



2023 Marketch International Corp. Sustainability Report

The
Professional
Solutions
Provider

CONTENTS

About this report 01

Words from the management 06

1. Company Profile

1.1 About MIC	008
1.2 Company History	009
1.3 Business Philosophy	011
1.4 Operational Overview	012
1.5 Trends and Opportunities	013
1.6 Operational Performance and Tax	017
1.7 Quality Policy	019
1.8 Quality Management System	019

2. Corporate Governance

2.1 Organization Chart	022
2.2 Customer Supplier Relationship	031
2.3 Significant Changes to the Management Framework and Response Measures	033
2.4 Stakeholder Communication Channels	034
2.5 Material Topics	035

3. Sustainable Environment and Labor Safety

3.1 Climate Change Governance	044
3.2 Environment, Health and Safety (EHS) Management System	045
3.3 EHS Policy	047
3.4 Environmental Protection	048
3.5 Health and Safety Management	063
3.6 Awards	069
3.7 Health Management	070
3.8 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	073

4. Employee Care and Social Welfare

4.1 Labor Policy	076
4.2 Information on Employees	078
4.3 Labor-Management Relations	080
4.4 Social Care	088
4.5 Industry-Academia Collaboration	094

5. Conclusions

Annex I GRI Standards Index	096
Annex II Climate-Related Information of TWSE/TPEX Listed Company	104
Annex III AA1000AS v3 Assurance Statement	105



Marketech International Corp.
Sustainability Report 2023

ABOUT THIS REPORT

■ Reporting Period / Overview

This report covers information related to ESG 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 2023 and December 1, 2023. During the reporting period, there were no items requiring restatement of information. The last ESG report was issued on June 2023. 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 third Sustainable Report (MIC has previously issued 8 CSR reports) and the publication cycle thereof is once a year.

■ Scope and Boundary

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

■ Writing Standards / Methods

This report, which is issued in both traditional Chinese and English versions, is written in compliance with the core spirit of “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 Standards 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.

Contact Methods

Address: 6F, No. 3-2, Yuanqu Street, Nangang District,
Taipei 11503

Telephone: +886-2-2655-8899 ext.10078

Director Wang

Fax: +886-2-2655-8989

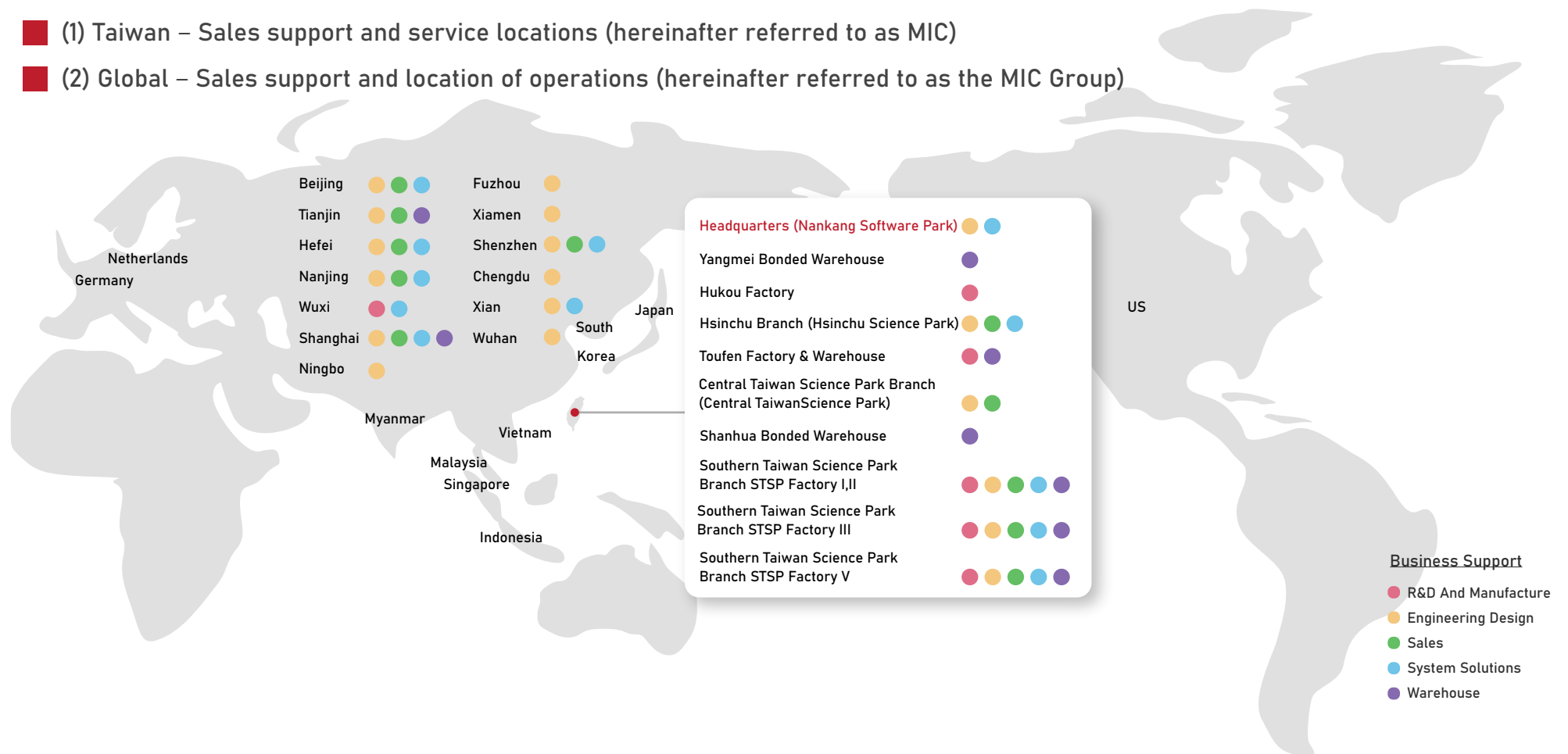
Email: mic@micb2b.com

Coporate Website: www.micb2b.com

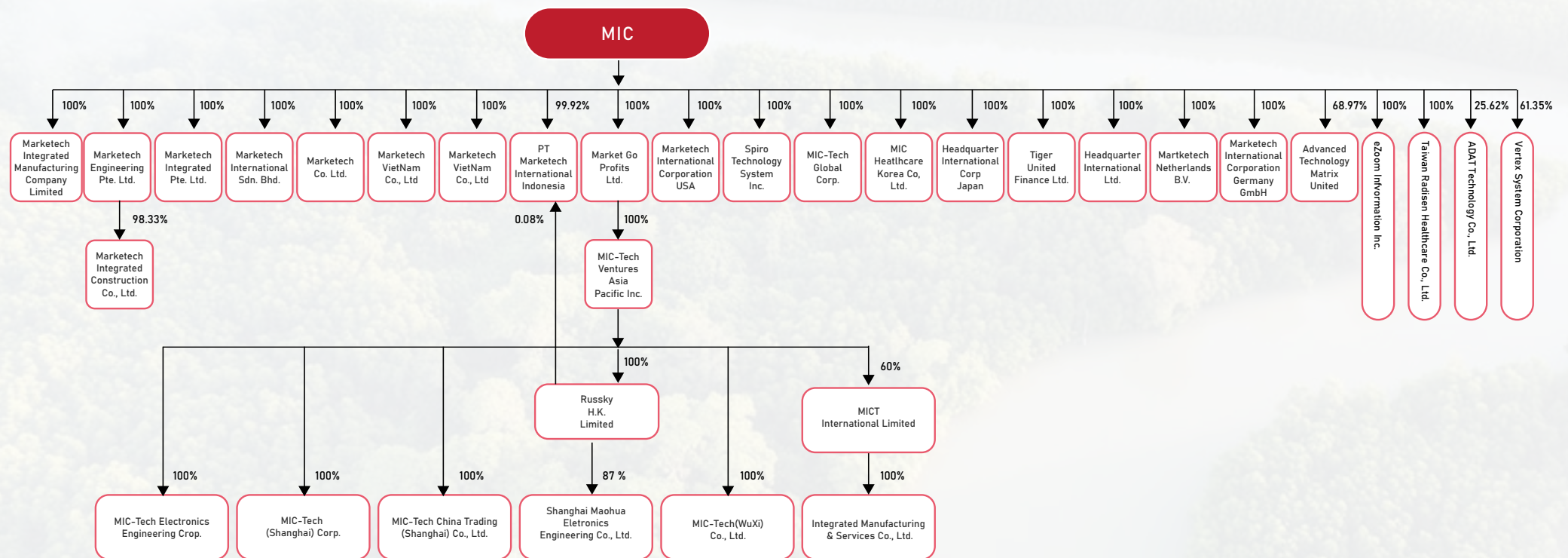
Global Deployment

Oriented to the mission of “being a customer-oriented all-round technology service leader”, MIC Group is headquar-tered in Nankang 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)



■ (3) Organization Chart of Affiliated Companies.



■ (4) Basic information of subsidiaries

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.	Malaysia	Professional Engineering Contracting and Related Maintenance Services
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 equipment
Marketch Netherlands B.V.	Netherlands	Machinery, equipment, parts and related international trade operation and technical services
Marketch International Corporation USA	USA	Handles the business of automated supply system in the semiconductor industry
Spiro Technology Systems Inc.	USA	General international trade

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	Regeneration of abatement canisters, pipeline systems, and related facility design, installation, commissioning, and technical services for the semiconductor manufacturing industry; equipment maintenance for the semiconductor manufacturing industry.
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 construction, specialized construction of building decoration and renovation projects, specialized construction of intelligent building systems, specialized construction of electronic construction projects, and related technical services and consulting.
MIC-Tech (WuXi) Co., Ltd.	China	Production and sales of semiconductor devices, intelligent storage equipment, lighting fixtures, masks, and labor protection products; manufacturing of specialized packaging equipment.
MIC-Tech China Trading (Shanghai) Co., Ltd.	China	Wholesale, commission agency, import and export, installation, maintenance, and other related supporting services for chemical products, semiconductor and solar equipment consumables, mechanical equipment, and their parts; trade agency and business consulting services within bonded areas.
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, sales, and consulting services for software and hardware applications of information systems; sales of medical equipment.
ADAT Technology Co., LTD.	Taiwan	Research, development, application, and services of information software; electronic information supply services; data processing services.
Taiwan Radisen HealthCare Co., Ltd.	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

WORDS FROM THE MANAGEMENT

The 28th United Nations Climate Summit (COP28) put forward eight options for countries to choose how to reduce greenhouse gas emissions, minimize the use and production of fossil fuels in an orderly and equitable manner, aim to triple the capacity of renewable energy by 2030, and enhance the development of green energy technologies in order to achieve zero carbon emissions by 2050. Countries around the world are focusing on carbon reduction strategies, which are also influencing national energy policies and industry development. The Company is faced with not only changes in regulations and standards, but also environmental sustainability, employee well-being, and customer service.

In 2023, Marketch International Corp. officially established the Sustainable Development Committee, with me as the convener, to promote corporate governance, environmental protection, and social participation, and to align with international ESG standards through the integration of organizational strength and resources, while maintaining production efficiency and customer satisfaction. This year, Marketch International Corp. successfully introduced the ISO 50001 energy management system. Marketch International Corp. has strictly eliminated old equipment, replaced energy-saving LED lighting, added inverters to chilled water pump, and controlled the temperature of the water coming out of the ice machine by seasons to achieve an annual reduction of 1% in electricity consumption. As a result, Marketch International Corp. has been selected as one of BusinessWeek's Top 100 Carbon Competitive Companies in 2023.

In the face of severe climate change, sustainable development is a path that human beings must take. Marketch International Corp. can only make breakthroughs through continuous positive response and strengthening of corporate survival resilience, and establish a team of "consensus, mutual trust, coexistence, sharing, and prosperity", which is committed to building a sustainable enterprise that is friendly to its employees, reassuring to its customers, responsible to its shareholders, and caring for the social environment.

Marketch International Corp.
Chairman and CEO
Margaret Kao

Marketch Intl Corp
Chairman and CEO, Margaret Kao



Marketch Intl Corp
Scott Lin



1. Company Profile

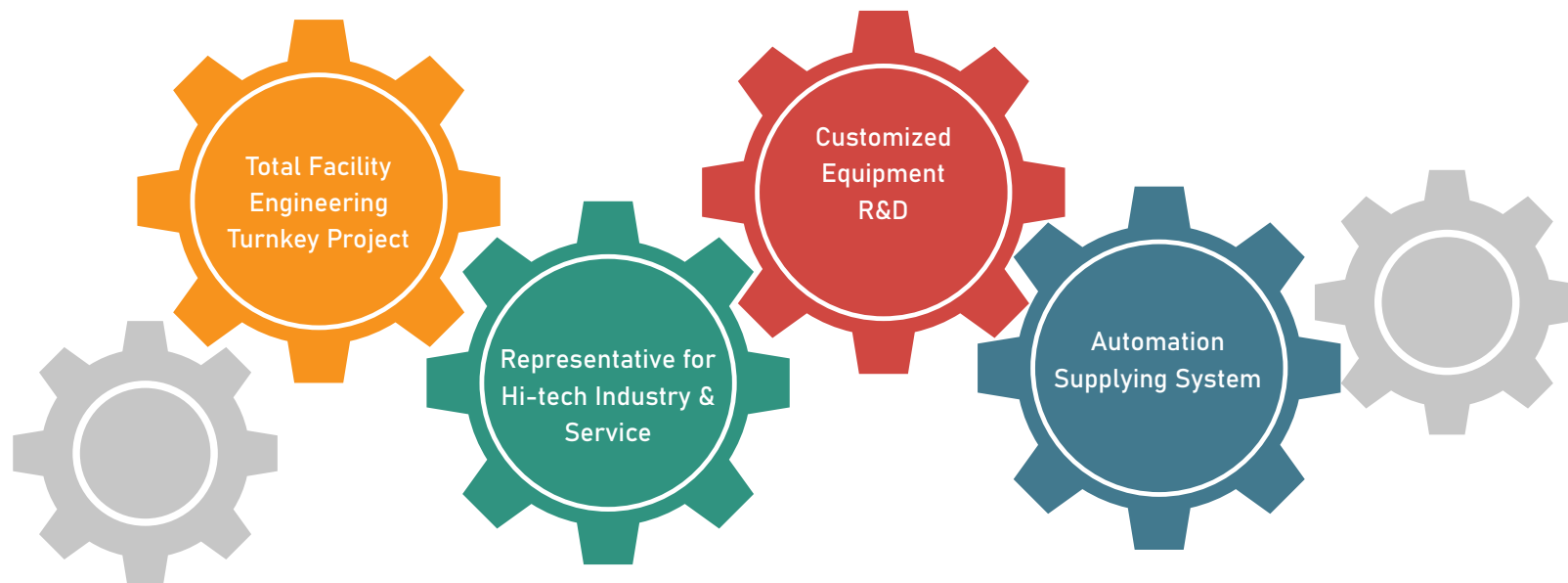
1.1	About MIC	008
1.2	Company History	009
1.3	Business Philosophy	011
1.4	Operational Overview	012
1.5	Trends and Opprtunities	013
1.6	Operational Performance and Tax	017
1.7	Quality Policy	019
1.8	Quality Management System	019

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

- 1988 ● Marketch International Corp. was established with paid-in capital of NT\$ 5 million in December.
- 1989 ● Cooperated with US TPI Systems and introduced the hi-tech products as well as technologies in February.
- 1995 ● Set up MIC's 1st semiconductor cleaning room.
- 1997 ● Started oversea business expansion from Singapore.
- 1998 ● Tainan representative office was established to support customers in Tainan Science Park.
- 2000 ● Co-marketed with J.P.C. to expand business in oversea markets.
- 2001 ● Set up MIC's 2nd semiconductor cleaning room.
- 2002 ● Changed company organization and name to Marketch International Corp.
- 2003 ● Fuzhou Jiwei System Integrated Co., Ltd. was established to expand the business in South China.
MIC-Tech Electronics Engineering Corp. was established.
Tainan Science Park branch office was established.
Hu Kuo factory was officially opened in September.
- 2004 ● Worked as OEM of US equipment supplier
Officially listed on Taiwan Security Exchange Market
Shan Hua factory was officially opened and operated
MIC-TECH GLOBAL CORP. was established
- 2005 ● Tainan Science Park factory was officially opened and operated.
Wu Xi factory was officially opened and operated.
Relocated headquarter to Nangang Soft Park.
- 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.
- 2007 ● Received ISO 14001 and OHSAS 18001 certification.
- 2008 ● Phase II of Tainan Science Park factory was officially opened and operated.
- 2009 ● Marketch International Sdn. Bhd. was established for business expansion in Malaysia.
- 2010 ● MIC-Tech Viet Nam Co., Ltd. was established for business expansion in Vietnam.
- 2011 ● Recognized as certified AEO company by Custom Administration, Minister of Finance.
Hua Phong Marketch Co., Ltd. was established for business expansion in Vietnam.
- 2013 ● Phase III of Tou Fen factory was officially opened and operated.
- 2014 ● Marketch Engineering Pte. Ltd. was established.
Marketch Integrated Construction Co., Ltd. was established for business expansion in Myanmar.
Received ISO 13485 certification.
- 2015 ● Established the subsidiary (Marketch Integrated Manufacturing Company Limited) in Myanmar.
Received the SA8000 certification.
- 2016 ● PT Marketch International Indonesia set-up.
Central Taiwan Science Park Branch set-up.
- 2017 ● Marketch Netherlands B.V. set-up.
Received GMP certification.
- 2018 ● Phase III of Tainan Science Park factory was officially opened and operated.
The factory in Myanmar was officially opened and operated.
Received the ISO 45001 certification.
Established the subsidiary (Marketch International Corporation USA).
- 2021 ● Established the subsidiary (MIC Healthcare Korea Co., Ltd.).
Received ISO 9001 certification.
- 2022 ● Established the subsidiary in Japan (Marketch International Corp. Japan).
STSP Manufacturing Center Phase V set-up.
Received ISO 50001 certification (Phase I and III of Tainan Science Park factory)
- 2023 ● Established a subsidiary in Germany (Marketch International Corporation Germany GmbH).
Established a subsidiary in USA (Advanced Technology Matrix United Corporation).
Established a subsidiary in Vietnam (MIC Industrial Viet Nam Co., Ltd.).
Received QMS certification.
Received ISO 50001 certification (Hu Kou factory, Tou Fen factory, and Phase V of Tainan Science Park factory).



