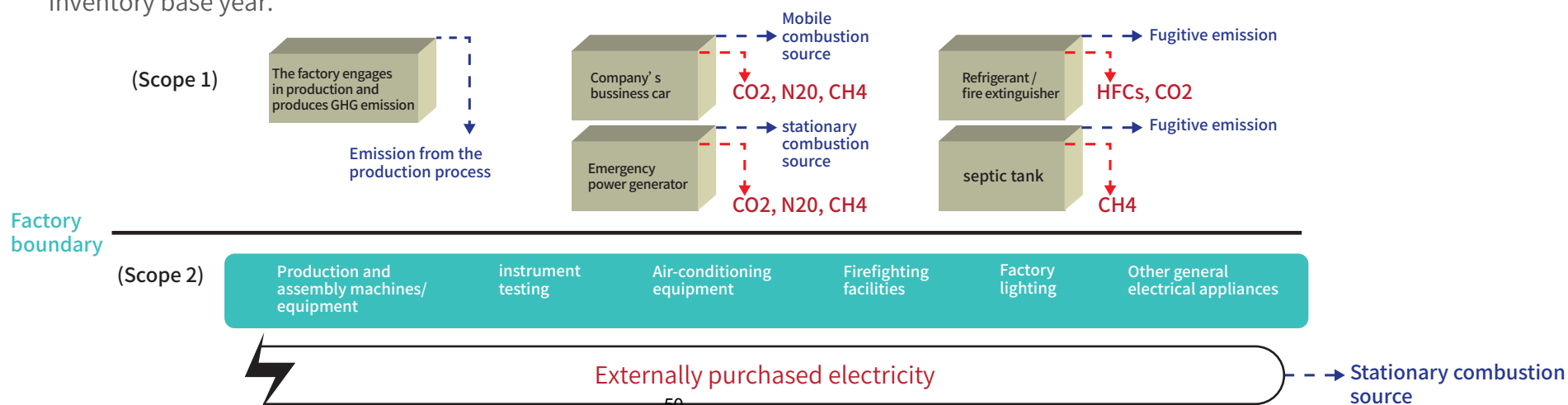
Industrial waste – Reduction at each factory :

no	Factory/Unit	Non-recyclable		Recyclable	Total waste (mt)	Waste reduction (mt)	Waste Percentage reduction
		Category D, general industrial waste. (mt)	Category E, mixed metal waste. (mt)	Category R, designated recyclable or reusable waste (mt)			
		Output	Output	Output			
1	Hukou Factory	5.89	0.00	7.39	13.28	7.39	55.64%
2	Toufen Factory	27.37	0.00	14.76	42.12	14.75	35.02%
3	STSP Factory I and Factory II	75.18	0.17	231.96	307.30	231.96	75.48%
4	STSP Factory III	73.68	0.00	206.92	280.60	206.92	73.74%
5	STSP Factory V	4.71	0.00	0.00	4.71	0.00	0.00%
Total		186.83	0.17	461.03	648.01	461.02	715%

Note: The current statistical numbers cover the production sites.

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 2022 (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	
2022	81.0369	744.5774	825.614	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 2022 is 8.6975 metric tons of carbon dioxide equivalent (tCO₂e/y).

GHG emission intensity:

1、Hukou Factory

Year 2021

865.099 metric tons of CO₂/6020.12 square meter = 0.144 metric tons of CO₂/square meter.

Year 2022

825.614 metric tons of CO₂/6020.12 square meter = 0.137 metric tons of CO₂/square meter.

Compared to 2021, the GHG emissions in 2022 reduced by 0.007 metric tons of CO₂/square meter.

Notes:

Note 1: Formula: Total emissions in metric tons of CO₂ equivalent X floor area = metric tons of CO₂/square meter

Note 2: STSP Factories I, II, III and V have not carried out GHG emissions inventory in 2021. As a result, no data is available for comparison.

2、STSP Factories I and II

2441.812 metric tons of CO₂/ 26853.01 square meter = 0.091 metric tons of CO₂/square meter.

3、STSP Factory III

3097.312 metric tons of CO₂/ 27226.57 square meter = 0.114 metric tons of CO₂/square meter.

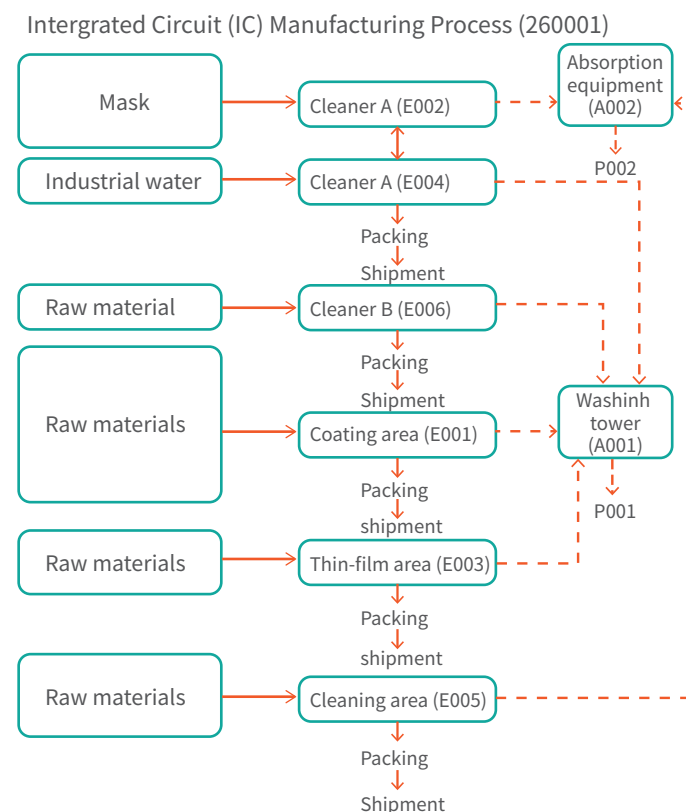
4、STSP Factory V

625.524 metric tons of CO₂/ 8492.60 square meter = 0.074 metric tons of CO₂/square meter.

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

3.3.5.1 Mutual influence of shared water resources

MIC sources 100% freshwater for its water usage, with its primary operational areas in Taiwan relying entirely on the Taiwan Water Corporation for its water supply. There is no dependency on groundwater or alternative sources. Water consumption at office buildings and facility sites is restricted to staff and external visitors, ensuring minimal impact on water sources. The water is primarily used for drinking, air-conditioning systems, cleaning, and related purposes.

3.3.5.2 Management of drainage-related impacts

Wastewater primarily consists of domestic wastewater, cooling water, and wastewater produced from the operations. Domestic wastewater and cooling water are discharged into the industrial park's sewage system through manholes, and then treated by the park's (industrial park) wastewater treatment plant. Wastewater produced from each factory's operations is collected separately based on its characteristics.