Unit: shar; person; %

Structure of Shareholders Numbers	Government Agency	Financial Constitutions	Other Juristic Person	Individual	Foreign Constitution and Foreigner	Total
Number (Person)	0	7	106	23,761	136	24,010
Number (Share)	0	2,785,000	113,391,058	74,687,804	10,451,575	201,315,437
Ration of Shareholding (%)	0.00%	1.38%	56.33%	37.10%	5.19%	100.00%

1.3 Business Philosophy

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

1.3.1

MIC's business philosophy is to introduce semiconductor, flat-panel display, optoelectronics and biochemical industries related production equipment and materials using professional technology; to provide electromechanical design, procurement, supervision and construction of cleanroom; to offer pure water, gas, chemical supply and monitoring system; and to establish a sales and maintenance platform in coordination with global marketing strategy in order to provide customers with complete services. In the meantime, MIC continues not only to increase sales and marketing capabilities, but also to 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. established the Sustainable Development Committee in 2023. 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. Please refer to the official website's Corporate Governance section for the content of related policies. (<https://www.micb2b.com/govern/board/>)

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

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

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

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

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



Integrity

Keep commitments and do our best to complete the mission. Missions that cannot be done as schedule must be reported honest in order to deliberate a solution and to show our high-standard work ethic and professionalism. The real information must be revealed and problems must be discussed honestly and openly. Be confident and have the courage to admit mistakes; be honest and do not make any inappropriate speech or behavior for self-interests. In the meantime, MIC also established "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and "Procedures for Preventing Information Disclosure and Insider Trading" as a yardstick for regulations (ex., anti-corruption and anti-trust laws; or legal compliance).



Caring

Take the initiative to understand customers, colleagues and supervisors' needs and have good interaction therewith; timely provide employees with sincere support and assistance for their contribution to the organization; proactively listen to others with empathy and be open to communicate with others; and care for customers, colleagues and supervisors and respect and show understanding for them.



Professionalism

Have sufficient knowledge and skills in one's field of expertise in order to specifically evaluate and go deep through the problems; find the root causes; propose and implement improvement measures; and prevent potential problems. Keep improving at work; continue to absorb and learn related knowledge and skills; continue to increase one's added value; and effectively apply new and old knowledge and skills at work.



Innovation

Provide high quality products and services that meet internal and external customers' needs; create a learning and sharing environment using various methods to increase the efficiency and efficacy of work procedures; and create customers' needs and internal demand to increase the enterprise value. Treat different and new people, things and object with an attitude of welcoming, accepting and encouraging them. In response to changes to the environment, take actions to pursue the awareness of new growth opportunities; upgrade the thinking, method, service and management approach to another level through changes and creations with some creativity; and, through full authorization or an effective data analysis, solve problems in a faster, better, more saving and more efficient way and make continuous improvements.



Dedication to work

Complete the mission within the time limit regardless of the difficulty thereof and proactively provide necessary assistance to the others. When finding a problem, proactively propose a solution and participate in related discussions until the problem - whether it is an internal or external problem and whether it is related to one's job - is solved. Do the best to complete missions and fulfill job duties; and report the progress thereof in real-time because the key is not to do a thing, but to do it well. Proactively request to undertake more missions if one is able to do so.



Teamwork spirit

Handle cross-departmental business with empathy; and trust and give assistance to each other. Cooperate with others to complete the same goals. While putting the Company as the top priority, confirm that all members know and understand the Company's goals and their personal goals, roles and responsibilities. Make sure that the benefit behind the mission is the first consideration instead of how difficult a mission can be. Be proactive in participating in the Company's action or plan.

1.4 Operational Overview

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 Trends and Opportunities

1.5.1 Current industry status and development

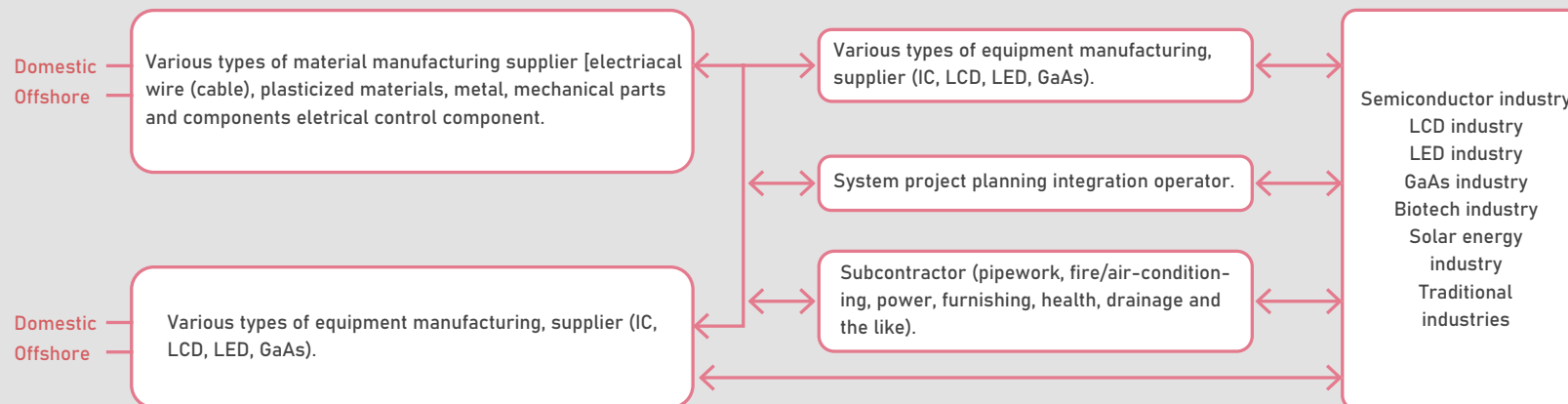
MIC Group's revenue is generated mainly from the sales of and repair services for traditional equipment and materials used in high-technology industries – such as the semiconductor (IC), TFT-LCD, LED, color filter, GaAs, IC packaging and flip chip substrate industries – and traditional industries; and 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. 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.

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.

1.5.2 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:



1.5.3 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 global sales of semiconductor manufacturing equipment reached \$106.3 billion in 2023, marking a slight decline of 1.3% from the historical high in 2022. With the recovery of global market demand in 2024, along with government incentives, there is expected to be significant growth in wafer fab construction and equipment investment. Sales of semiconductor manufacturing equipment expect to increase.

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.

d. 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 (Business Intelligence), 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.

1.5.4 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, Germany 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.

1.5.5 Advantageous and Disadvantageous Factors of Development Vision and Response Strategy

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.

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, Indonesia, US, Germany 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.

1.5.6 Successfully developed technology or products in 2023

R&D Performance	Applications
High-pressure room temperature ionized water cleaning system	FPD Cassette Clean

1.6 Operational Performance and Tax

1.6.1 Operational Performance

■ The operational performance of MIC Group between 2021 and 2023 as stated in the consolidated financial statements is as follows

Unit: In thousand New Taiwan Dollars				Note
Item	2021	2022	2023	
Direct Economic Value	34,458,674	50,366,704	56,279,732	Note 1 i. Produced direct economic value= Operating income ii. Distributed economic value= Operating cost + Employee salaries and benefits + Payments to the government + Payments to investors iii. Retained economic value=" Produced direct economic value"- " Distributed economic value"
Operating Cost	30,392,083	44,980,634	50,186,150	
Employee Salaries and Benefits	2,423,505	3,047,242	3,659,208	
Payments to the Government	361,002	631,691	833,894	Note 2 Operating cost= Cost of revenue from operation + Operating Expenses - Employee salary and benefits
Payments to Investors	867,403	1,105,811	1,207,893 (Note 5)	Note 3 "Employee salaries and benefits" includes expenses derived from salaries, employee stock option (ESO), labor and health insurance, pension and other employee benefits.
Distributed economic value	34,043,993	49,765,378	55,887,145 (Note 5)	Note 4 "Payments to the government" includes taxes and income taxes paid to the government.
Retained economic value	414,681	601,326	392,587 (Note 5)	Note 5 "Payments to investors" refers to the amount of dividends to be distributed from earnings to shareholders as approved at annual shareholders' meeting (The earnings of 2021 are distributed in 2022; the earnings of 2022 are distributed in 2023; and the earnings of 2023 will be distributed in 2024) Note: The abovementioned financial data have been verified by CPA.

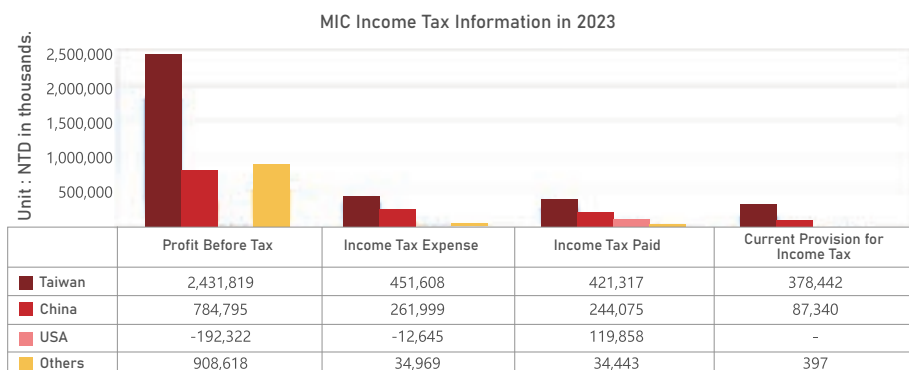
1.6.2 Tax Policy

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

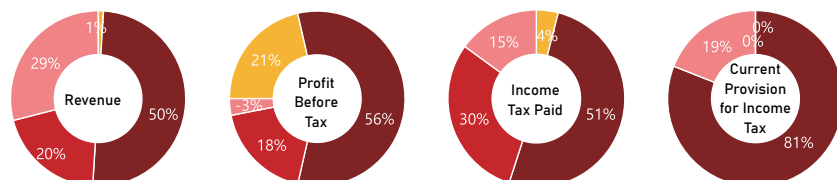
MIC Group meticulously conducts tax operations in accordance with legal regulations and fulfills our obligations for accurate tax declaration and payment. We not only appropriately disclose our tax information to enhance transparency, but also maintain open and constructive communication with tax authorities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

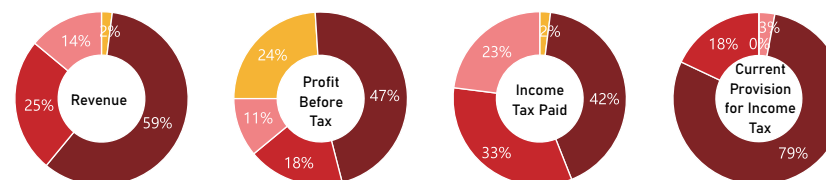
Information on MIC Group's income tax expenses and tax payment over the last two fiscal years are presented as follows



Ratios of Revenue, Profit Before Tax, Income Tax Paid, and Current Provision for Income Tax by Region in 2023



Ratios of Revenue, Profit Before Tax, Income Tax Paid, and Current Provision for Income Tax by Region in 2022



Taiwan China USA Others

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.

1.7 Quality Policy

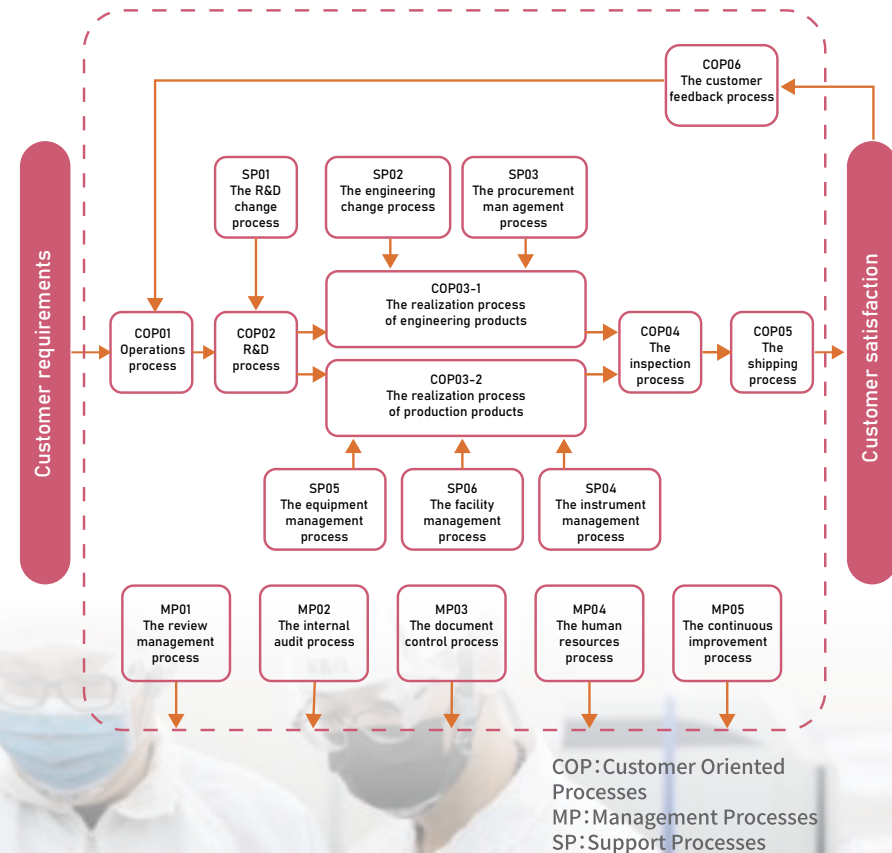


MIC Group has, in accordance with the requirements of ISO 9001 International Standards, established documented information; implemented, maintained and continued to improve the quality management system to ensure the product and service quality; and set up the following quality policy

- (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

1.8 Quality Management System

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





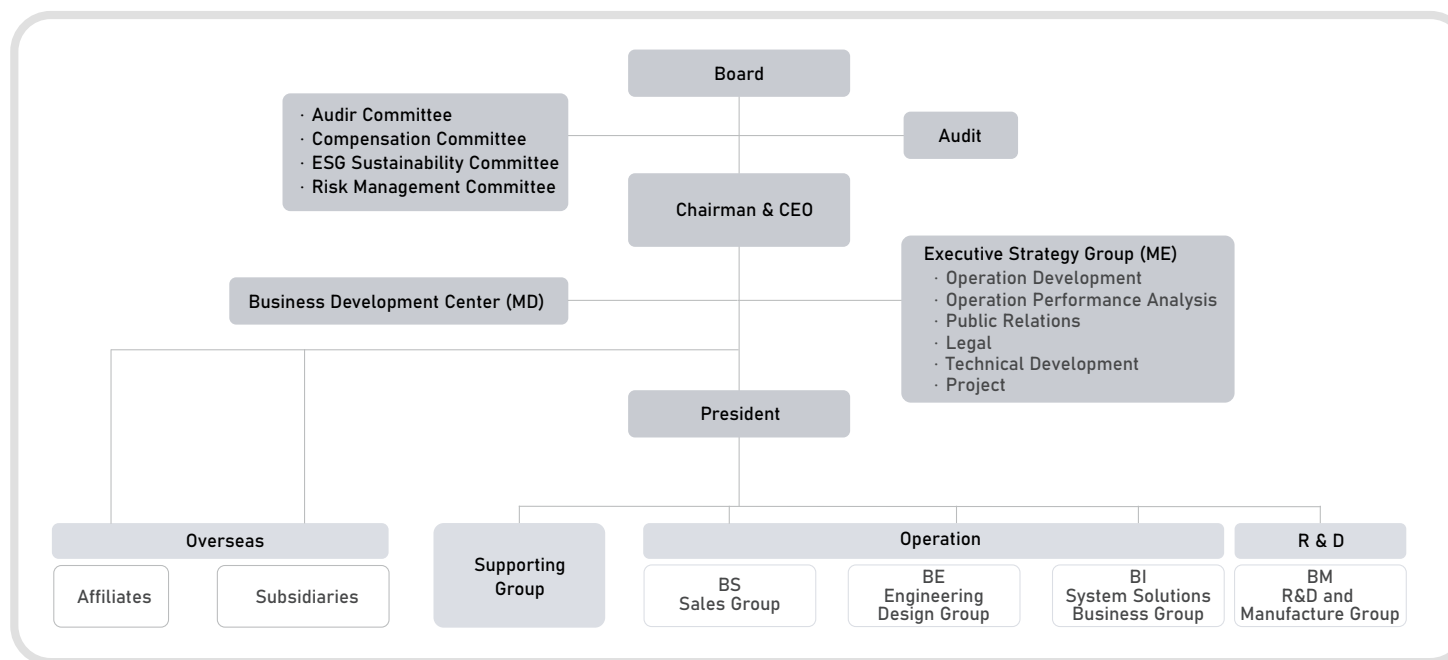
2. Corporate Governance

2.1 Organization Chart	022
2.2 Customer Supplier Relationship	031
2.3 Significant Changes to the Management Framework and Response Measures	033
2.4 Stakeholder Communication Channels	034
2.5 Materiality Topics	035

2.1 Corporate Governance Structure

Organization Chart:

MIC established the Risk Management Committee and Sustainable Development Committee in 2023.



As a TWSE listed company (stock code: 6196), MIC is structured in compliance with the Company Act, Securities and Exchange Act and relevant regulations. The Company elects directors at the Shareholders' meeting and 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, 2023 The keys of corporate governance are summarized as follows

- 1 4 out of 10 directors are independent directors. 1 chairman.
- 2 1 out of all directors are female.
- 3 The Compensation Committee is formed by 3 independent directors.
- 4 The Audit Committee is formed by 4 independent directors.
- 5 "Compensation Committee Charter" disclosed on the Company's internal website.
- 6 "Audit Committee Charter" disclosed on the Company's internal website.
- 7 The average attendance rate of directors in the board meeting was 100%; the average attendance of Compensation Committee members was 100%; the average attendance rate of Audit Committee members was 100%; the average attendance rate of Risk Management Committee was 100%; and the average attendance rate of Sustainable Development Committee was 100%.
- 8 All member of the Board of Directors has taken education and training sessions as prescribed. MIC Group actively promotes sustainable development and is committed to enhancing the sustainability expertise of board members. The members participated in 45 hours of courses related to sustainability, covering fields such as ESG and corporate governance, climate change, and net-zero emissions.



Male

90%



Female

10%

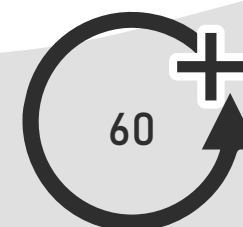
9

Gender and age composition
of the board members.



51~60 years old

40%



60 years old

60%

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 2023, 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 Compensation 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 2023 are as follows (Unit: NTD thousands):

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)				
										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: 莊宗憲																					
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																					
Independent director	趙榮祥																					

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.

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.

The composition, responsibilities, and operation of each committee are as follows.

1 Information on Compensation Committee Members

2023年3月29日

Title	Qualification Name	Professional qualifications and experience	Independence situation	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 Compensation 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 Compensation 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	Chao, Rong-Shiang	Graduated from the Graduate School of Business Studies of the School of Management, National Taiwan University Independent director of Brilliant Network and Automation 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 Compensation 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

- 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.
- 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 5 meetings. The three committee members are all present in person.

Member information of the Risk Management Committee



2 Responsibilities of the Risk Management Committee

1. Reviewing the risk management policy.
2. Assessing the adequacy of the risk management framework.
3. Reviewing the strategies for managing significant risks.
4. Examine management reports on major risk and oversee improvement mechanisms.
5. Reporting the implementation of risk management to the board of directors at least once a year.

Member information of the
Risk Management Committee



3 Responsibilities of the Audit Committee

1. Ensuring that the company's financial statements comply with relevant accounting standards and regulations. Reflecting the company's financial condition accurately and completely.
2. Overseeing and evaluating the company's internal control systems. To ensure they effectively prevent and detect potential risks and errors.
3. Ensuring that the external auditors employed by the company maintain their independence. Supervising their work to ensure the quality and efficacy of their audits.
4. Providing a mechanism for internal and external personnel, to anonymously report improper conduct. Ensuring these reports are properly handled.
5. Ensuring that the company's operations comply with relevant regulations and requirements.

Member information of the
Audit Committee



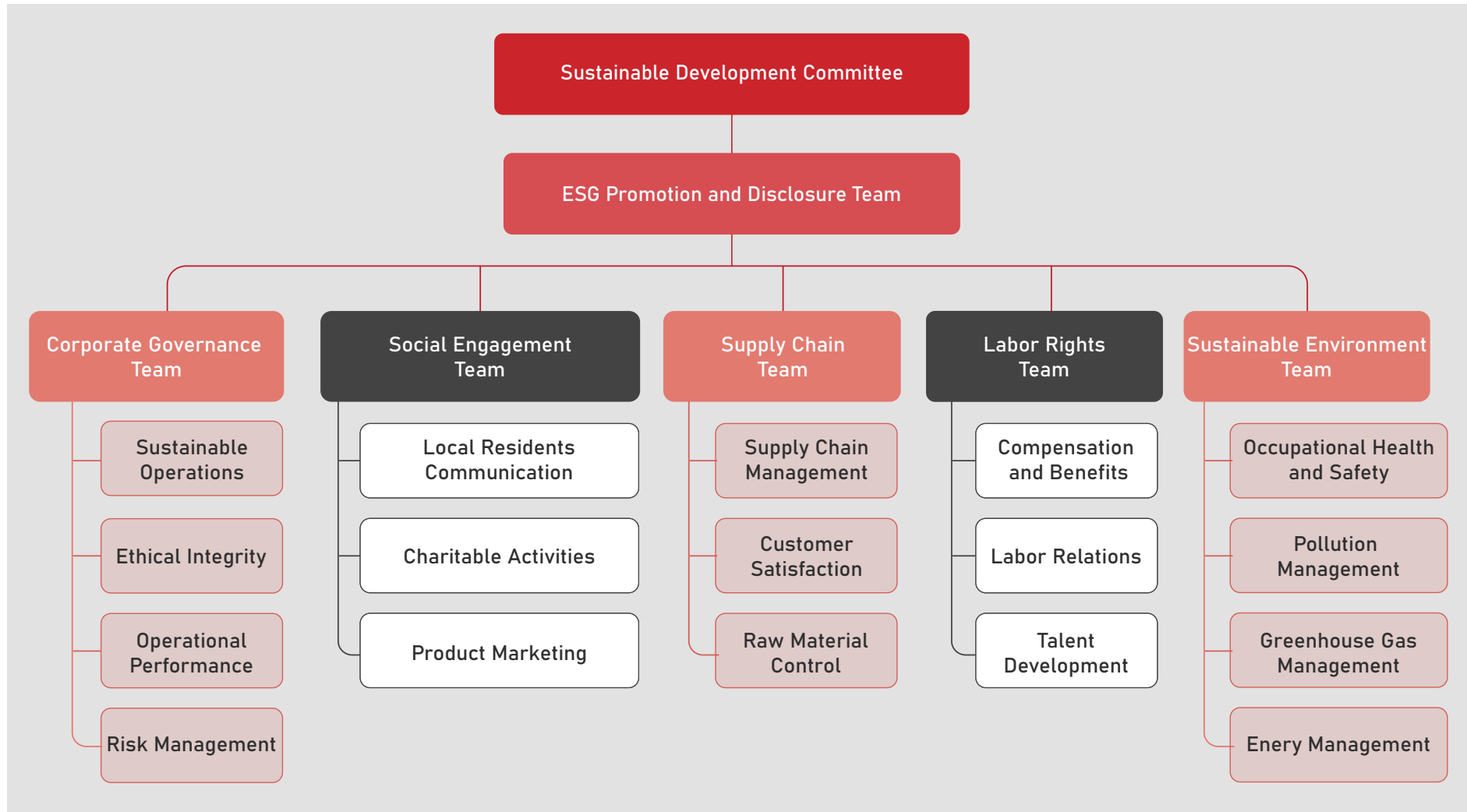
4 Responsibilities of the Sustainable Development Committee

1. Developing the company's sustainability-related policies and systems in accordance with relevant regulations.
2. Overseeing the implementation of the sustainability policies and plans, and regularly tracking their progress.
3. Regularly assessing the effectiveness of the sustainability initiatives and report the annual results to the board of directors. Reporting on significant matters for the company. Since the Sustainability Committee was only established in October 2023, there were no significant issues reported this year.
4. Approving the sustainability report.
5. The resolutions of this committee are executed by the Chief Sustainability Officer and the promotion team, with the Chief Sustainability Officer consolidating the plans and execution statuses from various groups and reporting to the committee.
6. The committee's working group holds a quarterly meeting, with each group reporting on their progress.
7. Handling other matters as directed by resolutions of the board of directors.

Member information of the
Sustainable Development Committee



■ Organizational chart of the Sustainable Development Committee Promotion Team.



5 Operation of each committee in 2023.

Committee	Date of Establishment	Members	Operation in 2023			
			Frequency	Number of Meetings	Attendance Rate	Resolutions
Compensation Committee	2022/6/14	3 Independent Directors	At least twice a year	5	100%	<ol style="list-style-type: none"> The Company's 2022 Directors total compensation and distribution. The Company's 2022 Employees total compensation. The establishment of the "Corporate Governance Officer" position. Setting the standards for the distribution of the company's annual festival bonus. The Company's 2022 Managers compensation distribution. The company's performance bonus allocation plan.
Risk Management Committee	2023/10/31	4 Independent Directors	Twice a year	2	100%	<ol style="list-style-type: none"> Review the company's risk management policies and procedures. Assess the adequacy of the company's risk management framework. Review the risk management issues.
Audit Committee	2022/5/27	4 Independent Directors	Irregularly	9	100%	<ol style="list-style-type: none"> Financial statements and annual financial forecasts. Effectiveness of internal control systems and audit plans. Loans, endorsements, or guarantees provided. Significant acquisitions or disposals of assets. Fundraising, issuance, or private placement of equity securities. Appointment and remuneration of certified public accountants. Qualifications and independence assessment of certified public accountants. Other matters required to be reviewed by the Audit Committee according to securities laws, regulations governing audit committee organization, and directives from regulatory authorities.
Sustainable Development Committee	2023/10/31	3 Independent Directors and 2 Directors	Twice a year	1	100%	<ol style="list-style-type: none"> Elect the chairperson for the first session of the Sustainable Development Committee. Unanimously approved by all attending members, with Commissioner Margaret Kao serving as the chairperson.

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, QMS, SEMI S2/S8, and UL certificates, aiming to create a triple win situation.

- 1 System certification: ISO 9001/14001/45001/50001, AEO, ISO 14064-1, SA 8000, ISO 13485 and QMS certificates.
- 2 Product certification: SEMI compliance certificates (regulations of the semiconductor equipment industry) and UL certificates.



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
- (8) 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.
- (9) All occupational safety and environmental protection measures are implemented in compliance with customers' requirements and regulations. 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 group 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". MIC also places great emphasis on ethical management and is currently drafting an anti-corruption guideline for suppliers. It is expected that these guidelines will be promoted to suppliers in the next fiscal year and announced on the supplier management platform.

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 86.91% of MIC group'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 three independent directors; and is directly subordinated to the Board of Directors), Audit Committee (formed by four independent directors; and is directly subordinated to the Board of Directors), Risk management Committee (formed by four independent directors; and is directly subordinated to the Board of Directors), Sustainable Development Committee (formed by three independent directors and two directors; and is directly subordinated to the Board of Directors). Occupational Health and Safety Committee (formed by the chairman, president and business unit representatives; and is directly managed by the chairman and president), Employee Welfare Committee (formed by business unit representatives; and is managed by the committee chairperson) and CSR Performance task force (formed by the HR representative, EHS management representative, quality management representative, CSR management representative and SA 8000 employee representative; and is directly managed by the chairman and president).

2.4 Stakeholder Communication Channels

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

Stakeholders	Concerned Issues	Communication Methods	Communication Frequency
Investors	Operational performance	Annual shareholders' meeting (on a regular basis as prescribed by law)	Once a year
	Market presence	Issue annual (quarterly) financial statements.	4 times a year
	Anti-corruption	Reply through the spokesperson system or reply to email enquiries	Irregularly
	Risk management	Corporate official website	Irregularly
	Product quality and R&D	Stakeholder complaint mailbox	Permanent
Customers	Product quality and R&D	Customer service hotline / corporate official website	Irregularly
	Customer health and safety	Email, regular meetings and audits	Once a year
	Socioeconomic compliance	Customer satisfaction survey	Irregularly
	Environmental compliance	Customer complaint handling procedures	Irregularly
	Customer privacy	Self-assessment questionnaire (SAQ) and on-site examination	Irregularly
Employees	Labor-management relations/ employment	Internal announcements	Irregularly
	Occupational health and safety	Staff E-news	Monthly
	Diversity and equal opportunity	Secretary pink tea	Quarterly
	Training and education	Employee opinion survey	Quarterly
	Freedom of association and collective bargaining	Employee complaint and opinion mailbox	Irregularly
	Human rights / complaint mechanism	Panel discussion for newcomers and senior management	Irregularly
	Forced or compulsory labor / child labor	Employee Welfare Committee meetings	Irregularly
	No discrimination / no harassment	Labor-management meeting	Quarterly
	Advice for improvement		Quarterly

Stakeholders	Concerned Issues	Communication Methods	Communication Frequency
Suppliers	Supplier environmental assessment	New supplier review	Irregularly
	Supplier social assessment	Supplier audit and interviews	Irregularly
	Supplier human rights assessment	QBR or quality meeting	At least 4 times a year
	Procurement practices	Supplier e-Kanban	Irregularly
	Material quality management	Stakeholder complaint mailbox	Permanent
	Raw material management	Self-assessment questionnaire (SAQ) and on-site audit	Irregularly
	Compliance with Responsible Business Alliance (RBA) Code of Conduct		
Government Agencies	Corporate governance and operational performance	Competent authority's Market	Irregularly
	Business integrity and legal compliance	Observation Post System (M.O.P.S.)	Irregularly
	Investor protection	Report relevant information according to government agencies' requests	Irregularly
	Climate change	Dispatch personnel to conduct an on-site inspection as prescribed by law	Official letters
Communities /Local Groups	Wastewater / sewage discharge and waste disposal	Corporate official website	Irregularly
	Air-pollution and other environmental issues	Routine meetings held by science parks' management center	Once a year
	Social welfare		
	Community services	Stakeholder complaint mailbox	Permanent

2.5 Material Topics

2.5.1 Identify material topics

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

(1) **Select and identify GRI topics that are applicable to MIC**

Managerial staffs of all business divisions shall study all GRI topics; summarize a list of topics 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 topics occurred at MIC.

(2) **Evaluate and prioritize summarized aspects and topics**

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

(3) **Reconfirm the arrangement order**

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

(4) **Report review and approval**

The completed report should be reviewed upon completion thereof to ensure all major topics 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 Standards

Material Topics	Impacts on MIC	Scope of impact		
		Direct impact	Indirect impact	Impact on business relationship
Economic Performance	Actual positive impact: A good management strategy and economic performance 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	CE
Anti-corruption	Actual positive impact: "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 avoided to have any conduct that damages the Company's reputation and interests.	ABE	DF	
Local Communications	Potential positive impact: Actively participate in community care activities and build good communication channels.	DF	AB	CE
Customer Health and Safety	Actual positive impact: Pay great attention to customers' satisfaction level and fully promote product and service safety. To maintain the willingness of customers to cooperate."	CEF		B
Energy	Actual positive impact: Complete effective energy management. Reduce electricity costs.	ABC	EF	
Emissions	Actual positive impact: In response to the government's policy for achieving net-zero emissions by 2050, the Company has been actively promoting energy-saving and carbon reduction activities.	DF	CE	B
Procurement Practices	Actual positive impact: Strengthen supplier management; enhance product quality; reduce supply risks involved in the supply chain.	CE	AB	
Employment	Actual positive impact: Fulfill social responsibilities, reduce human right risks and provide employees with a friendly workplace.	A	C	B
Occupational Health and Safety	Actual negative impact: If incidents occur, they may impact the health and safety of workers. Lead to business losses, damage to reputation, and face penalties from regulatory authorities.	ACE	F	B
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 material topics between 2023 and the previous year

There were no changes to the material topics in 2023 compared to 2022.

2022	2023
Economic Performance	Economic Performance
Anti-corruption	Anti-corruption
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



2.5.2 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. We conduct awareness training during new employee orientation, ongoing education programs, manager meetings, and departmental meetings.
Local Communications	Regular and irregular investment in local community and school charity activities. MIC develops in harmony with local communities.
Customer Safety and Health	We have implemented SEMI-S2, ISO 13485, QMS, and other product quality and safety certifications to establish a comprehensive quality control system. This ensures our products meet safety standards and legal requirements.
Energy	MIC have implemented the ISO 50001 energy management system, identifying and managing energy-consuming equipment in our facilities and adopting energy-efficient equipment and conservation measures.
Emissions	Promote the GHG emission inventory in accordance with ISO 14064-1 standards. We identified emission hotspots in our facilities and introduce carbon-reducing equipment and measures.
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. We also have a supplier evaluation system, including assessments for new suppliers and reviews for existing suppliers.
Employment	We have established comprehensive systems for compensation, benefits, and training to promote employee development needs and provide a friendly workplace environment.
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. After an accident, an investigative team reviews the cause of the incident, devises preventive strategies and improvement measures with the involved units, and conducts hazard identification and risk assessment in operations to manage occupational safety and reduce the likelihood of reoccurrence. We also provide medical care for injured colleagues and ensure their well-being.