3.3.5.3 Water intake

The utilized domestic sewage is lawfully discharged into the sewage system or the regional required effluent system, and the discharged effluent meets the standards for domestic sewage effluent. The total water intake for the year 2022 was only around 63.49 million liters, and the water usage aligns with the operation of the management committee/authority of the park where the factory is located. Currently, there is no mechanism for water recycling and reuse. (quantities of water resources are primarily measured in millions of liters, ML)

Manufacturers' water resource management

Water intake/discharge/consumption in millions of liters

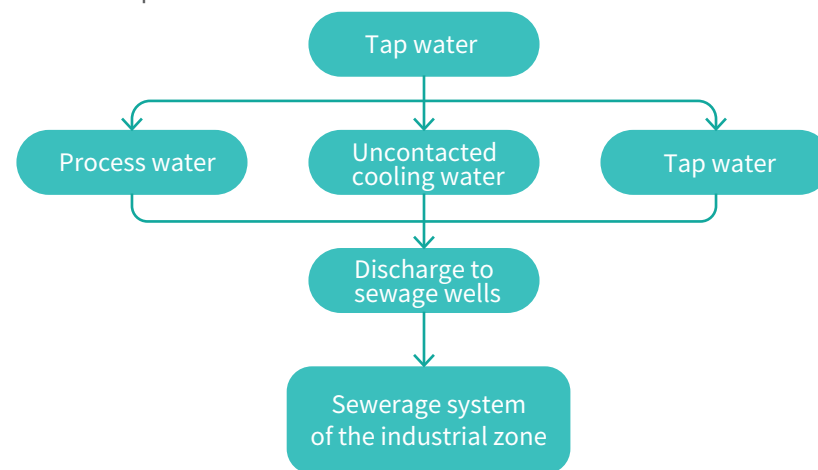
Factory	Water intake	Discharge	Consumption
Hukou Factory	13.56	10.84	2.71
Toufen Factory	10.21	8.17	2.04
STSP Factory I and II	18.88	7.97	10.91
STSP Factory III	13.77	3.89	9.88
STSP Factory V	4.27	0.24	4.02
Shanhua Bonded Warehouse	2.81	2.24	0.56
Total	63.49	33.36	30.13

Water intake/discharge/consumption in percentage

Factory	Water intake	Discharge	Consumption
Hukou Factory	21.35%	32.51%	9.00%
Toufen Factory	16.08%	24.49%	6.78%
STSP Factory I and II	29.74%	23.90%	36.21%
STSP Factory III	21.69%	11.65%	32.80%
STSP Factory V	6.72%	0.72%	13.35%
Shanhua Bonded Warehouse	4.42%	6.73%	1.86%
Total	100.00%	100.00%	100.00%

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.



3.3.5.4 Water discharge volume

The regions including Hukou Factory, Toufen Factory, and Shanhua Bonded Warehouse mainly discharge domestic/sanitary wastewater. The discharge of their wastewater follows the "Standard Specifications for the Measuring Tanks and Sampling Wells of the Industrial Park's Sewage System", calculated as 80% of the monthly tap water consumption converted into the monthly wastewater discharge volume. Wastewater discharge from STSP Factories I and II, STSP Factory III, and STSP Factory V is regulated by the "Regulation for the Use and Management of Wastewater Treatment and Sewage System in the Science Park". Flow meters are installed and regularly recorded for measurement.

3.3.5.5 Water consumption volume

Water consumption formula: Water consumption = Water intake volume – Water discharge volume °

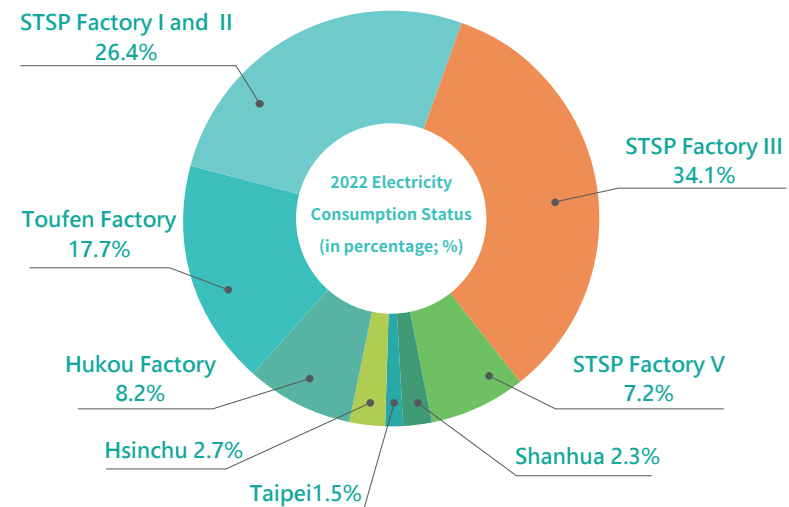
3.3.6 Energy Management

MIC has been dedicated to the efficient utilization of energy. In 2022, we collaborated with the Industrial Development Bureau, Ministry of Economic Affairs, and joined the demonstration team for the "Energy Management Demonstration and Guidance Program for the Manufacturing Industry". Starting with STSP Factory I/III, we proactively implemented the ISO 50001 Energy Management System and obtained third-party verification approval. Through an inventory of energy-using facilities, MIC optimizes or improves significant energy-consuming devices to achieve optimal energy usage. In 2023, MIC will extend the operation of the energy management system to all of our facilities (Hukou Factory/Toufen Factory/STSP Factory V) and obtain third-party verification. This is to actualize our energy management policies and commitments, striving for optimized energy utilization.

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%. Scope of Energy Management System: STSP Factory I/II and STSP Factory III have obtained ISO 50001 certification in 2023. Their 2022 energy baseline was set using the outdoor temperature and operating hours from 2021 as the variation coefficients. Energy savings achievements in 2022: STSP Factory I: 4.11% (Electricity saved: 203,640.3 kWh); and STSP Factory III: 3.76% (Electricity saved: 205,113 kWh).

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 2022, the Company’s total energy consumption has reached 17,832,937 kW (kilowatt).

2022 Electricity Consumption Status			
Unit	Electricity Bill (NT\$)	Electricity Consumption (kW)	%
Taipei office	2,009,816	271,301	1.5%
Hsinchu Office	2,012,753	483,480	2.7%
Hukou Factory	4,689,158	1,462,824	8.2%
Toufen Factory	8,874,987	3,149,680	17.7%
STSP Factory I and II	12,083,931	4,705,652	26.4%
STSP Factory III	17,279,748	6,072,400	34.1%
STSP Factory V	4,035,314	1,280,880	7.2%
Shanhua Bonded Warehouse	1,176,921	406,720	2.3%



Annual intensity of MIC

Annual total electricity consumption (kW)/Annual revenue = Annual energy intensity (kW/NT\$1 million)

17,832,937 kW/ 50.367 billion = 354 kW /NT\$1 million

Intensity: 354 kW required per NT\$1 million in revenue

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 ESG-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 five years:

Year	Amount of Generated Power (kW)	
	STSP Factory I	STSP Factory III
2018年	273,024	0
2019年	346,860	0
2020年	360,051	394,584
2021年	1,128,181	2,628,293
2022年	979,552	2,543,697

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 2022 was NT\$21,533,385. The impact of transportation on the environment is minor in MIC's operating system.