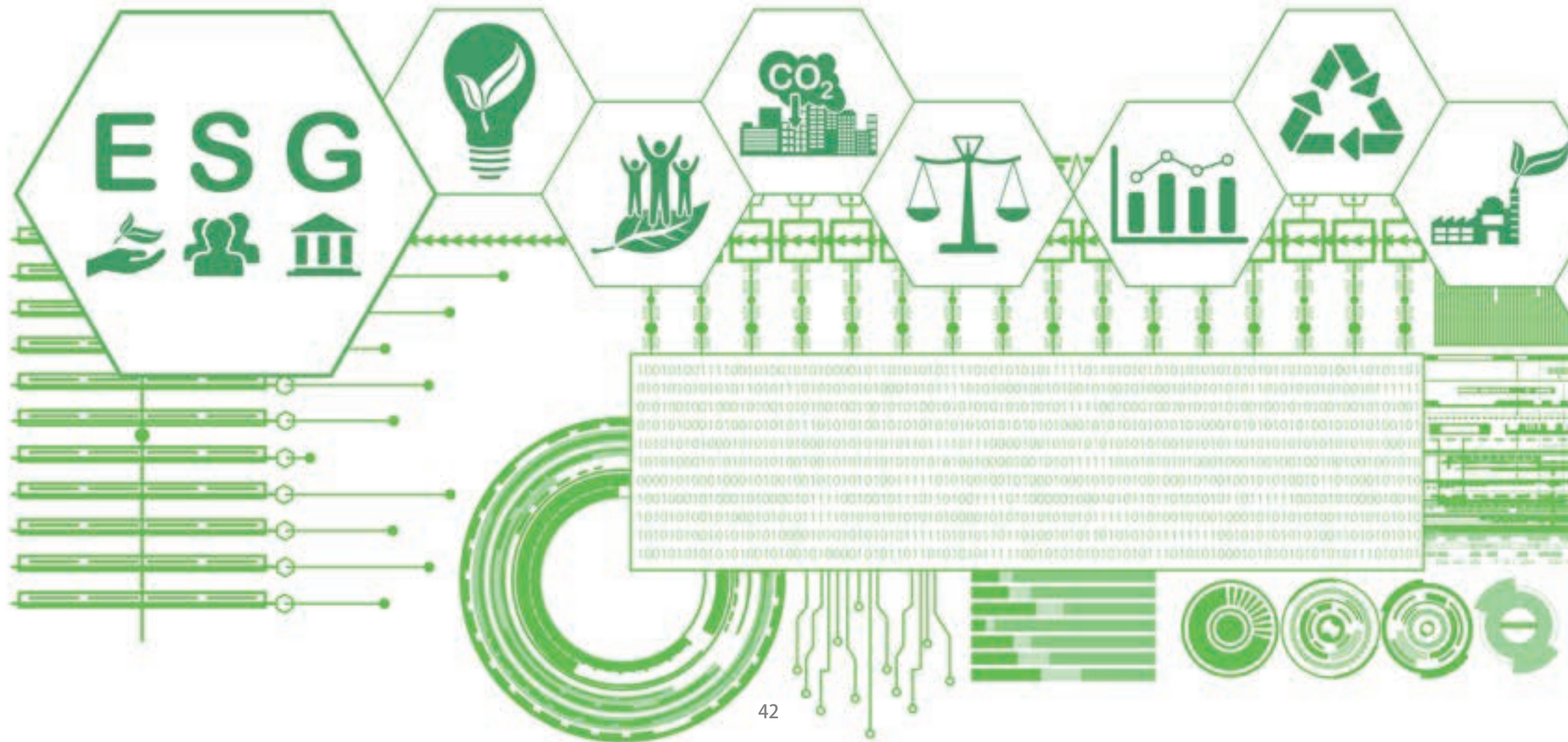
Management Policy

Material Topics	Management Approach	Relevant Policies and Commitments	Performance in 2023	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 2023 increased by 11.74% comparing with 2022.	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	Proactively participate in community caring activities, maintain effective communication with the community, and fulfill corporate social responsibility	Policies: Implemented in accordance with the annual donation management regulations. Commitment(s): Caring for the neighborhood and maintaining friendly relationships.	In 2022, a total of NT\$ 12.58 million was invested in community care and public welfare activities. In 2023, a total of NT\$ 7.45 million was invested in community care.	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): Implement strict verification procedures to ensure products comply with safety regulations.	The products and services of the year complied with customers' regulations and standards.	Customer service mailbox
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: Implemented ISO 50001 Energy Management System. Commitment(s): Energy management monitoring and measurement. Actively reduce electricity intensity.	Energy-saving performance in 2023 comparing with 2022: The Toufen factory, Hukou factory, and the three factories at STSP collectively saved 447,185 kWh, resulting in a reduction of 2.7% comparing to the previous year. All factories Introduced the ISO 50001 Energy Management System in 2023.	Stakeholder complaint mailbox Health and Safety Management Division Human Resources Division

Material Topics	Management Approach	Relevant Policies and Commitments	Performance in 2023	Resources/ Action/ Complaint Mechanism
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. We expect to received third-party certification of GHG emissions for all factories by the end of 2024.	Hukou factory already completed the third-party verification of GHG emissions. In 2023, GHG emissions intensity were 0.148 metric tons per square meter.	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): Guide sustainability goals to suppliers to enhance the quality of supply goods and reduce the risk of supply chain disruptions.	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 increased 3~4.5% in this year. 0 labor dispute in 2023.	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: Implemented 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 2 violations of cybersecurity laws during the year, resulting in a total fine of NT\$210,000; 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 Stakeholder complaint mailbox Environmental, Health and Safety (EHS) Feedback Form

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.	1.6 Operational Performance and Tax	None
Anti-corruption	Internal control; employee complaint mechanism; and Corporate Governance Evaluation of Securities and Futures Institute.	2.1 Corporate Governance Structure	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 and Supplier Relationship	None
Energy	Environmental operations management procedures. Energy review management procedures, energy performance indicators and energy baseline operating procedures.	3.4 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.	3.4 Environmental Protection	None
Procurement Practices	Supplier evaluation and assessment procedures.	2.2 Customer and 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.	3.5 Health and Safety Management	None



3. Sustainable Environment and Labor Safety

3.1	Climate Change Governance	044
3.2	Environment, Health and Safety (EHS) Management System	045
3.3	EHS Policy	047
3.4	Environmental Protection	048
3.5	Health and Safety Management	063
3.6	Awards	069
3.7	Health Management	070
3.8	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	073

3.1 Climate Change Governance

As global climate change issues intensify, the impacts of global warming and extreme weather on the natural environment, economy, society, and politics continue to expand. For businesses, this not only disrupts existing operational models but also has profound effects on production efficiency, supply chain management, and customer demand.

MIC is keenly aware of the potential risks that climate change poses to its operations. In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we are progressively integrating climate change risk issues into our management. Through the Sustainable Development Committee, we implement relevant response strategies and regularly report the status of implementation and decisions to the Board of Directors. MIC conducts climate change risk and opportunity assessments to formulate policies and adaptation strategies aimed at enabling the company to respond and transform, thus achieving sustainable development goals.

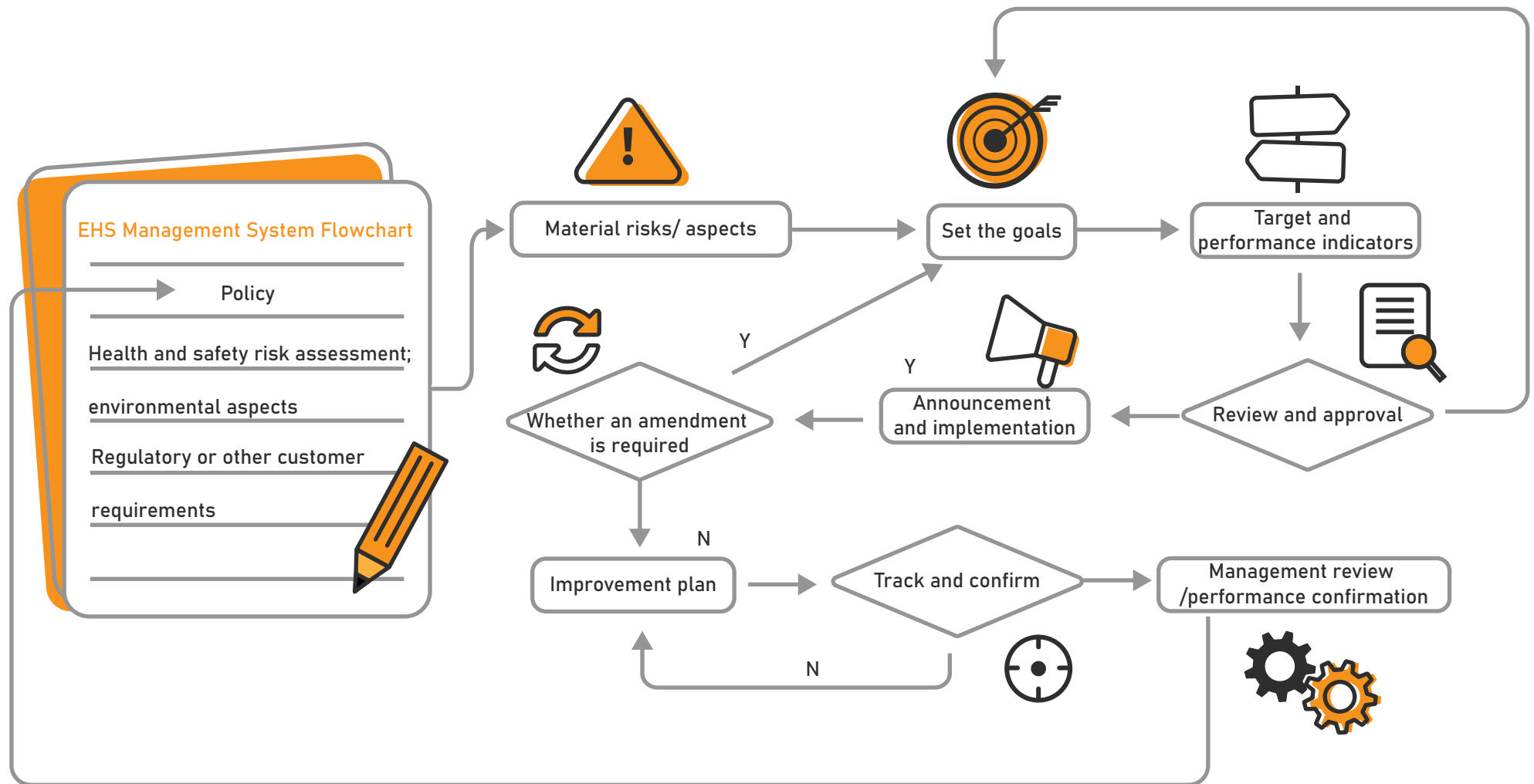
Risk		Duration	Financial impact and management mechanisms
Transition Risk	Conducting a carbon pricing mechanism.	Short-term and Medium-term	The Climate Change Response Act was implemented starting in 2023., incorporating a legal mandate for the 2050 net-zero emissions target. This is expected to increase operational costs for companies in the future. Based on the current operational situation. MIC is not part of a high carbon emission industry. Therefore, it does not pose a severe financial impact. To address this transition risk, MIC will conduct a comprehensive greenhouse gas inventory in 2024 to identify carbon hotspots, develop carbon reduction strategies, and evaluate the procurement of renewable energy.
	Strengthen the obligation to report carbon emissions.	Short-term and Medium-term	Starting from 2026, the government requires companies to disclose information from the previous year's greenhouse gas inventory and to continue this disclosure annually. The cost of implementing the inventory system has a minor financial impact. MIC has been conducting carbon emissions inventories at Hukou plant since 2017. We are planning to complete the inventories for all Taiwan locations and overseas subsidiaries by 2024.
	Government imposition of a carbon tariff.	Short-term and Medium-term	A carbon tariff is a tax levied by a country on imported goods based on their carbon content. MIC's export products to the European Union are subject to the EU's Carbon Border Adjustment Mechanism (CBAM). With the EU officially imposing the carbon tariff in 2026, MIC's operational costs are expected to increase. In response to this risk, MIC is closely following the requirements under CBAM, collaborating with customers and suppliers to promote the calculation of product carbon emissions and evaluating feasible carbon reduction strategies for products.
Physical Risk	Extreme weather events including frequent typhoons and flood.	Short-term and Medium-term	The increased likelihood of extreme weather events, including frequent heavy rains and typhoons, could impact employee commutes and potentially flood office buildings, affecting company operations and reducing revenue. MIC's response strategy includes developing emergency response measures, regularly conducting employee training to enhance emergency response capabilities, and routinely inspecting and maintaining drainage systems to ensure that operations can be quickly restored in the event of an emergency.

	Opportunity	Duration	Financial impact and management mechanisms
Opportunity	Increase Low-Carbon and Energy-Efficient Products and Services.	Short-term and Medium-term	In response to sustainable development goals and carbon reduction targets, many customers are seeking products with lower carbon content. In line with this, CTCI closely monitors market trends, continuously improves production efficiency and product quality, and proactively replaces high-energy-consuming equipment. By offering customers more environmentally friendly and low-carbon products that meet the carbon reduction needs of both domestic and international clients, CTCI enhances market competitiveness and increases revenue.
	Use of Low-Carbon and Renewable Energy.	Short-term and Medium-term	In response to clients' demands for reduced carbon emissions and the future imposition of carbon fees by the government, the use of low-carbon fuels and biofuels as substitutes for traditional fossil fuels can reduce greenhouse gas emissions, thereby lowering future domestic and international carbon fee and tax expenses. CTCI is actively promoting energy transition by evaluating the benefits, feasibility, and applicability of various renewable energy sources. Moving forward, CTCI will gradually incorporate green energy and renewable energy and obtain renewable energy certificates, thereby reducing carbon emissions from electricity use and minimizing the costs associated with carbon fees and taxes.

3.2 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. Over the years, MIC has established EHS management system in compliance with international standards and included environmental sustainable development strategy in the management system, such increasing resource efficiency and minimizing environmental impacts caused by pollutants. By continuously discussing on and respond to issues concerned by stakeholders, MIC succeeded in fulfill our commitments for sustainable development, complying with regulatory requirements and meeting customer requirements. It is our expectation to, with the use of the "P-D-C-A Cycle" (i.e., Plan, Do, Check and Action), sustainable head towards the goal of building EHS sustainability.

Year	Milestones
May 2005	Introduced ISO 14001 (ISO 14001: 2004) and OHSAS 18001 (OHSAS 18001: 1999).
January 2007	The entire company passed the certification.
November 2009	Implemented ISO 14001 (ISO 14001: 2004) and OHSAS 18001 (OHSAS 18001: 2007), where recertification is required every three years. Renewed the certification in January 2010 for the first time.
November 2012	ISO 14001 (ISO 14001: 2004) and OHSAS 18001 (OHSAS 18001: 2007), where recertification is required every three years. Renewed the certification in January 2013 for the second time.
September 2015	ISO 14001 (ISO 14001: 2004) and OHSAS 18001 (OHSAS 18001: 2007), where recertification is required every three years. Renewed the certification in 2015 for the third time.
April 2017	Hukou Factory received the third-party external verification statement ISO 14064-1 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	Received ISO 50001 certification (Southern Taiwan Science Park I, II, and III).
November 2023	Received ISO 50001 certification (Hukou factory, Toufen factory, and Southern Taiwan Science Park V).



3.3 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 requirements



Conduct education
and training programs



Use resources
effectively



Prevent accidents



Continue to promote
improvement activities



Promote plenary
counseling and participation.



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.

3.4 Environmental Protection

3.4.1

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.

The company implements hazardous industrial waste management. At least once a year, the company conducts inspections of the contractors handling the waste listed in the bellow sheets. These inspections focus on understanding the contractors' operational management of waste storage, removal, treatment, and recycling, and the findings are documented. The inspected contractors do not include publicly owned general waste incineration plants.

3.4.2 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/Office	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 Legitimate 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 Legitimate Transport companies	D Bury/ Recyclable

Industrial Waste – Handling Amount in past 2 years :

	No.	Factory/ Office	Landfill (mt)						Reuse	
			Category D, General Industrial Waste		Category C, Hazardous 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
2022	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
2023	1	Hukou Factory	3.43	3.43	4.18	4.39	0.00	0.00	13.53	13.53
	2	Toufen Factory	31.90	31.90	0.00	0.00	0.00	0.00	20.37	20.37
	3	STSP Factory I and Factory II	79.02	79.02	0.00	0.00	0.00	0.00	170.16	170.16
	4	STSP Factory III	48.84	48.84	0.00	0.00	0.00	0.00	116.35	116.35
	5	STSP Factory V	11.57	11.57	0.00	0.00	0.00	0.00	1.72	0.00
	6	Shanhua Bonded Warehouse	4.75	4.75	0.00	0.00	0.00	0.00	0.00	0.00
	Total		179.51	179.51	4.18	4.39	0.00	0.00	322.13	320.41

Industrial Waste – Reduction at Each Factory :

		Non-recyclable		Recyclable			
		Category D, General Industrial Waste (mt)	Category E, Mixed Metal Waste. (mt)	Category R, Designated Recyclable or Reusable Waste (mt)	Total Waste (mt)	Waste Reduction (mt)	Waste Percentage Reduction
No.	Factory/ Office	Output	Output	Output	Category D+Category E +Category R	Total-Category D -Category E	(Category E/Total)*100%

2022

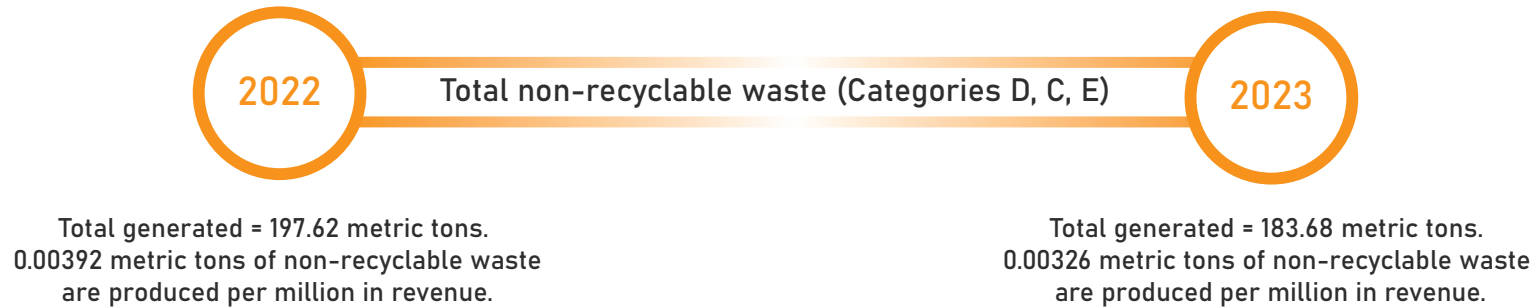
1	Hukou Factory	5.89	0.00	7.39	13.28	7.39	55.64%
2	Toufen Factory	27.37	0.00	14.76	42.12	14.75	35.02%
3	STSP Factory I and Factory II	75.18	0.17	231.96	307.30	231.96	75.48%
4	STSP Factory III	73.68	0.00	206.92	280.60	206.92	73.74%
5	STSP Factory V	4.71	0.00	0.00	4.71	0.00	0.00%
Total		186.8	0.17	461.03	648.01	461.02	71.40%

2023

1	Hukou Factory	3.43	0.00	13.53	16.96	13.53	79.78%
2	Toufen Factory	31.90	0.00	20.37	52.27	20.37	38.97%
3	STSP Factory I and Factory II	79.02	0.00	170.16	249.18	170.16	68.29%
4	STSP Factory III	48.84	0.00	116.35	165.19	116.35	70.43%
5	STSP Factory V	11.57	0.00	1.72	13.29	1.72	12.94%
6	Shanhua Bonded Warehouse	4.75	0.00	0.00	4.75	0.00	0.00%
Total		179.5	0.00	322.13	501.64	322.13	64.22%

Note: The current statistical numbers cover the production sites.