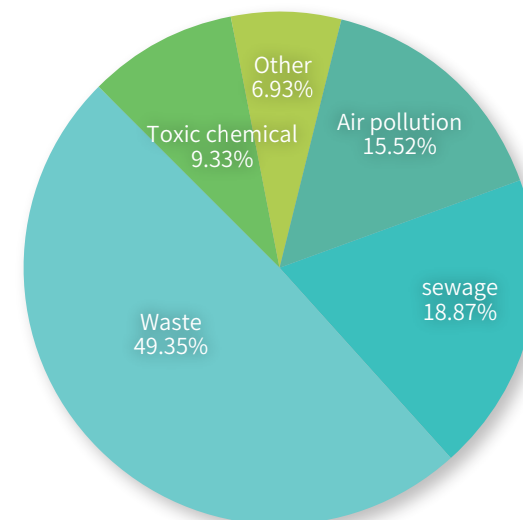
- 1 Materials and supplies :
When purchasing consumables locally, transportation can cause little impact on the environment.
- 2 Commercial products:
Land transportation is the major transportation mode from the MIC's production site to customers' factories. Batch shipment from the production site can 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\$4,900,750 in 2022. The expenditure and investment details are as follows:

Investment Type	Expenditure Amount	Investment Amount	Total
Air pollution prevention and control	682,085	78,750	760,835
Waste disposal	2,418,403	0	2,418,403
Toxic chemicals	270,450	186,655	457,105
water pollution prevention and control	924,551	0	924,551
Other	339,856	0	339,856
Total	4,635,345	265,405	4,900,750

Total Environment Expenditure and Investment (in percentage ; %)



3.3.11 Violation of environmental protection and occupational safety and health regulations

no	Factory/Unit	Category	Jurisdictional Municipality	Adjudication Date	Adjudication Document Reference Number	Violation of Regulatory Provisions	Disposal Method	Amount of fine
1	Southern Science Park Sewage Treatment Plant	Occupational Safety and Health	Tainan	111.01.10	Ref: No.1110001150, Nan Huan	Subparagraphs 2 and 3 of Paragraph 1 of Article 27 of the Occupational Safety and Health Act.	Fines	60,000
2	Southern Science Park Sewage Treatment Plant	Occupational Safety and Health	Tainan	111.06.22	Ref: No.1110018590, Nan Huan	Subparagraphs 2, 3, and 4 of Paragraph 1 of Article 27 of the Occupational Safety and Health Act.	Fines	120,000
3	Southern Science Park Sewage Treatment Plant	Occupational Safety and Health	Tainan	111.06.22	Ref: No.1110018593, Nan Huan	Article 228 of the Regulations for Occupational Safety and Health Facilities; Subparagraph 1 of Paragraph 1 of Article 243 of the Regulations for Occupational Safety and Health Facilities; Paragraph 1 of Article 19 of the Construction Safety and Health Facility Standards; Article 5 of the Construction Safety and Health Facility Standards.	Fines	90,000
4	Southern Science Park Sewage Treatment Plant	Occupational Safety and Health	Tainan	111.08.23	Ref: No.1110025440, Nan Huan	Paragraph 1 of Article 281 of the Regulations for Occupational Safety and Health Facilities.	Fines	100,000
5	Nanke Division 18 P	Occupational Safety and Health	Tainan	111.12.01	Ref: No.1110036017, Nan Huan	Subparagraphs 2 and 3 of Paragraph 1 of Article 27 of the Occupational Safety and Health Act.	Fines	100,000
6	Toufen	Environment Protection	Miali County	111.08.09	Ref: No. 1110050913, Department of Public Health and Environment	Paragraph 2 of Article 4 of the Regulations Governing of Toxic and Concerned Chemical Substances Mutual Aid Group Establishment Plan; Paragraph 2 of Article 38 of the Toxic and Concerned Chemical Substances Control Act .	Fines	60,000
7	Hukou	Environment Protection	Hsinju County	111.05.09	Ref: No. 1113401291, Environment Industry Department	Subparagraph 1 of Paragraph 1 of Article 31 of the Waste Disposal Act.	Fines	60,000

Number of annual violations of environmental protection and occupational safety and health regulations, and the amount of administrative fines: (1) Non-monetary sanction events: Zero event. (2) Events subject to fines: There were a total of 7 events that violated occupational safety and health laws, resulting in fines amounting to NT\$470,000; and 2 events that violated environmental protection laws, incurring fines totaling NT\$120,000. Altogether, these 7 events led to a combined fines of NT\$590,000. An individual event incurring an accumulated fine exceeding NT\$1 million is classified as a significant violation event for the Company. During this year, the Company has not encountered any major violation events related to occupational safety and health or environmental protection.

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,

- (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



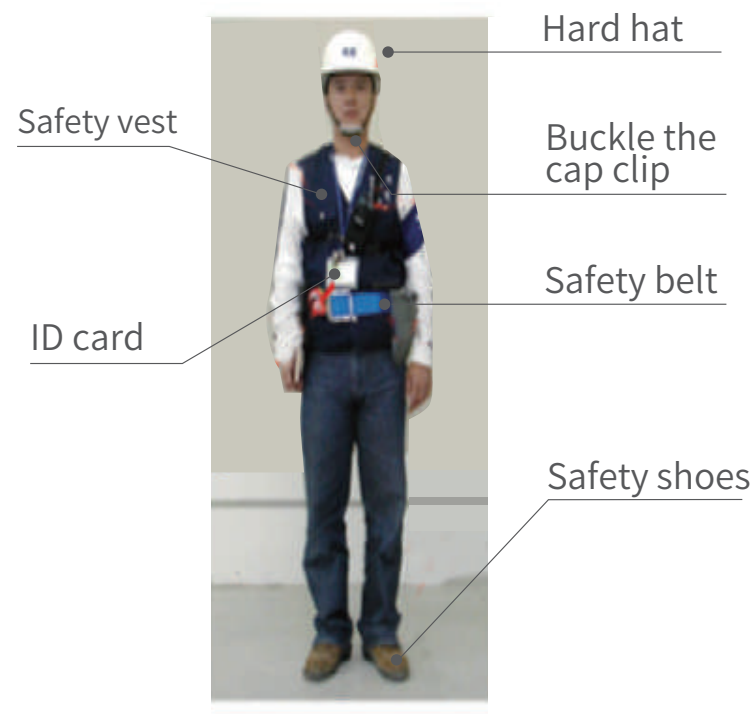
Photos taken during the inspections

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

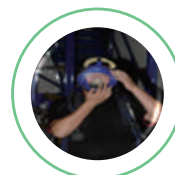
Each factory has established an emergency response organization consisting of the safety control team, firefighting rescue team, first aid team, administrative support team and commander. MIC conducts firefighting (chemical disasters) training and drills on the emergency response organization; and train 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



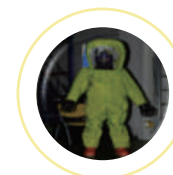
● Introduction to the wearing of PPE



● Putting on SCBA



● Putting on PPE



● The wearing is completed

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 mistake 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



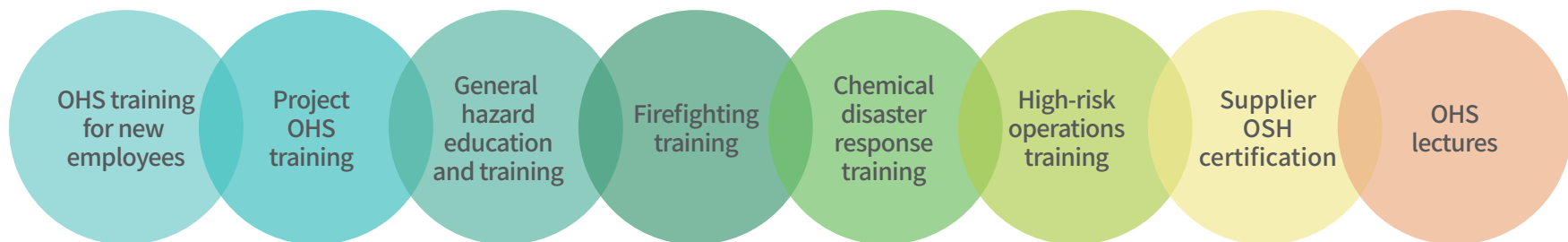
↑ AED&CPR training and practice



↑ 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)

Number of suppliers/ Total workforce of the Company:

The number of non-standard employees in factories and construction sites (as of December 2022) is 2,293 people.

The number of MIC' s standard employees (as of December 2022) is 735 people.

Non company employees	Company employees	Number of suppliers/Employee ratio
2,293人	735人	3.12

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 2022, there were 4 traffic accidents (private transportation tools) 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.

Employees Occupational Disabling Injuries in 2022 by Type

Type of Disabling Injuries	No. of Cases
Traffic accident during commutation (private transportation tools)	4cases
Accidents in the workplace	1cases

Accidents Occurred in the Workplace of MIC in 2022 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	1	1	4	4
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	2	2

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	1	1	4	4
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	2	2
Stampede	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	1	1
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
Occupational diseases	0	0	0	0
Others	0	0	0	0
Total	1	1	8	8

(1) Loss time

Month	Number of total work days	Total person-work hour	Number of employees applying for occupational injury leave	Lost days
From January to December	187,741	1,467,604	6	29

P.s. The number of employees applying for occupational injury leave includes employees who apply for return visits across and traffic accidents.

(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.)=6*1,000,000/1,467,604=4.09

(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.)=29*1,000,000/1,467,604 =19.76

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 safely. 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

2017.12.27

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.



2019.09.20

MIC joined TSMC’s F15A/F15B Contractor 100 and received the “Certificate of Excellent Subcontractor” therefrom.



2022.12.27

On December 27, 2022, MIC joined the Contractor 100 Conference held by TSMC at Hsinchu Science Park and received the “Excellent Contractors”, “Excellent Safety Personnel” and “Excellent Supervisors” awards for the year of 2022.



2018.12.14

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



2018.12.14

MIC joined TSMC’s Contractor 100 and received TSMC’s “Certificate of Excellent Subcontractor” for the year of 2020.





Awards received in 2022

2022 Micron A3 Sustainability Achievement

Awards received in 2022

2022 ASE The Contracting Excellence Award for New Construction Projects.



Awards received in 2022

2022 tsmc excellent performance award in New Fab Construction.



Awards received in 2022

2022 Taiwan Chlorine Industries Ltd. EPC Turnkey Excellence Award for Electrolysis Room Construction and Design.



Awards received in 2022

2022 Taiwan Chlorine Industries Ltd. EPC Turnkey Excellence Award for Electrolysis Room Construction and Design.



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 2022, 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.

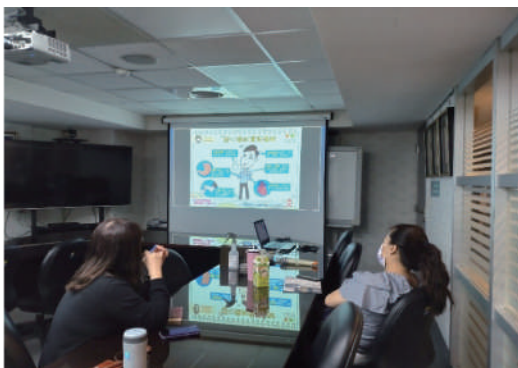


To maintain employees’ physical health, MIC implements employee health checkup each year; and, based on the health checkup analysis results, design medical examination programs that meet employees’ needs. MIC also organizes and setup health checkup procedures and analyze health checkup data, based on 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.

Special operations: There are no regulated special hazardous operations in MIC's various factory sites and offices due to the absence of special operations inspections.

Health management: Contractors in each factory area and office can utilize health centers/health advisory services/health promotion activities. Registered first aid kit medicines can be used as needed.



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.