(1) Total non-recyclable waste in past two years:



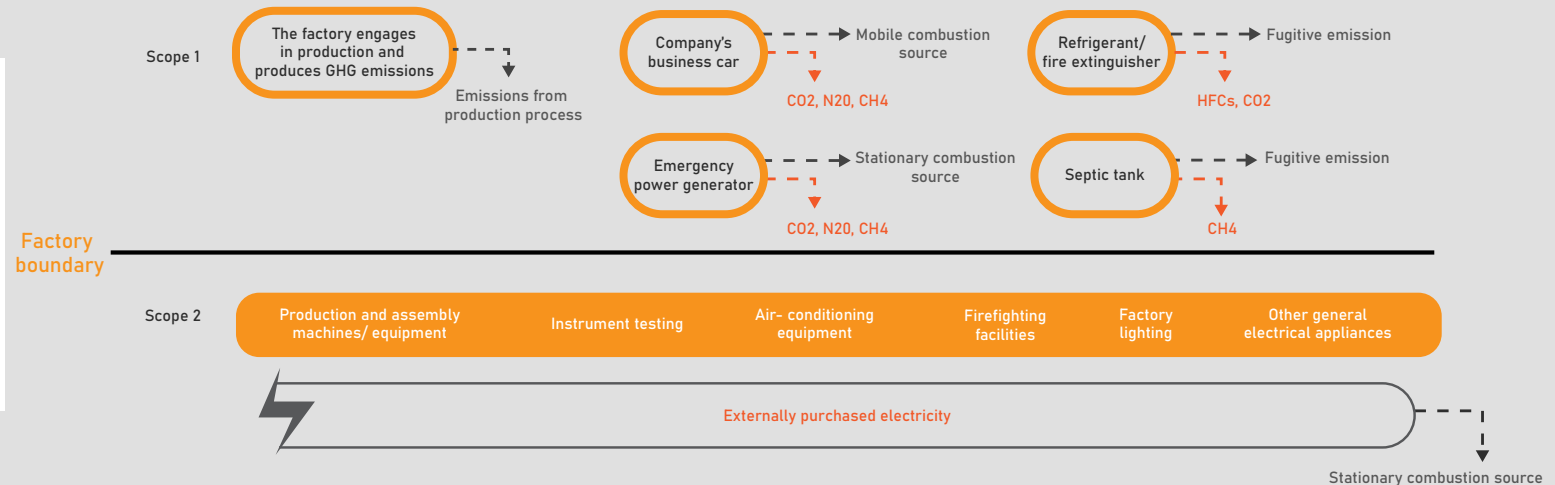
(2) Management Policy: Compliance with legal requirements, effective resource utilization, continuous improvement, and ensure full staff participation in achieving targets.

(3) Reduction Goals: Annual waste reduction/ recycling target of >5%, with an average waste reduction/ recycling percentage of 64.22% for this year.

(4) Implementation: Reduce the use of raw materials at the source to minimize waste generation. Reuse and recycle packaging materials, continuously enhance the waste reuse rate. Establish waste management points at each plant to coordinate the management and statistical counting of various types of waste, and monitor waste management performance monthly.

3.4.3 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 Ministry of Environment's 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 Fifth Assessment Report (AR5). The carbon emission factor for electricity was 0.554 kg CO₂-e/kWh in 2017, 0.495 kg CO₂-e/kWh in 2022, and 0.494 kg CO₂-e/kWh in 2023. The principle for calculating greenhouse gas emissions is based on the operational control approach.

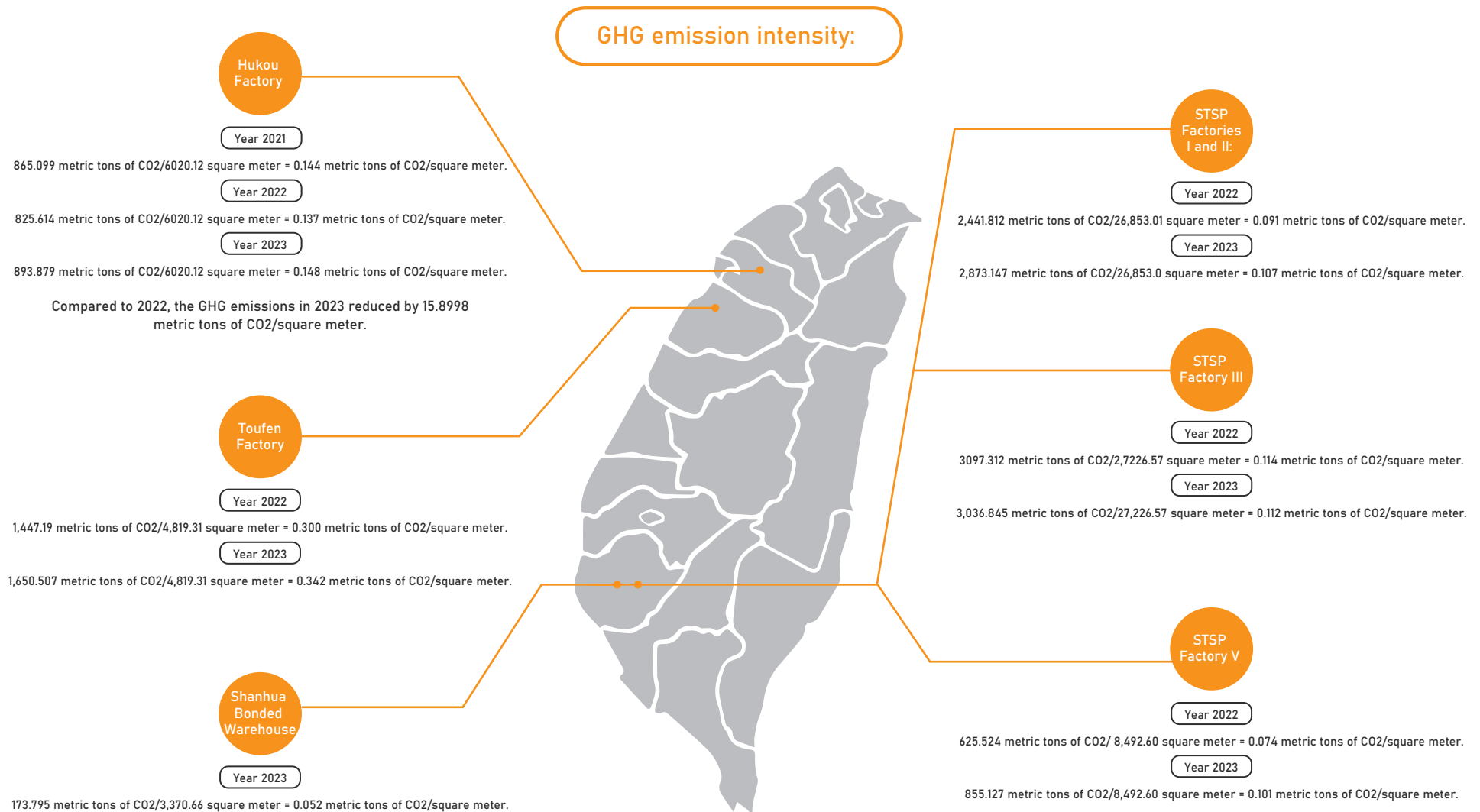
Emissions of 2023 (Unit: metric tons of carbon dioxide equivalent; tCO₂e/year)

Year	Scope 1	Scope 2	Total emission equivalent*	Comparing with the base year
2017 (base year)	237.3813	894.8673	1,132.249	
2022	81.0369	744.5774	825.614	
2023	165.2010	728.6776	893.879	Scope 1: Due to increased production, the usage of C4F8 has increased, leading to higher emissions from mobile sources. Scope 2: Due to 8 fewer working days in 2023 and a reduction in the carbon emission factor for electricity, there was a decrease in carbon emissions and electricity usage.

Hukou Factory's CO₂ emissions from biological sources in 2022 is 8.6975 metric tons of carbon dioxide equivalent (tCO₂e/year).

Hukou Factory's CO₂ emissions from biological sources in 2023 is 7.6725 metric tons of carbon dioxide equivalent (tCO₂e/year).





Total companywide emissions for Scope 1 were 552.7936 metric tons of CO₂e, and for Scope 2, 9,520.9048 metric tons of CO₂e, totaling 10,073.6984 metric tons of CO₂e, with Scope 2 accounting for 94.51%.

The company-wide intensity of Scope 1 and Scope 2 greenhouse gas emissions in 2023.
tonCO₂-e/ Square meter

Factory/ Office	Scope 1,2 (tCO ₂ e)	Square meter	Intensity
Taipei Office	292.3366	1,186.03	0.246
Hsinchu Office	298.0617	3,725.00	0.080
Hukou Factory	893.8786	6,020.12	0.148
Toufen Factory	1,650.5073	4,819.31	0.342
STSP Factory I and Factory II	2,873.1474	26,853.01	0.107
STSP Factory III	3,036.8451	27,226.57	0.112
STSP Factory V	855.1267	8,492.60	0.101
Shanhua Bonded Warehouse	173.7950	3,370.66	0.052
Total	10,073.6984	81,693.30	0.123

Formula: Total CO₂ emissions in metric tons / Floor area = Metric tons of CO₂ per square meter

1. Intensity disclosure is considered because the relationship between revenue and greenhouse gas emissions is more reflective of the current situation. Additionally, total revenue is used for the calculation:

GHG
emission
intensity

Emissions per million in revenue = Total greenhouse gas emissions
including scope 1 and 2/ Revenue (per million NTD).

2022

▶ Total emissions: 8,437 metric tons of CO₂e. 0.17 metric tons of CO₂e are produced per million NTD in revenue.

2023

▶ Total emissions: 10,073.6984 metric tons of CO₂e. 0.18 metric tons of CO₂e are produced per million NTD in revenue.

Greenhouse Gas Reduction Management Policy:

2. Management Policy: Compliance with legal requirements, continuous improvement, and ensure full staff participation in achieving targets.

3. Reduction Goal: In response to the government's 2050 Net-Zero emissions goal, the company aims to set a baseline year before 2025 and complete third-party certification. With a reduction target of 1.0% for both Scopes 1 and 2 by 2025.

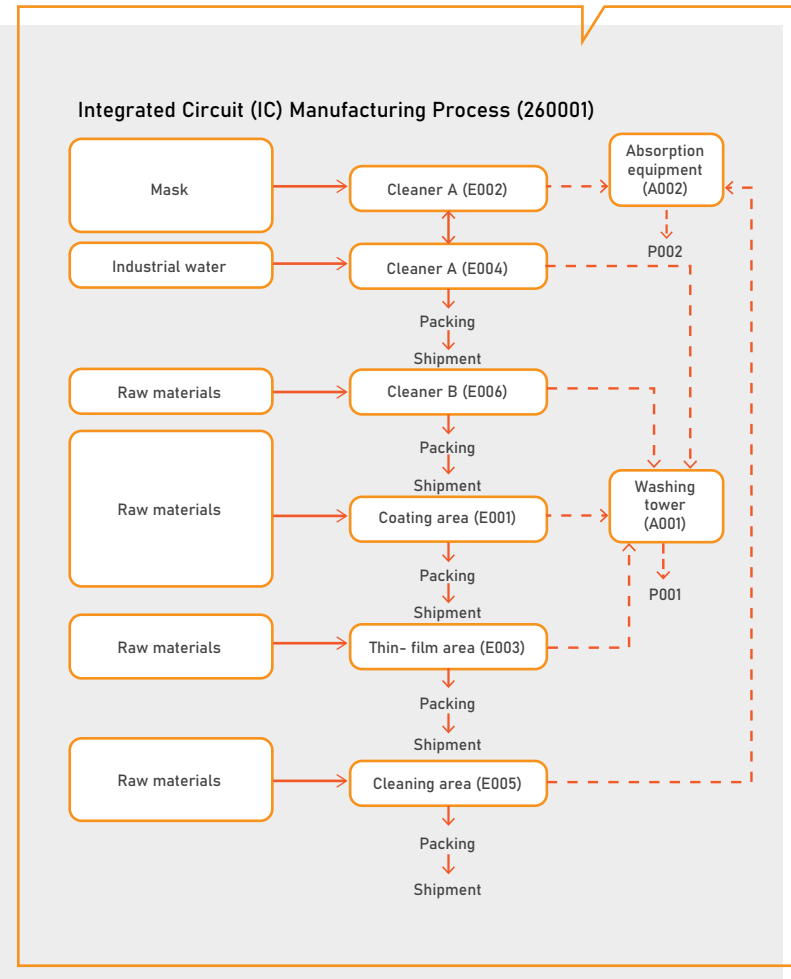
4. Implementation: Strategies include increasing the capacity of renewable energy installations, solar power generation, energy saving, and setting up energy saving plans to achieve carbon reduction targets.

5. Achievement Status: Hukou factory obtained third-party certification in March 2024, and other facilities are expected to complete third-party certification by November 2024. The company is actively replacing equipment with more energy-efficient options to reduce energy usage.

3.4.4 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



3.4.5 Water Pollution Prevention and Control

3.4.5.1 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.

3.4.5.2 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.

3.4.5.3 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 2023 was only around 75.71 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 in past 2 years

Water intake/discharge/consumption in millions of liters

Factory/ Office	Year	Water intake	Discharge	Consumption
Taipei Office	2022	1.67	1.34	0.33
	2023	1.54	1.23	0.31
Hukou Factory	2022	13.56	10.84	2.71
	2023	14.07	11.26	2.81
Hsinchu Office	2022	--	--	--
	2023	--	--	--
Toufen Factory	2022	10.21	8.17	2.04
	2023	10.82	8.65	2.17
STSP Factory I and Factory II	2022	18.88	7.97	10.91
	2023	20.04	8.79	11.25
STSP Factory III	2022	13.77	3.89	9.88
	2023	15.81	4.90	10.91
STSP Factory V	2022	4.27	0.24	4.02
	2023	6.91	1.71	5.20
Shanhua Bonded Warehouse	2022	2.81	2.24	0.56
	2023	6.52	5.21	1.31
Total	2022	63.49	33.36	30.13
	2023	75.71	41.75	33.96

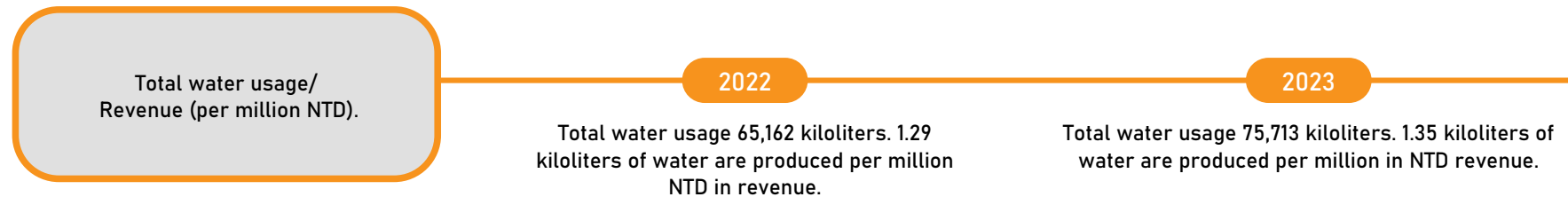
Water intake/discharge/consumption in percentage

Factory/ Office	Water intake	Discharge	Consumption
Taipei Office	2.03%	2.94%	0.90%
Hukou Factory	18.59%	26.96%	8.29%
Hsinchu Office	0.00%	0.00%	0.00%
Toufen Factory	14.29%	20.73%	6.37%
STSP Factory I and Factory II	26.47%	21.06%	33.13%
STSP Factory III	20.89%	11.73%	32.15%
STSP Factory V	9.13%	4.10%	15.32%
Shanhua Bonded Warehouse	8.60%	12.48%	3.84%
Total	100.00%	100.00%	100.00%

The water quality inspection 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.

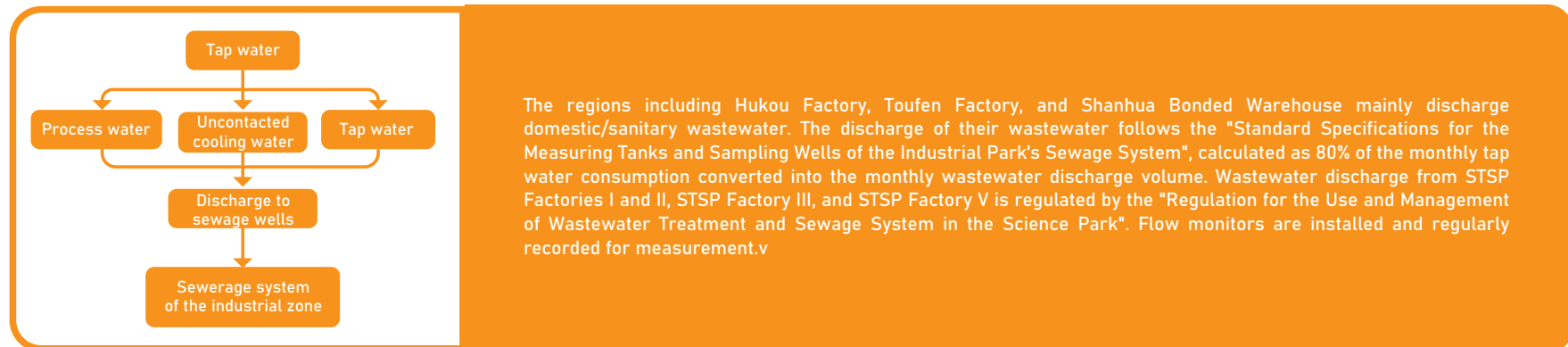
Note Hsinchu office's water expenses are included in the commercial building management fees, thus detailed water usage data is unavailable.