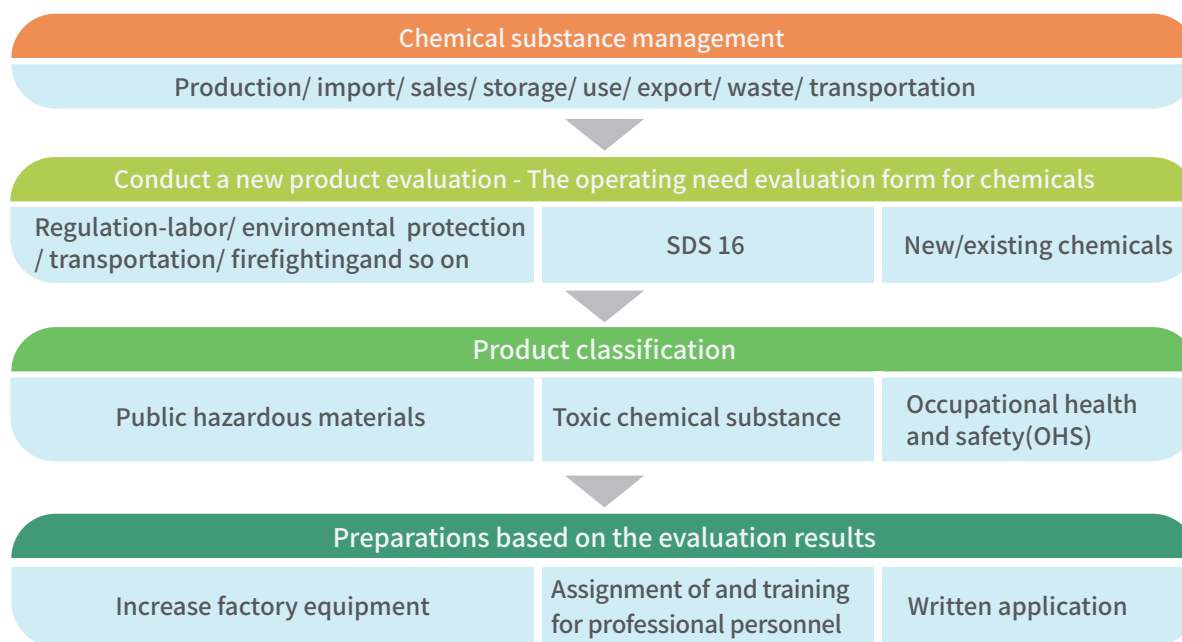
On January 1, 2023, MIC was awarded the "Health Workplace Certification - Health Start Label" certificate from the Health Promotion Administration, Ministry of Health and Welfare.

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.

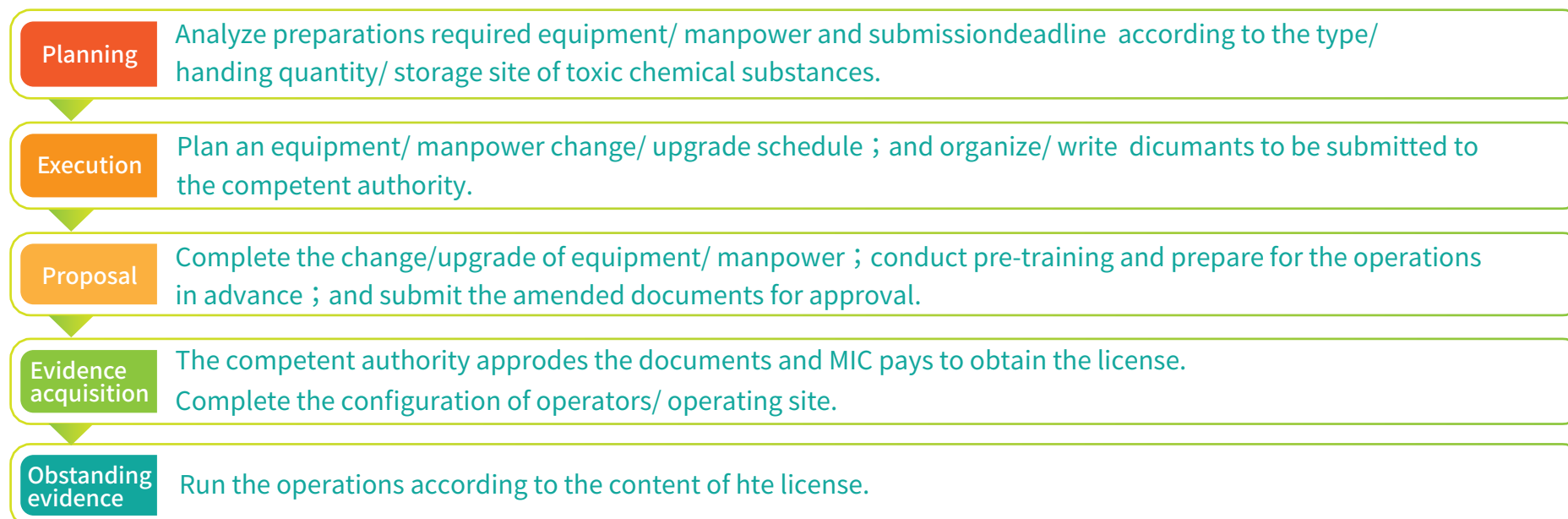
Before the operations (import/ storage/ sales) of toxic chemical substances, MIC carries out the following works according to the product type: early stage – paper application/ site configuration/ equipment installation; middle stage – stability of product operations/ factory check points/ regular application/ 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

- Tufen 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.

A Large Handling Volume Transportation Hazard Prevention and Response Plan

- 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.

Factories-Hazard Prevention and Response Plan

- Toxic operating site - Hukou Factory and Tufen 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 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

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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.



MIC places importance on and collaborates to safeguard and promote the employment of individuals with disabilities, creating job opportunities in compliance with the Disabled Rights Protection Act. We hire disabled individuals in accordance with the law and provide necessary equipment and enhanced training to strengthen their capabilities. The average length of service for our colleagues with disabilities is 16 years.

In the year 2022, MIC actively participated in various recruitment events. These included the Kaohsiung City Government's Economic Development Bureau's Asia Bay 5G AIoT Talent Matching Event held on March 25, 2022, the 2022 Overseas and Foreign Talent Cultivation and Exchange Fair organized by the Taiwan Electrical and Electronic Manufacturers' Association (TEEIA), and the AIGO Talent Problem-Solving Matching Event organized by the Institute for Information Industry. Additionally, we consistently engaged in campus recruitment at National University of Tainan and Kung Shan University, as well as actively participating in local job fairs. We look forward to a more rapid and effective recruitment process in the year 2023, following the subsiding of the pandemic.



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)

Item / Year		2020	2021	2022
No. of workers (persons)	Direct employees	312	319	318
	Indirect employees	428	418	417
	Total	740	737	735
Distribution and ratio of educational background (%)	PhD	1.35	1.22	1.23
	MSc/ master's degree	21.07	21.03	19.86
	University (achelor's degree)	51.35	50.88	51.84
	College	21.87	22.52	22.72
	Others	4.35	4.34	4.35
Work type (persons)	Managers	15	13	13
	R&D personnel	23	27	15
	Management and other personnel	702	697	707

Unit: persons;%

*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.

The number of non-employee security and cleaning personnel within the Company's operating sites in Taiwan are as follows

Number/Category	Cleaning Personnel	Security Personnel
Total of personnel	30	17

The number of non-employee contractors at the factory end are as follow

	Number of contractors
Total of personnel	679

Diversity in workforce composition

All colleague		
Item		Percentage
Gender	Male	73.6%
	Female	26.4%
Age groups	Under 30	9.0%
	31~50	68.4%
	Over 51	22.6%
Individuals with mental/physical disabilities and indigenous people		1.2%

The statistics on the number of MIC's new hires and departures in 2022 by age, gender and regions are as follows

Statistics on New hire			Departure		
Age groups	Number of people	Proportion	Age groups	Number of people	Proportion
Under 30	25	37.88%	Under 30	23	34.85%
31~50	22	6.56%	31~50	49	9.74%
Over 51	7	4.22%	Over 51	15	9.04%
Gender	Number of people	Proportion	Gender	Number of people	Proportion
Male	44	8.13%	Male	49	9.06%
Female	21	10.82%	Female	38	19.59%

Note 1: The headcount reference date is December 31, 2022.