1. Water Usage in past 2 years:



2. Management Policy: Compliance with legal requirements, effective resource utilization, continuous improvement, and ensure full staff participation in achieving targets.
3. Reduction Goal: Mainly used for domestic water purposes, with an average daily water usage of approximately 0.08 units per person per day across all company factories and offices.
The water usage including drinking (RO) water, toilet use, watering plants, cleaning, and cooling systems for air conditioning, which are essential for maintaining environmental, living, and sanitary standards.
4. Implementation: Water saving at the source, controlling water pressure, and posting water saving labels.
5. Achievement Status: Slight increase in total water usage and water intensity, with ongoing efforts to promote improvements.

3.4.5.4 Water discharge volume



3.4.5.5 Water consumption volume

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

3.4.6 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 extend the operation of the energy management system to all of our facilities (Hukou Factory, Toufen Factory, STSP Factory I& II, STSP Factory III, and 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".

2023 energy equipment improvements resulted in electricity savings compared to 2022: In 2023, all factories saved a total of 447,185 kWh (1,609,866 MJ, million Joules). Compared to the total electricity consumption of 16,646,360 kWh in the baseline year of 2022, this represents a reduction of 2.7%.

The energy consumed by MIC is mainly purchased externally and the consumption of electricity is the major source of the Company's GHG emissions. MIC has not used renewable energy. In 2023, the Company's total energy consumption has reached 19,435,648 kWh.



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%.

Energy savings achievements in 2023

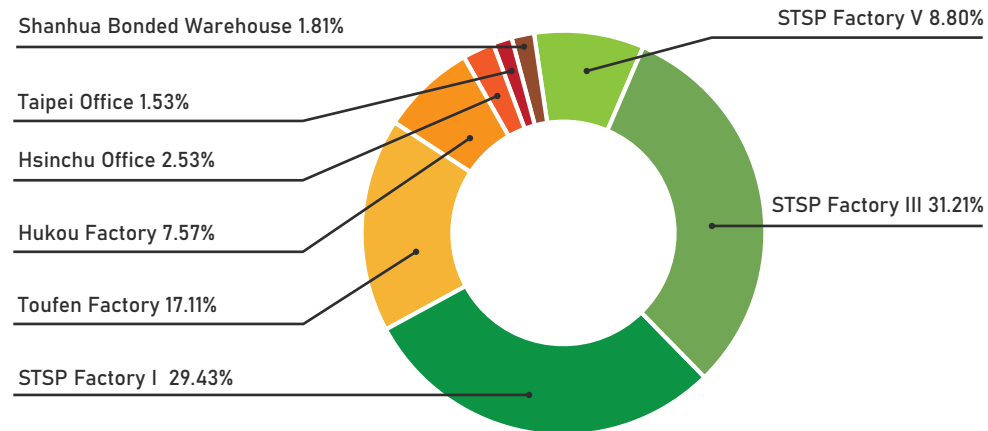
Factory	Electricity Saving Rate	Electricity Saved (kWh)	Energy Saved (Joules)
STSP Factory I	3.00%	173,016	622,857,600,000
STSP Factory III	0.30%	19,289	69,440,400,000
STSP Factory V	0.03%	440	1,584,000,000
Toufen Factory	7.10%	253,440	912,384,000,000
Hukou Factory	0.10%	1,000	3,600,000,000

Note: 1 kWh= 3,600,000 joules.

2023 Electricity Consumption Status

Unit	Electricity Bill (NT\$)	Electricity Consumption (kWh)	Percentage %
Taipei Office	2,426,618	297,405	1.53%
Hsinchu Office	2,142,642	492,680	2.53%
Hukou Factory	5,678,881	1,472,076	7.57%
Toufen Factory	10,269,789	3,325,008	17.11%
STSP Factory I and Factory II	19,458,049	5,720,820	29.43%
STSP Factory III	21,275,942	6,066,200	31.21%
STSP Factory V	5,767,326	1,710,160	8.80%
Shanhua Bonded Warehouse	1,177,783	351,299	1.81%

2023 Electricity Consumption Status (in percentage; %)



Annual electricity intensity of MIC

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

19,435,648 kWh / 56,279 million = 345.34 kWh / NT\$1 million

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.

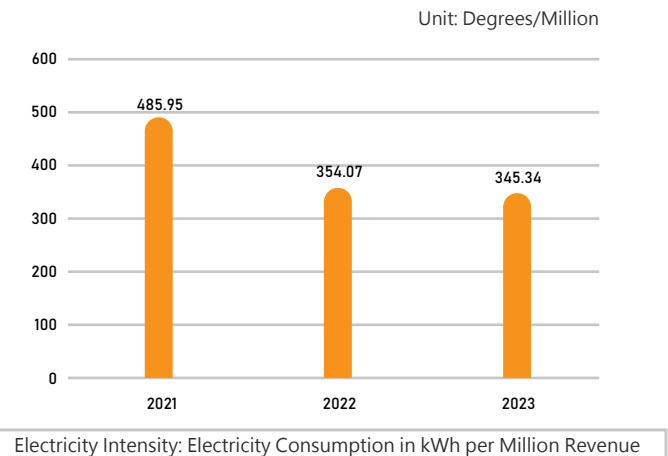
1. Total electricity consumption over the last 2 years, with all energy types being purchased electricity:

Electricity Intensity: Total electricity consumption/ Total revenue (per million NTD)	
2021	Total electricity consumption= 16,745,358 kWh; 485.95 kWh per million NTD revenue.
2022	Total electricity consumption= 17,832,937 kWh; 354.07 kWh per million NTD in revenue.
2023	Total electricity consumption= 19,435,648 kWh; 345.34 kWh per million NTD in revenue.

2. Management Policy: Comply with legal requirements, effectively utilize resources, reduce onsite energy consumption, support green procurement, continuously promote improvements, and ensure full staff participation in achieving targets.

3. Reduction Goal: In alignment with the government's 2050 Net-Zero emissions target, all factories including the Hukou factory, Toufen factory, and STSP Factory I, II, III, and V, have completed third-party certification for ISO 50001 Energy Management Systems by 2024. The midterm reduction target set for each factory aims for a 1% annual reduction in electricity intensity by 2030 compared to the previous year.

Electricity intensity



4. Implementation: Replace with energy efficient equipment, modify processes and equipment for better energy efficiency, use energy-saving sensors for lighting, reduce equipment load during operation, replace traditional bulbs with LED fixtures, and encourage every staff to turn off lights when not needed.

Solar Energy Generation Plan for STSP Factories:

1. Be ESG-oriented: Maintain the efficiency of the 345 kWh solar energy generation system of STSP Factory I; maintain the efficiency of the new 494 kWh solar energy generation system; and maintain the efficiency of the 1,892 kWh solar energy generation system. The solar energy generated by each factory is sold entirely to Taiwan Power Company.
2. Performance in last five years:

Year	Amount of Generated Power (kWh)	
	STSP Factory I	STSP Factory III
2019	346,860	0
2020	360,051	394,584
2021	1,128,181	2,628,293
2022	979,552	2,543,697
2023	945,220	2,578,097

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.

3.4.7 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.



3.4.8 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.

3.4.9 The Impact of Transportation System on the Environment

MIC's total fuel expense in 2023 was NT\$19,993,190.

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.

3.4.10 Total Environmental Expenditure and Investments

The total of MIC's environmental expenditure and investments was NT\$7,055,443 in 2023. The expenditure and investment details are as follows:

Investment Type	Expenditure Amount	Investment Amount	Total
Air pollution prevention and control	547,875	16,000	563,875
Waste disposal	3,104,697	189,000	3,293,697
Toxic chemicals	406,093	737,978	1,144,071
Water pollution prevention and control	749,803	0	749,803
Environmental, Health, and Safety	260,123	1,043,874	1,303,997
Total	5,068,591	1,986,852	7,055,443

Total Environmental Expenditure and Investments (in percentage; %)

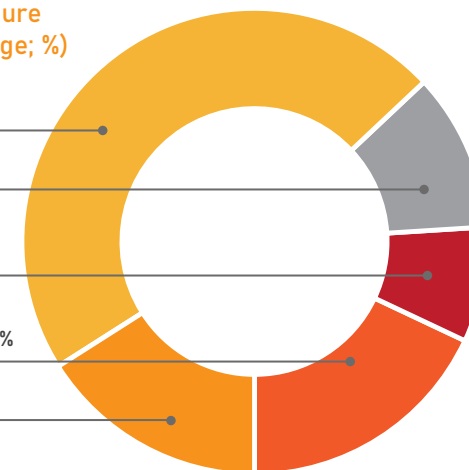
Waste disposal 47%

Water pollution 11%

Air pollution 8%

Environmental, Health, and Safety 18%

Toxic chemicals 16%



3.4.11 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	M519C053	Occupational Safety and Health	Tainan	112.06.29	Ref: No. 1120018493 Nan Huan	Paragraph 1 of article 6 of the Regulations for Occupational Safety and Health Facilities; Article 228 of the Regulations for Occupational Safety and Health Facilities; Paragraph 1 of Article 11 of the Construction Safety and Health Facility Standards	Fines	110,000
2	M519C053	Occupational Safety and Health	Tainan	112.07.14	Ref: No. 1120020194 Nan Huan	Paragraph 1 of article 6 of the Regulations for Occupational Safety and Health Facilities; Paragraph 1 of Article 19 of the Construction Safety and Health Facility Standards	Fines	100,000

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 2 events

Comparison table of violations and fines for occupational safety and health laws and environmental protection laws in 2022 and 2023

Year	Violation event	Amount of fine
2022	7	590,000
2023	2	210,000

3.5 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.

The scope of ISO 45001 Occupational Health and Safety Management System includes all locations in Taiwan. 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. On-the-job training 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/



3.5.1 Factory Inspection

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

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

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

Picture: Photos taken during the inspections

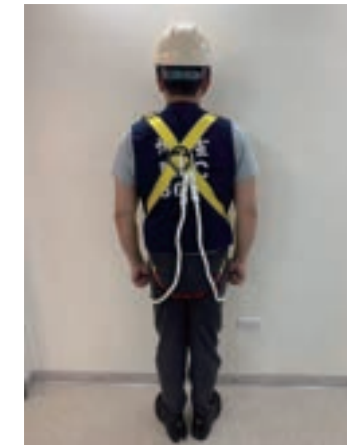


3.5.2 Testing of Operating Environment

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.

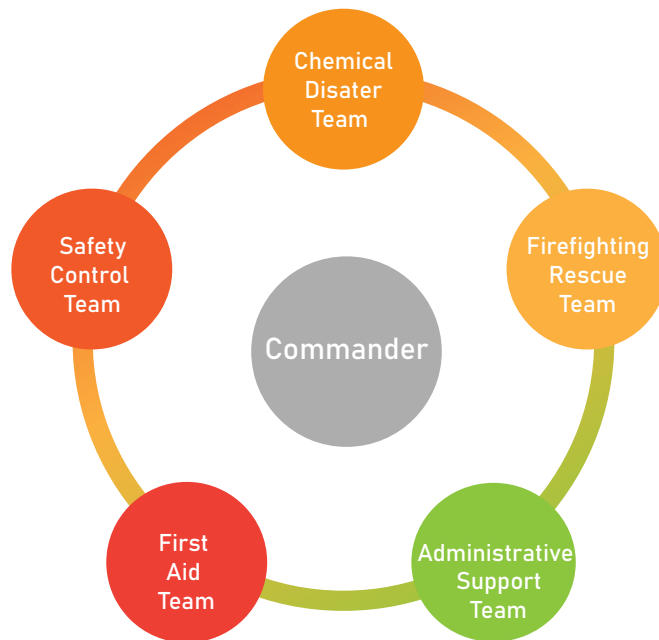
3.5.3 Labor Personal Protection

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.

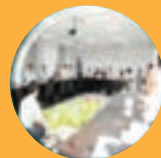


3.5.4 Emergency Response Drills

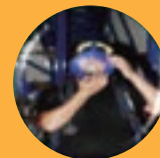
Each factory has established an emergency response organization consisting of the safety control team, firefighting rescue team, first aid team, administrative support team and commander. MIC conducts firefighting (chemical disasters) training and drills on the emergency response organization; and train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



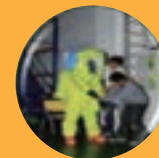
Class A Personal Protective Equipment (PPE) wearing training



Introduction to the wearing of PPE



Putting on SCBA



Putting on PPE



The wearing is completed

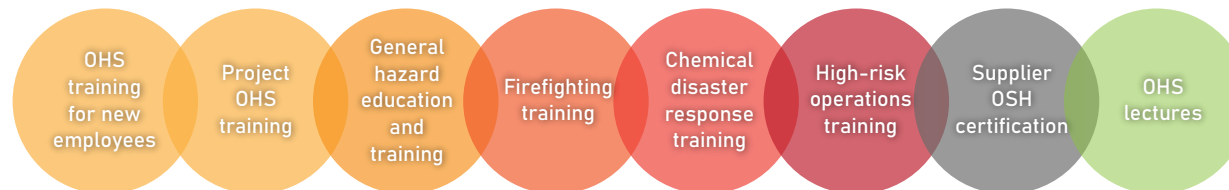
3.5.5 Health and Safety Education

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.



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.



3.5.6 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 standard and non-standard employees in factories and construction sites (as of December 2023) is 2,657 people.
The number of MIC's standard employees (as of December 2023) is 765 people.

Non company employees	Company employees	Number of suppliers/Employee ratio
1,892	765	≈2.5 : 1

3.5.7 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 2023, 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 2023 by Type

Type of Disabling Injuries	Amount. of Cases
Traffic accident during commutation (private transportation tools)	4 cases
Accidents in the workplace	1 case
Occupational diseases	0 case

Accidents Occurred in the Workplace of MIC in 2023 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	0	0
Fall down	0	0	0	0
Collision	0	0	0	0
Falling of an object	0	0	0	0
Collapse of an object	0	0	0	0
Bumped	0	0	1	1
Clamped/rolled	0	0	0	0
Stamped o	0	0	1	1
Cut/bruised	0	0	2	2
Drowned	0	0	0	0
Contact with high/low temperature	0	0	0	0
Contact with a hazardous object	0	0	0	0
Electric shock	1	1	0	2
Explosion	0	0	0	0
Breaks of an object	0	0	0	0
Fire	0	0	0	0
Improper action	0	0	1	1
Leakage	0	0	0	0
Occupational diseases	0	0	0	0
Others	0	0	0	0
Total	1	1	5	7

(1) Loss time

Month	Number of total work days	Total person-work hours	Number of employees applying for occupational injury leave	Lost days
From January to December	186,485	1,431,297	5	113

Note 1: Number of total work days: Actual attendance days for 765 MIC employees.

Note 2: Total person-work hours: Actual working hours for 765 MIC employees, excluding national holidays and leave days.

Note 3: Lost days: Total days not attended due to injury leave.

Note 4: 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.)= $5 \times 1,000,000 / 1,011,908 = 4.94$

(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.)= $113 \times 1,000,000 / 1,011,908 = 111.67$

3.5.8 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.

3.6 Awards



National Taiwan University
Appreciation Trophy



AUO Outstanding CSR Partner Award



Micron Excellent in Live Safe Activity



ASML In Recognition of MIC M7
Relentless Drive and Great Result
for Quality Improvements
in Past 12 Months



Business Weekly ESG Carbon
Competitiveness Top 100



Ministry of Economic Affairs
Outstanding Trade Contributions Awards



ASML 2023 Excellent
Quality Performance



TSMC 2023 Excellent
Contractor Award



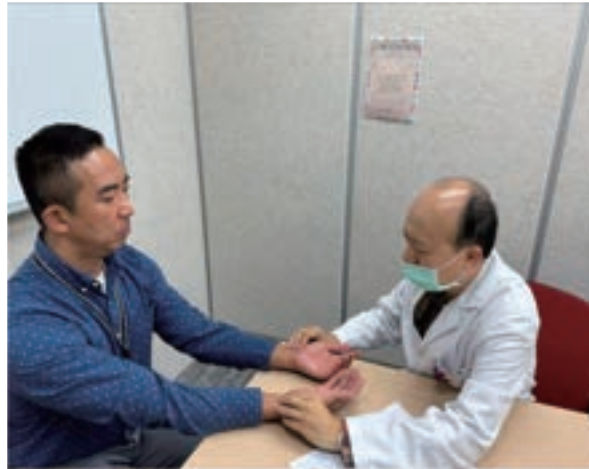
TSMC Excellent
Performance Award 2023



Zhonghe Anbang Section Youth Social
Housing New Turnkey Project
received the 23rd Public
Construction Golden Quality Award
[Honorable Mention].

3.7 Health Management

To actively protect and care for employee health, occupational safety and health regulations have been introduced, and professional medical teams have been engaged to serve employees onsite. In 2023, the company planned activities related to stress management, recognizing that busy lives inevitably bring stress which can significantly impact employees' mental and physical health, work efficiency, and overall quality of life. Activities include autonomic nervous system checks and traditional Chinese medicine consultations. Providing practical health advice to improve and enhance overall employee health. The company also conducted annual CPR and first aid courses to enhance employees' ability to handle emergencies and ensure workplace safety.



To safeguard employee health, the company conducts regular annual physical examination. Not only are annual checks carried out every year, but the health examination items are also tailored annually based on the results of the health check analysis. Special consideration is given to long-serving employees who have been with the company for over 15 years, offering them both the standard physical examination items and additional company-funded imaging tests.



After each year's physical examination, a doctor is invited to give a lecture analyzing the results. This year's topic, "Being the Gatekeeper of Your Health," aims to enhance employees' understanding of the causes and impacts of the "three highs" (high blood pressure, high blood sugar, and high cholesterol). The doctor shares effective management strategies and practical preventive measures to improve personal lifestyle habits and overall health.

Awards

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.