Note 2: The number of new hires or departures in that demographic group / Total number of individuals in that demographic group.

The statistics for regular performance and career development reviews conducted in 2022 are as follows

Item		Percentage of total workforce
Gender	Male	69.80%
	Female	25.31%
Category	Supervisors	56.46%
	General staff	38.10%
	Operational staff	0.54%
Those who did not participate in the regular review due to years of service or individual circumstances account for 5%.		

4.3 Labor-Management Relations

4.3.1 Employee Welfare Measures

The pandemic situation remained challenging throughout 2022. In order to ensure the safety of our work environment, safeguard the health of our employees, and maintain seamless operations at MIC, we not only complied with government regulations, but also implemented a range of proactive measures. These included regular sanitation procedures, split operation working from home (WFH), and flexible hours. During the self-quarantine and self-isolation periods of employees or their family members, the Company offers them paid pandemic prevention leave and the opportunity to work from home. Furthermore, the Company offers pandemic prevention caring leave to employees who need to care for their children due to school closures; two days of unpaid vaccine leave for receiving a COVID-19 vaccine dose; and provides rapid test reagents for employees or their family members in need. All these measures ensure our staff can work with peace of mind and provide a secure environment for their families.

Apart from health checkups and other preventive information, in terms of caring for the health of our employees and their families, the employee group insurance plan goes beyond providing basic life and accident coverage. It also includes medical and cancer insurance options, encompassing spouses and children, with MIC covering the full cost.

Apart from the coverage provided by the aforementioned employee group insurance, given the ongoing global prevalence of COVID-19, efforts have been made to minimize overseas business trips wherever possible. Considering the suspension of pandemic-related coverage in the first half of 2022, the coverage amount for the original travel insurance has been enhanced to offer our colleagues improved protection during business trips.

In addition, breastfeeding rooms, and art and cultural spaces are set up within the office area. the Company also offers facilities, such as dormitories and parking spaces, to our colleagues for their use.

In the fiscal year of 2022, the number of employees categorized by gender who applied for parental leave is sub-categorized as follows

Total number of employees eligible for parental leave application in 2022.

Item		Number of people
Gender	Male	35
	Female	16

Total number of employees who actually utilized parental leave in 2022.

Item		Number of people
Gender	Male	3
	Female	4

Total number/ reemployment rate of employees who resumed work in 2022 after taking parental leave.

Item		Number of people	Percentage
Gender	Male	2	100%
	Female	2	100%

For the year 2021, employees who did not complete their parental leave and returned to work are reported as those who did not complete parental leave in the reporting year and remained employed for 12 months after resuming work.

Additionally, to take care of the health of our colleagues, MIC continued the initiative of offering a two-day unpaid vaccine leave for those who received the COVID-19 vaccine in 2022. This effort is aimed at enhancing employees' willingness to get vaccinated and collectively safeguarding everyone's well-being. During times of heightened pandemic concern, the Company also provided the option of remote work based on job roles, and flexible work hours were given to colleagues in areas with significant outbreak situations. In cases where colleagues were unable to work due to contracting the virus on duty, paid pandemic leave was provided.

In terms of welfare planning, MIC has a comprehensive system in place, supported by our Employee Welfare Committee. This Committee is dedicated to providing all colleagues with a range of benefits and activities that contribute to their overall well-being and help to maintain a healthy work-life balance. These offerings include employee trips, gifts for birthdays, childbirth, and festivals, as well as our annual year-end banquets, among others. In the year of 2022, in response to potential risks, activities that might lead to gatherings, such as employee trips and year-end banquets, were suspended. Instead, we opted for a voucher-based approach, allowing colleagues to select the benefits that best suited their preferences and needs. The year-end lucky draw continued as usual, conducted online for Taipei Headquarters, Hsinchu Branch Office, and STSP Branch Office. To acknowledge the dedication of our colleagues throughout the year, we increased the chances of winning in the draw, as a gesture of gratitude for their hard work.



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. In 2022, the Company's annual key development and goal served as the main direction for training planning, encompassing themes such as "sustainable operations", "talent-oriented", "key to winning", and "new perspectives".

Main themes	Topics
sustainable operations	Exploring the technology industry supply chain disruption issue/ Building a company's sustainable competitiveness/ Seminar on the global political and economic trends/ Plastic reduction lifestyle.
talent-oriented	Excellence in performance management and promotion - Online course.
	Structured behavioral interviewing for talent selection - Online course.
	Implementation guidelines for performance management principles and methods - Online course.
key to winning	Proposal management and reporting skills / Success in profitable business/ Revit project training course.
new perspectives	Leadership for Generation Z / Customer interaction management/ Self-growth seminars / Awareness seminars / Parent-child communication seminars.

During periods of eased pandemic conditions, we organized in-person brick-and-mortar courses, and when the pandemic situation became tense, we ensured the continuity of learning for our employees by offering online courses. The online courses offered in 2022 were as follows: "Excellent performance management and enhancement", "Structured behavioral interviewing for talent selection", and "Implementation guidelines for performance management principles and methods". The theme of sustainable management is also the central theme of our training plan, including:

Exploring disruptions in the technology supply chain: Management seminar, which strengthens responses to changes

Building sustainable corporate competitiveness: Management seminar, enhances awareness and understanding of ESG direction

Plastic reduction life: General knowledge seminar, which adjusts lifestyles for a sustainable earth

Internal training includes various courses such as management, professional, and general health classes, aiming to enhance employees' work skills and promote their physical and mental well-being. External training programs are arranged based on specific departmental professional needs or regulatory requirements.

The total training hours in 2022 was 9,688 hours, where the statistics are categorized by gender and age as follows

Item	Female	Male
Total training hours	2391	7477
Average training hours	12.3	13.8

Item	Under 30	30-50	Over 50
Total training hours	778	6654	2436
Average training hours	11.8	13.2	14.67

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.

Each year, MIC conducts annual salary adjustment based on factors such as operating status and market salary competitiveness. The extent of the adjustment for each employee is determined by their performance, current salary level, demonstrated capability maturity, and future potential. In the 2021, the median salary of full-time non-supervisory employees ranked fourth among 37 other electronic industry companies listed on the stock market. In 2022, the average salary for full-time non-supervisory employees was NT\$1,553 thousand (a 13% increase from 2021), and the median salary was NT\$1,254 thousand (a 12% increase from 2021). The highest individual annual total compensation in our company for the years 2020-2022 was approximately 9 to 12 times the median annual total compensation of other employees. Furthermore, the percentage increase in annual total compensation for this group was about 2 to 4 times the percentage increase in median annual total compensation for other employees.

In June 2022, Taiwan Index Co., Ltd. announced the results of the regular review of the "TWSE Taiwan High Compensation 100 Index" (referred to as Taiwan High Compensation 100 Indicator). Our company is also once again included in this indicator.

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 2022, the fair value of plan assets was NT\$158,364,000; and the total of pension amount that shall be appropriated to employees by law was NT\$138,106,000, 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

- (1) 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, 2022, 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.
- (2) For employees retiring or terminating their employment, the human resource department arranges face-to-face counseling sessions to assist them in creating personalized career plans. They provide relevant employment information and resources, including government or agency subsidies to address short-term needs. Additionally, they offer access to professional skills and vocational training institutions and courses, aiming to enhance employees' employability and competitive edge.

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 10 charity sales in Taiwan in 2022; and placed charity boxes in Taipei and Hsinchu with the aspiration that our employees can show their compassion by donating some coins.

Charity Group	Session(s)	Charity revenue
Zhanyi Bakery	3	\$23,845
Hung-Chia Sanctuary Center	2	\$22,130
LUWAY Opportunity Center	2	\$15,280
Fuhaner (Sin Te Bakery)	1	\$5,440
Lian Sin Yuan	2	\$5,650
Total	10	\$72,345





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.

At the beginning of the year, the Company participated once again in the "Big Fortune and Wealth · Accumulating Blessings for the Enterprise" citrus tankan charity sale event organized by the Industrial Technology Research Institute (ITRI). In this year's event, MIC sold 18,000 catties of citrus tankan, successfully raising NT\$400,000, all of which was then donated to social welfare organizations through the charity sale. Since its launch in 2012, this event has received substantial support and positive feedback from various enterprises. MIC's continued commitment to endorsing the purchase of charitable citrus tankan gift sets is driven by the desire to appreciate the farmers' dedication to cultivating a welcoming environment. Additionally, this ensures that our customers not only receive New Year's blessings but also contribute to charitable causes when they receive these gift sets.

The charity sale event selected the citrus tankan of the season, cultivated through environmentally friendly and low-pesticide practices by Hsinchu Xionglin fruit farmers. By utilizing local food ingredients, we not only reduce food miles but also cut down carbon emissions from transportation. This guarantees that our employees can enjoy their meals with a sense of security, while the Company can simultaneously offer presents and exhibit compassion, thereby contributing to the sustainable environmental development. MIC also aspires that such activities can foster employee social involvement, demonstrating sincere care for the underprivileged in society through tangible actions.

In September 2022, the Company sponsored and supported the "(Building) Art Festival". The "(Building) Art Festival" is a series of events centered around love, colored with music and art, and dedicated to promoting aesthetic education in rural areas. It invited long-standing supporters and nurturers of the "Building Love" cause to participate in the performances (including the Jianshi Elementary School Taiko Drum Team, Atayal Classroom, Green Light Seed, and Vox Nativa Taiwan). Additionally, the event showcased artworks created by scholarship-winning students from the "(Building) Art Festival Scholarship". The Company invited its colleagues to join and witness this aesthetic feast, encouraging the local heritage of art education.





Organized the “Tree Planting Activity”





Donated liquid straw decomposing bacteria to Hsinchu County Government.

Donated money to the Urban Re-development Division of New Taipei City.



"Big Fortune and Wealth·Accumulating Blessings for the Enterprise" citrus tankan charity sale event organized by the ITRI.



Agricultural Technology Research Institute's "Good persimmons and java apples" persimmons sale event.

Sponsored postgraduate students of the College of Engineering, National Taiwan University.





Donated money to Taiwan Environmental Information Association.

Donated money to ITRI Alumni Association for the handling of association related affairs.



Massage by visually impaired to safeguard your health.

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. In 2022, our collaboration expanded to include more departments. For example, in regard to our collaboration with Southern Taiwan University of Science and Technology (STUST), we not only continued to collaborate with the Mechanical Engineering Department, but also collaborate with chemical and materials engineering, and optoelectronic engineering departments. Furthermore, we also partnered with the electrical engineering and electronics engineering departments at Kun Shan University for industry-academic cooperation. This collaboration offered a total of 27 internship opportunities, all conducted at the two factories within STSP. These opportunities accounted for 29% of our Taiwan-based positions.



5 Conclusions

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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

Statement of Use	MIC has compiled the 2022 Sustainability Report in accordance with GRI standards. The reporting period of this report spans from January 1, 2022, to December 31, 2022.
GRI 1 Application Version	GRI 1 : Foundation 2021
Application of GRI Industry Standards	None

GRI 2 : General Disclosures 2021

Disclosure	Descriptions	Chapter	Omission of Explanation
1.The organization and its reporting practices			
2-1	Organizational details	About this Report	
2-2	Entities included in the organization' s sustainability reporting	About this Report	
2-3	Reporting period, frequency and contact point	About this Report	

GRI 2 : General Disclosures 2021

Disclosure	Descriptions	Chapter	Omission of Explanation
2-4	Restatements of information	About this Report	
2-5	External assurance	About this Report	

2.Activities and workers

2-6	Activities, brands, products, and services	1.4 Operational Overview	
2-7	Employees	4.2 Information on Employees	
2-8	Workers who are not employees	4.2 Information on Employees	

3.Governance

2-9	Governance structure and composition	2.1 Organization Chart	
2-10	Nomination and selection of the highest governance body	2.1 Organization Chart	
2-11	Chair of the highest governance body	2.1 Organization Chart	
2-12	Role of the highest governance body in overseeing the management of impacts	2.3 Significant Changes to the Management Framework and Response Measures	
2-13	Delegation of responsibility for managing impacts	2.3 Significant Changes to the Management Framework and Response Measures	
2-14	Role of the highest governance body in sustainability reporting	2.5 Issues of Materiality	
2-15	Conflicts of interest	2.1 Organization Chart	
2-16	Communication of critical concerns	2.1 Organization Chart	
2-17	Collective knowledge of the highest governance body	1.3 Business Philosophy	
2-18	Evaluation of the performance of the highest governance body	2.1 Organization Chart	

GRI 2 : General Disclosures 2021

Disclosure	Descriptions	Chapter	Omission of Explanation
2-19	Remuneration policies	2.1 Organization Chart	
2-20	Process to determine remuneration	2.1 Organization Chart	
2-21	Annual total compensation ratio	4.3 Labor-Management Relations	
4.Strategy, policies and practices			
2-22	Statement on sustainable development strategy	1.3 Business Philosophy	
2-23	Policy commitments	1.3 Business Philosophy	
2-24	Embedding policy commitments	1.3 Business Philosophy	
2-25	Processes to remediate negative impacts	1.10 The management approach and its components	
2-26	Mechanisms for seeking advice and raising concerns	1.10 The management approach and its components	
2-27	Compliance with laws and regulations	1.3 Business Philosophy	
2-28	Membership associations	2.2 Customer Supplier Relationship	
5.Stakeholder engagement			
2-29	Approach to stakeholder engagement	2.4 Stakeholder Communication Channels	
2-30	Collective bargaining agreements		The company has not established a labor union. Instead, we regularly communicate relevant matters through labor-management meetings.