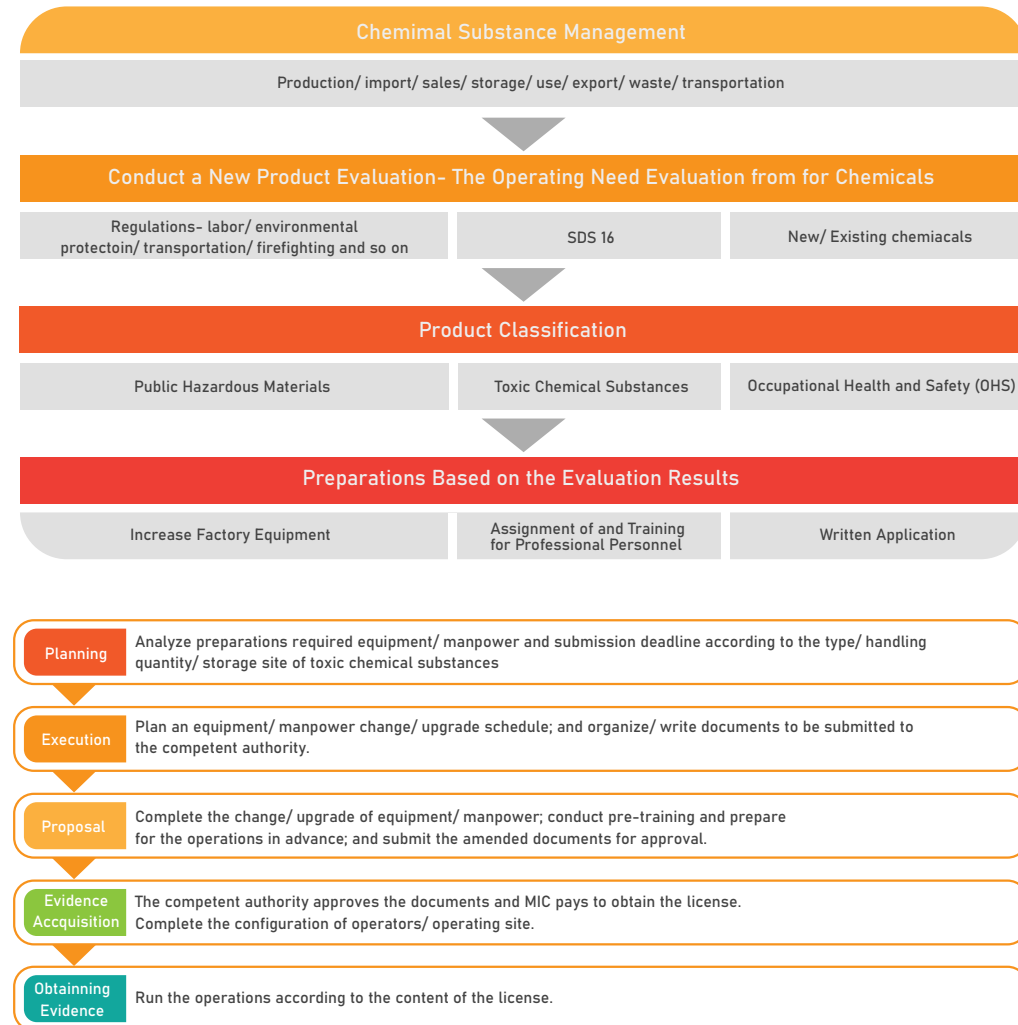
3.8 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships

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 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

- Toufen Factory and Hukou Factory has amended/ submitted; and joined the joint prevention organization.
- Regularly participate in related meetings/ team training to enhance the Company/ individual' 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 Toufen Factory. Concerning the Factory Hazard Prevention/ Response Plan, any amendments to the human resource content/ data shall be made immediately. The data may be retrieved in the online system or from the competent authority for review.

MIC has introduced the certification of ISO 14001 (Environmental Management Systems), ISO 14064-1 (Greenhouse gas inventory) and ISO 45001 (Occupational Health and Safety Management Systems) to establish environmental health and safety management system in accordance with international standards. MIC has also included our environmental sustainable development strategy in the management system; and will continue to consider “zero occupational safety accident, protecting environment” as our priority goals.

4. Employee Care and Social Welfare

4.1	Labor Policy	076
4.2	Information on Employees	078
4.3	Labor-Management Relations	080
4.4	Social Care	088
4.5	Industry-Academia Collaboration	094

4.1 Labor Policy

MIC has established a human rights policy, adhering to local laws and internationally recognized human rights norms and principles, including the "International Bill of Human Rights," Universal Declaration of Human Rights," United Nations Global Compact," and the "ILO Declaration on Fundamental Principles and Rights at Work" protecting the rights of all personnel including fulltime employees, contract employees, temporary staff, and interns.

Rights Protection Management and Implementation:

1. In accordance with relevant laws and international human rights conventions, relevant management systems and measures shall be formulated.

1. Compliance with labor laws such as the Labor Standards Act, Gender Equality in Employment Act, and international labor and human rights conventions.
2. Regularly monitor amendments to labor laws and assess the legality of related systems and actions.
3. Implement and publicly post work rules and codes of conduct on the company's internal website for easy access by employees and managers.

2. Provide a safe and healthy work environment, regularly conduct safety training and health education.

1. Advocate a "zero accident" policy, regularly promote occupational safety and health each month, deeply embed safety and health concepts, and enhance colleagues' awareness of safety and health.
2. Strictly prohibit sexual harassment and any illegal infringement actions.
3. Promote annual health examinations for employees and encourage participation in company health promotion activities.
4. Establish a dedicated area for occupational safety and health information, where laws, implementation information, and educational materials are all published in the company's internal information section for colleagues to access.
5. Equip all locations with AED devices to create a safe working environment.
6. After new employees check in, conduct safety training before they officially start working in their designated work areas.
7. Set environmental, safety, and health policies and continuously promote safety and health performance through the PDCA (Plan-Do-Check-Act) process.
8. Regularly pass the certificate for ISO 45001 and ISO 14001.

3. Prohibition of child labor.

1. Individuals under the age of 16 are not employed by the company.
2. Employees under the age of 18 must provide a consent form from their legal guardian along with proof of age before they can be employed by the company.
3. The company currently does not employ any employees under the age of 18.

4. Prohibition of forced labor.

1. The company adheres to labor laws and human rights policies and does not force employees to work against their will.
2. Regulations concerning employees' normal daily and weekly working hours, overtime, holidays, special leave, and other types of leave are all in accordance with legal standards.

5. Eradication of illegal discrimination and ensuring equal employment opportunities.

1. The company strictly adheres to labor regulations when hiring employees, using open recruitment channels and upholding the principles of equal opportunity regardless of race, gender, age, religion, or nationality, to select the right people for the right positions.
2. The company values employees' rights and provides reasonable treatment, complying with relevant laws. Every employee has equal labor conditions, including salary and benefits, and is not discriminated against based on race, religion, political affiliation, gender, age, marital status, or star signs.
3. To date, there have been no registered complaints of discrimination based on race, gender, disability, or other human rights and labor rights (including the rights of indigenous peoples).

MIC appropriately employs persons with disabilities, currently employing 10 such individuals, and provides necessary equipment and training to enhance their capabilities. The average tenure of currently employed persons with disabilities is 16 years.

To ensure that employees fully understand the relevant regulations, the company conducts refresher training annually for all current employees and also provides educational training for new hires, so that every employee understands and complies with the rules. In 2023, the integrity/sustainability education program totaled 200 hours and was attended by 126 participants. Regarding the issue of anti-corruption, the company communicates with and educates every employee, achieving a 100% completion rate. For specific reports of illegal and unethical behavior, MIC provides both internal and external communication mailboxes; the internal is mhcommunication@micb2b.com, and the external is mic@micb2b.com. Ensuring the confidentiality of the whistleblower's identity and the content of the report. To date, there have been no registered complaints regarding discrimination based on race, gender, disability, or other human or labor rights (including the rights of indigenous peoples).

MIC is committed to safeguarding and promoting employment opportunities for people with disabilities. In compliance with the People with Disabilities Rights Protection Act, we have fully employed individuals with disabilities and created job opportunities for them. Additionally, we provide the necessary work equipment and offer educational training to enhance their abilities. The average tenure of our employees with disabilities is 16 years.

Number of employees with disabilities in 2023		
Category	Required by Law	Actual Number Employed
People with disabilities	7	10

6. The company has established communication channels for stakeholders, properly handling complaints and suggestions:

1. The company has established a "Ethical Corporate Management Code," which is disclosed on both the internal and external websites, providing stakeholders with access to information.
2. Irregularly advocacy through meetings or the internet is conducted to ensure employees fully understand MIC's commitment, policies, prevention plans, and the consequences of dishonest behavior.
3. Internal (mhcommunication@micb2b.com) and external (mic@micb2b.com) communication mailboxes have been set up. A designated person is responsible for promptly receiving emails and tracking the progress of their resolution.
4. The identity of whistleblowers and the content of their reports are kept strictly confidential.



7. Protecting the employment rights of women and people with disabilities:

The company selects personnel suitable for the positions to ensure employees fully understand and comply with relevant regulations. Regular retraining for all group employees is conducted annually, and educational training is provided when new employees join. In 2023, a total of 200 hours of integrity/sustainability education courses were conducted, involving 126 participants.

In 2023, in addition to continuing participation in the 2023 Kaohsiung 5G AIoT Talent Matchmaking Event organized by the Kaohsiung City Government's Economic Development Bureau, MIC actively collaborated with universities such as Southern Taiwan University of Science and Technology and Kun Shan University in campus recruitment and also actively participated in local job fairs. After the pandemic recedes in 2023, we expect recruitment to be faster and more effective.

2023 Kaohsiung 5G AIoT Talent Matchmaking Event

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		2021	2022	2023	Unit: persons; %
No. of workers (persons)	Direct employees	319	318	318	
	Indirect employees	418	417	447	
	Total	737	735	765	
Distribution and ratio of educational background (%)	PhD	1.22	1.23	1.18	
	MSc/ master's degree	21.03	19.86	20.92	
	University (bachelor's degree)	50.88	51.84	52.54	
	College	22.52	22.72	21.18	
	Others	4.34	4.35	4.18	
Work type (persons)	Managers	13	13	13	*Definitions: a. Direct employees: The job categories include operations and engineering personnel. b. Indirect employees: The job categories include sales, management/administrative and R&D personnel
	R&D personnel	27	15	18	
	Management and other personnel	697	707	734	

The number of non-employee security and cleaning personnel within the Company's operating sites in Taiwan are as follows. The number of people is unchanged compared to the previous year.

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

The number of non-employee contractors at the factory end are as follow. In response to business expansion, the number of people is increased slightly compared to the previous year.

	Number of contractors
Total of personnel	742

Diversity in workforce composition

Region		Northern Region		Central Region		Southern Region		Total	
Gender	Age	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion
Female	Under 30	3	0.4%	18	2.4%	3	0.4%	24	3.1%
	31~50	40	5.2%	65	8.5%	47	6.1%	152	19.9%
	Over 51	15	2.0%	10	1.3%	7	0.9%	32	4.2%
Subtotal		58	7.6%	93	12.2%	57	7.5%	208	27.2%
Male	Under 30	5	0.7%	25	3.3%	14	1.8%	44	5.8%
	31~50	42	5.5%	171	22.4%	135	17.6%	348	45.5%
	Over 51	39	5.1%	77	10.1%	49	6.4%	165	21.6%
Subtotal		86	11.2%	273	35.7%	198	25.9%	557	72.8%
Total		144	18.8%	366	47.8%	255	33.0%	765	100.0%
People with Disabilities and Indigenous People		5	0.7%	6	0.8%	1	0.1%	12	1.6%

Note: The northern region includes areas north of Taoyuan, the central region from Hsinchu to Changhua, and the southern region includes areas south of Yunlin.

The statistics on the number of MIC's new hires and departures in 2023 by age, gender and regions are as follows:

New hires									
Region		Northern Region		Central Region		Southern Region		Total	
Gender	Age	Number	Percentage of age group	Number	Percentage of age group	Number	Percentage of age group	Number	Percentage of age group
Female	Under 30	1	4.17%	10	41.67%	2	8.33%	13	54.17%
	31~50	10	6.58%	9	5.92%	2	1.32%	21	13.82%
	Over 51	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Male	Under 30	6	13.64%	5	11.36%	7	15.91%	18	40.91%
	31~50	8	2.30%	11	3.16%	14	4.02%	33	9.48%
	Over 51	1	0.61%	2	1.21%	1	0.61%	4	2.42%

Departures									
Region		Northern Region		Central Region		Southern Region		Total	
Gender	Age	Number	Percentage of age group	Number	Percentage of age group	Number	Percentage of age group	Number	Percentage of age group
Female	Under 30	0	0.00%	6	25.00%	0	0.00%	6	25.00%
	31~50	7	4.61%	4	2.63%	3	1.97%	14	9.21%
	Over 51	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Male	Under 30	2	4.55%	3	6.82%	2	4.55%	7	15.91%
	31~50	10	2.87%	5	1.44%	8	2.30%	23	6.61%
	Over 51	5	3.03%	2	1.21%	2	1.21%	9	5.45%

Note 1: The headcount reference date is December 31, 2023.

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

Note 3: The northern region includes areas north of Taoyuan, the central region from Hsinchu to Changhua, and the southern region includes areas south of Yunlin.

The statistics for regular performance and career development reviews conducted in 2023 are as follows:	Item		Percentage of total workforce		Those who did not participate in the regular review due to years of service or individual circumstances account for 3.25%.
	Gender	Male	<div><div></div></div> 70.87%		
		Female	<div><div></div></div> 25.88%		
	Category	Supervisors	<div><div></div></div> 54.62%		
		General staff	<div><div></div></div> 41.35%		
		Operational staff	<div><div></div></div> 0.78%		

4.3 Labor-Management Relations

4.3.1 Employee Welfare Measures:

MIC places great emphasis on employee care and continuously optimizes employee benefits and comprehensive care.

Official Care	Dormitories	Available for employees who require accommodation due to work.
	Company Cars	Provides company cars and fuel subsidies for official use.
	Company Phones	Provides company phones and communication cost subsidies.
	Uniforms	Provides uniforms for specific work environments.

Learning and Development	Career Development Training	Company-planned and provided job training.
	Personal Development Training	Offers applications for external training and subsidies for language courses.
	Knowledge and Health Seminars Training	Irregularly conducts seminars on health relaxation and personal knowledge.

Health Care	Health Checkups	Annual health examinations are conducted.
	Health Consultation	Doctors provide health consultations and support.
	On-site Medical Staff	On-site nurse provide care.
	Emergency Assistance	Provides domestic and overseas emergency assistance resources.

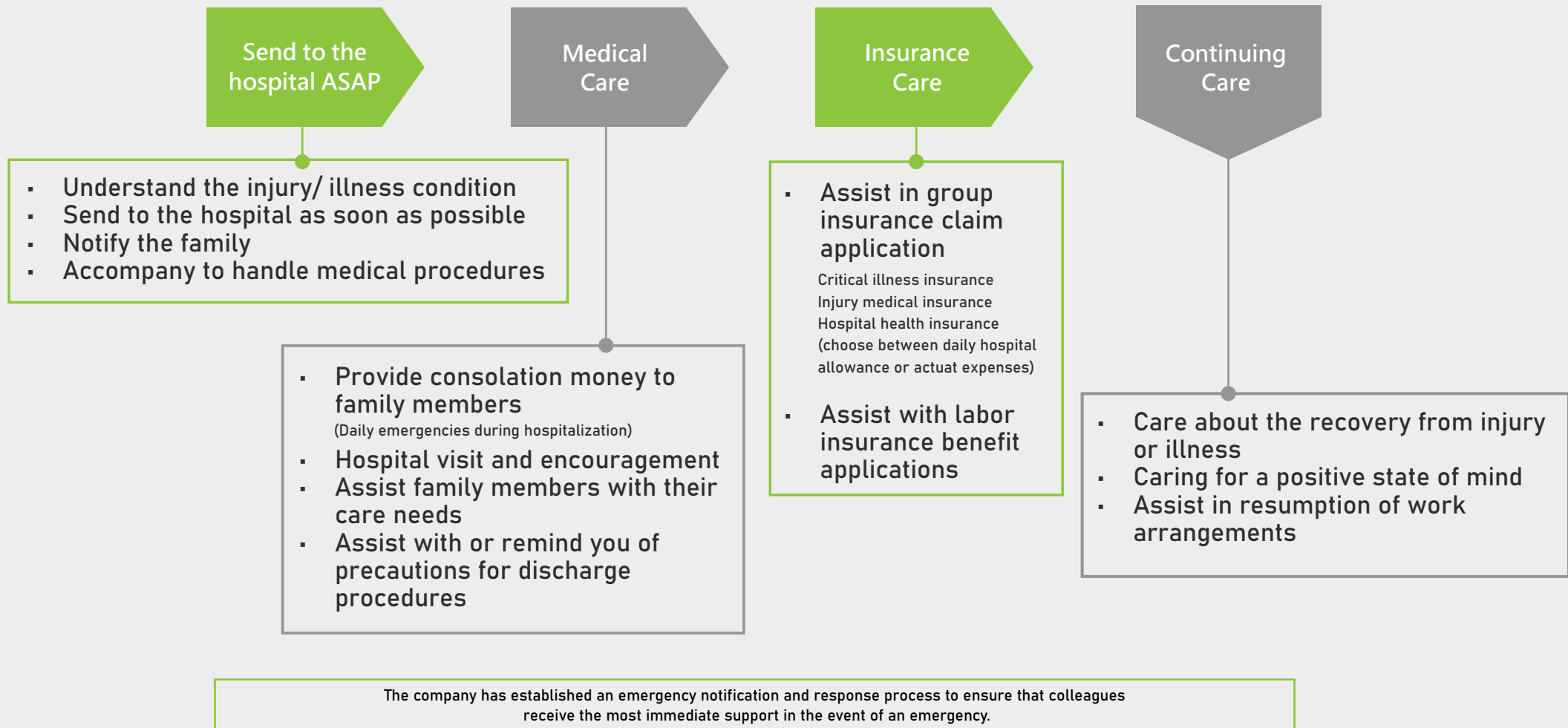
Family Care	Lactation Rooms	Lactation rooms set up in each office.
	Childcare Daycare	Special agreements with childcare facilities.
	Childbirth Subsidy*	NT\$2,000 per child for oneself or spouse.
	Wedding and Funeral Subsidies	Subsidies for congratulatory or condolence gifts.