GRI 3 : Material Topics 2021

Disclosure	Descriptions	Chapter	Omission of Explanation
3-1	Process to determine material topics	2.5 Issues of Materiality	
3-2	List of material topics	2.5 Issues of Materiality	
3-3	Management of material topics	1.10 The management approach and its components 1.11 Evaluation of the management approach	

GRI 200 : Economic Series

Disclosure	Descriptions	Chapter	Omission of Explanation
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Material Topics : Economic Series**GRI 201 : Economic Series 2016**

201-1	Direct economic value generated and distributed	1.7 Operational Performance	
201-3	Defined benefit plan obligations and other retirement plans	4.3 Labor-Management Relations	

Material Topics : Procurement Practices**GRI 204 : Procurement Practices 2016**

204-1	Proportion of spending on local suppliers	2.2 Customer Supplier Relationship	
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GRI 200 : Economic Series

Disclosure	Descriptions	Chapter	Omission of Explanation
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Material Topics : Anti-corruption**GRI 205 : Anti-corruption 2016**

205-1	Operations assessed for risks related to corruption	2.1 Organization Chart	
205-2	Communication and training about anti-corruption policies and procedures	1.3 Business Philosophy	
205-3	Confirmed incidents of corruption and actions taken		This disclosure does not exist during the reporting period

GRI 300 : Environmental Series

Disclosure	Descriptions	Chapter	Omission of Explanation
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Material Topics : Energy**GRI 302 : Energy 2016**

302-1	Energy consumption within the organization	3.3 Environmental Protection	
302-3	Energy intensity	3.3 Environmental Protection	
302-4	Reduction of energy consumption	3.3 Environmental Protection	

Material Topics : Emissions**GRI 305 : Emissions 2016**

305-1	Direct (Scope 1) GHG emissions	3.3 Environmental Protection	
305-2	Energy indirect (Scope 2) GHG emissions	3.3 Environmental Protection	
305-4	GHG emissions intensity	3.3 Environmental Protection	

GRI 400 : Social Series

Disclosure	Descriptions	Chapter	Omission of Explanation
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Material Topics : Employment**GRI 401 : Employment 2016**

401-1	New employee hires and employee turnover	4.2 Information on Employees	
401-2	Benefits provided to full-time employees (excluding temporary and part-time employees) that are not provided	4.3 Labor-Management Relations	
401-3	Parental leave	4.3 Labor-Management Relations	

Material Topics : Occupational Health and Safety**GRI 403 : Occupational Health and Safety 2018**

403-1	Occupational Health and Safety Management Systems	3.4 Health and Safety Management	
403-2	Hazard identification, risk assessment, and incident investigation	3.4 Health and Safety Management	
403-3	Occupational health services	3.4 Health and Safety Management	
403-4	Worker participation, consultation, and communication on occupational health and safety	3.4 Health and Safety Management	
403-5	Worker training on occupational health and safety	3.4 Health and Safety Management	
403-6	Promotion of worker health	3.4 Health and Safety Management	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	
403-8	Workers covered by an occupational health and safety management system	3.4 Health and Safety Management	
403-9	Work-related injuries	3.4 Health and Safety Management	
403-10	Work-related ill health	3.4 Health and Safety Management	

GRI 400 : Social Series

Disclosure	Descriptions	Chapter	Omission of Explanation
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Material Topics : Local Communications**GRI 413 : Local Communications 2016**

413-1	Operations with local community engagement, impact assessments, and development programs	4.4 Social Care	
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Material Topics : Customer Health and Safety**GRI 416 : 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
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Other General Topics**GRI 202 : Market Presence 2016**



202-1	Ratios of standard entry level wage by gender compared to	4.3 Labor-Management Relations	
202-2	local minimum wage	4.2 Information on Employees	

GRI 203 : Indirect Economic Impacts 2016

203-1	Infrastructure investments and services supported	3.3 Environmental Protection	
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Other General Topics			
Disclosure	Descriptions	Chapter	Omission of Explanation
GRI 303 : Water and Effluents 2018			
303-3	Water withdrawal	3.3 Environmental Protection	
303-4	Water discharge	3.3 Environmental Protection	
303-5	Water consumption	3.3 Environmental Protection	
GRI 306 : Waste 2020			
306-1	Waste generation and significant waste-related impacts	3.3 Environmental Protection	
306-2	Management of significant waste-related impacts	3.3 Environmental Protection	
306-3	Waste generated	3.3 Environmental Protection	
306-4	Waste diverted from disposal	3.3 Environmental Protection	
306-5	Waste directed to disposal	3.3 Environmental Protection	
GRI 404 : Training and Education 2016			
404-1	Average hours of training per year per employee	4.3 Labor-Management Relations	
GRI 405 : Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	2.1 Organization Chart 4.2 Information on Employees	
GRI 417 : Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	1.9 Quality Management System	
GRI 418 : Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No such occurrence was observed during this reporting period.

Annex II AA1000AS v3 Assurance Statement

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By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

Marketech International Corp. 2022 Sustainability Report

The British Standards Institution is independent to Marketech International Corp. (hereafter referred to as Marketech in this statement) and has no financial interest in the operation of Marketech 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 Marketech only for the purpose 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 Marketech. 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 Marketech only.

Scope

The scope of engagement agreed upon with Marketech includes the following:

1. The assurance scope is consistent with the description of Marketech International Corp. 2022 Sustainability Report.
2. The evaluation of the nature and extent of the Marketech'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 Marketech International Corp. 2022 Sustainability Report provides a fair view of the Marketech sustainability programmes and performances during 2022. 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 Marketech 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 Marketech's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers 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 Marketech's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards 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 Marketech'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.
- 9 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 Marketech has continually 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 Marketech's inclusivity issues.

Materiality

Marketech publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Marketech and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Marketech's management and performance. In our professional opinion the report covers the Marketech's material issues.

Responsiveness

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

Impact

Marketech has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Marketech 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 Marketech's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

Marketech provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). 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 Marketech'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 Marketech'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

 **AA1000**
Licensed Report
600-4/V3-MKHT6

Statement No: SRA-TW-2022024
2023-07-11

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Marketch International Corp.
2022 Sustainability Report



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