Insurance Care	Employee Group Insurance	Term life insurance
		Critical illness insurance
		Accident medical limit insurance
		Hospital medical insurance with capped benefits
		Cancer insurance
		(The company pays full premium).
	Family Group Insurance	Hospital medical insurance with capped benefits for spouses and children (The company pays full premium).
	Business Travel Insurance	Insurance coverage for employees traveling on business or stationed overseas.
	Optional Group Insurance at a Discount	Employees' families can voluntarily join at preferential rates for term life insurance, hospital medical, cancer insurance, and overseas emergency assistance.

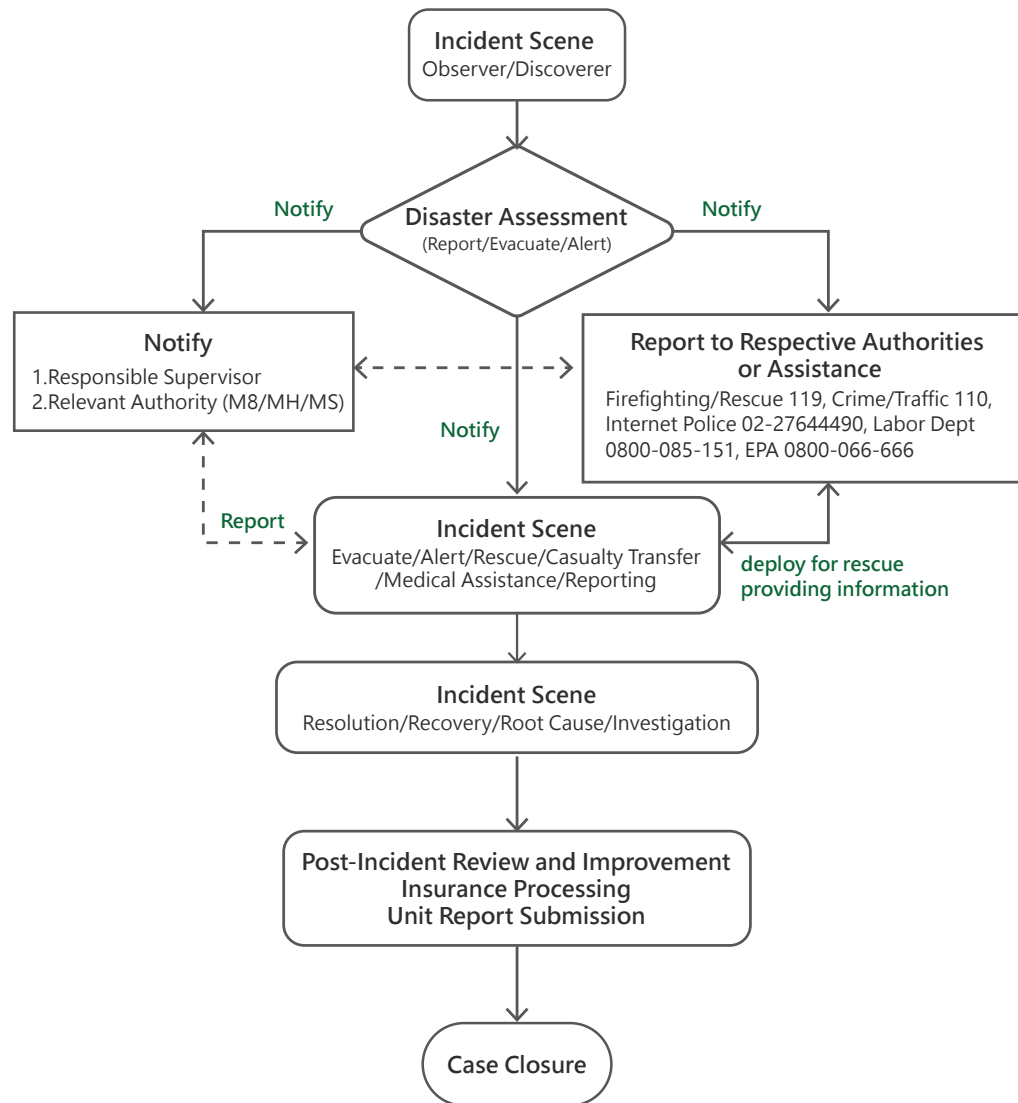
Lifestyle Care	Employee Vacation	2 days for international trips; 1 day for domestic trips.
	Travel Subsidy*	NT\$2,000 to NT\$15,000 for travel expenses.
	Annual Banquet	A year-end banquet for employees and their families with prizes for everyone.
	Festival Gift Certificate*	Including Dragon Boat Festival, Mid-Autumn Festival, and Labor Day.
	Birthday Gift Certificate *	Gift Certificate on the employee's birthday.
	Cultural Activities*	Irregularly provides free movie tickets.
	Affiliated Stores*	Special service agreements allow employees to enjoy predetermined discounts.

Note: *Paid for by the Employee Welfare Committee.

Employee major illness and injury care process:



Emergency Incident Reporting and Response Flowchart



As the pandemic has gradually subsided in 2023, work has returned to normal. The company has continued various care measures to ensure that employees feel secure at work.

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.

In addition to the protection provided by the group insurance for employees, during the first half of the year when the pandemic had not yet eased, MIC continued to provide epidemic prevention kits and offered health guidelines for employees traveling on business.

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 2023, 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 2023.

Item		Number of people
Gender	Male	30
	Female	15

Total number of employees who actually utilized parental leave in 2023.

Item		Number of people
Gender	Male	1
	Female	3

Total number/ resumption rate of employees who resumed work in 2023 after taking parental leave.

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

Employees who have returned to work after parental leave and remained employed for 12 months: Retention rate

Item		Number of employees who returned to work last year	Number of employees still employed 12 months after returning to work	Retention rate
Gender	Male	2	0	0%
	Female	2	2	100%

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 2023, as the pandemic subsided, the company resumed organizing domestic and international employee trips and family days in the second half of the year. Activities included 5 trips to Kinmen, 9 trips to Kansai in Japan, and 11 trips to Jeju Island in Korea, along with a family day at an amusement park. The year-end banquet was also reinstated, allowing colleagues and their families to gather once again in a rare union. Various amusement facilities and activities were prepared outdoors, ensuring that employees and their families could arrive excited and leave delighted.





Concerning employees' salary, benefits or welfare, none of them varies due to employees' location, gender, marital status, religion, race, nationality and political stance; 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.

In 2023, based on the company's annual key development goals, the main directions for training plan included: "Sustainable Management," "Talent Development," "Stable Profitability," and "Continuous Improvement."

Training Plan	Topic
Sustainable Management	"Trend Seminar: Taiwan's Survival Strategies under the New International Order", "Industry Trends Seminar: The Classic Game of the Global Semiconductor Industry by 2030"
Talent Development	"Leadership for Generation Z", "Situational Leadership", "Leadership Communication and Organizational Coordination", "Work Relations, Job Instruction, Job Improvement", "Legal Seminar: Case Sharing and Trade Secrets Protection"
Stable Profitability	"Successful Business Profit Masters: Essential Numeracy for Top Salespeople", "Engineering Estimation and Cost Control, "Problem Analysis and Resolution"
Continuous Improvement	"Efficient Working with EXCEL", "Workplace Expression Skills to Resolve Conflicts"

After the easing of the pandemic, the proportion of in-person classes was increased, but some courses continued to be offered online to maintain flexibility. The online courses for 2023 included: "Problem Analysis and Resolution" and "Work Relations, Job Instruction, Job Improvement."

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 2023 was 10,300 hours, where the statistics are categorized by gender, age, and job category as follows:

Item	Female	Male
Integrity/ESG training hours	51	149
Total training hours (Including Integrity/ESG training)	1,919	8,381
Average training hours	9.22	15.04

Item	Age Under 30	Age 30-50	Age Over 50	Supervisory employees	Non-supervisory employees
Total training hours	993	6,888	2,419	6,492	3,808
Average training hours	14.6	13.78	12.28	15.53	10.97

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 2022, the median salary of full-time non-supervisory employees ranked fourth among 38 other electronic industry companies listed on the stock market. In 2023, the average salary for full-time non-supervisory employees was NT\$1,633 thousand (a 5% increase from 2022), and the median salary was NT\$1,275 thousand (a 2% increase from 2022).

In June 2023, 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.

■ Annual Total Compensation Ratio and Change Ratio in 2023:

Annual Total
Compensation Ratio

Annual Total Compensation
Change Ratio

7.7 times : 8.2 times

Note 1: Annual Total Compensation Ratio: The ratio of the highest-paid individual's annual total compensation to the median annual total compensation of all other employees (excluding the highest-paid individual).

Note 2: Annual Total Compensation Change Ratio: The ratio of the percentage increase in annual total compensation for the highest-paid individual to the percentage increase in the median annual total compensation of all other employees (excluding the highest-paid individual).

■ Standard Salary for Entry-Level Employees Compared to Local Minimum Wage:

Legal minimum
wage

Standard Salary for
Entry-Level Employees

1 : 1.1

Note: Entry-level salary/legal minimum wage = 1.1.
The standard salary for entry-level employees does not vary by gender.

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 2023, the fair value of plan assets was NT\$165,579 thousand; and the total of pension amount that shall be appropriated to employees by law was NT\$139,087 thousand, 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\$46,580 thousand in 2023.

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, 2023, no employee stood out to form a labor union or make collective bargaining agreements. Other communication channels include regular Labor-Management Meeting 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

MIC is committed to integrated development with local communities. Environmental impact assessments were completed during the development of the science and industrial parks where our factories in Taiwan are located. MIC maintains open communication with local communities; the company's official website includes a contact email for stakeholders, which residents near any factory or office can use to report relevant issues. Rooted in Taiwan, MIC actively contributes to the local cultural development. The company invests substantial resources in various types of arts and cultural activities and the restoration of historical sites to enhance opportunities for the Taiwanese public to engage with the culture and arts.

Sponsorship Activities:
Sponsored the Building Love Association
Funded "Youth Return Home," a micro-movie project about local life revitalization
Supported the Chinese Professional Management Association of Hsinchu's fundraising concert at Clear Springs Cathedral in Wufeng Township
Müller Chamber Choir
Chinese Bamboo Poetry Orchestra
Vox Nativ Taiwan

Total NT\$ **207** million

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 12 charity sales in Taiwan in 2023; 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	4	\$31,451
Hung-Chia Sanctuary Center	3	\$29,372
LUWAY Opportunity Center	2	\$12,130
Lian Sin Yuan Social Welfare Charity Foundation	3	\$24,635
Total	12	\$97,588

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

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\$100,000, 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 2023, MIC continued to support and sponsor the Hsinchu City Building Love Association, which has long focused on music aesthetics education. The association adheres to the philosophy of "basing actions on love, coloring with musical arts, and caring for rural education." It actively supports aesthetic education for youths under 18 in rural areas by combining efforts with corporations and the public. Through organizing events, it enables more people to appreciate the beauty of music and supports the association's long-term commitment to rural communities. At the end of 2023, the Building Love Association held a charity concert in the Hsinchu Cultural Bureau Performance Hall, featuring refined male choir performances by the Müller Chamber Choir, chromatic harmonica renditions by the Taiwanese harmonica musician Mr. Li Rang, and beautiful piano pieces by the up-and-coming composer Fu Guanhao. Many company colleagues also attended the concert with their families, enjoying this musical feast and passing this beautiful encouragement on to the next generation.

National Tsing Hua University College Technology of Management - Global Sustainability and Social Development



Juridical Person Taiwan Province
Hung-Chia Sanctuary For The Handicapped



Donated ophthalmology equipment to Aodi Health Center for remote areas



National Chengchi University
Scholarship Fund



Sponsored National Nanke International Experimental High School
for the U.S. robotics competition



Hsinchu County National Middle School Athletic Games



Donated liquid straw decomposing bacteria to Hsinchu County Government



Foundation of Urban Development and Environmental Education



Smart City Excellence Contribution Award Event



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



ADAT Technology and National Cheng Kung University College of Engineering Industry-Academia Advancement Donation Ceremony



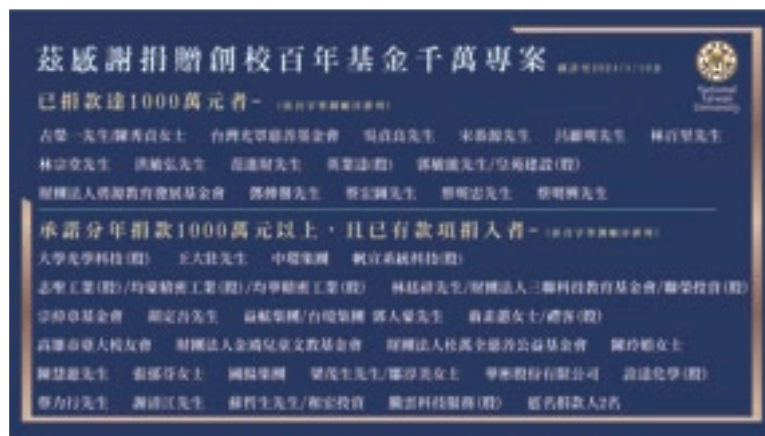
Tainan City Government Public Health Bureau's dengue fever prevention-related activities



The charity choir fundraising event at Clear Springs Cathedral, organized by the Chinese Professional Management Association of Hsinchu



National Taiwan University College of Management Jade Peak Project



National Yang Ming Chiao Tung
University AIoT Application in ESG
and Smart City Net-Zero
Transition Research Center



Sponsored Christmas Lights in Southern Taiwan Science Park



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 Far East University. In 2020, we provided STUST's (Southern Taiwan University of Science and Technology) Department of Mechanical Engineering with 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 2022, our collaboration expanded to include more departments. For example, in regard to our collaboration with 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, with a retention rate of 61% for students who stay on as employees after graduation. In 2023, the cooperation was extended to include the Intelligent Robotics Engineering Department, providing a total of 45 internship opportunities across 2 schools and 6 departments, all executed within two factories in the Southern Science Park, accounting for 29% of the positions in Taiwan locations. MIC looks forward to fostering sustainable development goals for students through joint collaborations between the corporation and educational institutions.



5. Conclusions

Annex I	GRI Standards Index	096
Annex II	Climate-Related Information of TWSE/TPEX Listed Company	104
Annex III	AA1000AS v3 Assurance Statement	105

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 2023 Sustainability Report in accordance with GRI standards. The reporting period of this report spans from January 1, 2023, to December 31, 2023.
GRI 1 Application Version	GRI 1 : Foundation 2021
Application of GRI Industry Standards	None

GRI 2 : General Disclosures 2021			
GRI Standards	Disclosure	Chapter	Reason for Exclusion
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	
2-4	Restatements of information	About this Report	
2-5	External assurance	About this Report	

GRI 2 : General Disclosures 2021			
GRI Standards	Disclosure	Chapter	Reason for Exclusion
2. Activities and workers			
2-6	Activities, brands, products, and services	1.4 Operational Overview 1.5 Trends and Opportunities	
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 Corporate Governance Structure	
2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance Structure	
2-11	Chair of the highest governance body	2.1 Corporate Governance Structure	
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 Material Topics	
2-15	Conflicts of interest	2.1 Corporate Governance Structure	
2-16	Communication of critical concerns	2.1 Corporate Governance Structure	
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 Corporate Governance Structure	
2-19	Remuneration policies	2.1 Corporate Governance Structure	
2-20	Process to determine remuneration	4.3 Labor-Management Relations	

GRI 2 : General Disclosures 2021

GRI Standards	Disclosure	Chapter	Reason for Exclusion
3. Governance			
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 4.1 Labor Policy	
2-24	Embedding policy commitments	1.3 Business Philosophy	
2-25	Processes to remediate negative impacts	2.5 Material Topics	
2-26	Mechanisms for seeking advice and raising concerns	2.5 Material Topics	
2-27	Compliance with laws and regulations	3.4 Health and Safety Management	
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			
GRI Standards	Disclosure	Chapter	Reason for Exclusion
3-1	Process to determine material topics	2.5 Material Topics	
3-2	List of material topics	2.5 Material Topics	
3-3	Management of material topics	2.5 Material Topics	

GRI 200 : Economic Series			
GRI Standards	Disclosure	Chapter	Reason for Exclusion
Material Topics : Economic Series			
GRI 201 : Economic Series 2016			
201-1	Direct economic value generated and distributed	1.6 Operational Performance and Tax	
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	
Material Topics : Anti-corruption			
GRI 205 : Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	4.1 Labor Policy	
205-3	Confirmed incidents of corruption and actions taken		This disclosure does not exist during the reporting period

GRI 300 : Environmental Series

GRI Standards	Disclosure	Chapter	Reason for Exclusion
Material Topics : Energy			
GRI 302 : Energy 2016			
302-1	Energy consumption within the organization	3.4 Environmental Protection	
302-3	Energy intensity	3.4 Environmental Protection	
302-4	Reduction of energy consumption	3.4 Environmental Protection	
Material Topics : Emissions			
GRI 305 : Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	3.4 Environmental Protection	
305-2	Energy indirect (Scope 2) GHG emissions	3.4 Environmental Protection	
305-4	GHG emissions intensity	3.4 Environmental Protection	

GRI 400 : Social Series			
GRI Standards	Disclosure	Chapter	Reason for Exclusion
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	3.5 Health and Safety Management	
403-2	Hazard identification, risk assessment, and incident investigation	3.5 Health and Safety Management	
403-3	Occupational health services	3.5 Health and Safety Management	
403-4	Worker participation, consultation, and communication on occupational health and safety	3.5 Health and Safety Management	
403-5	Worker training on occupational health and safety	3.5 Health and Safety Management	
403-6	Promotion of worker health	3.5 Health and Safety Management	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.8 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	

GRI 400 : Social Series

GRI Standards	Disclosure	Chapter	Reason for Exclusion
403-8	Workers covered by an occupational health and safety management system	3.5 Health and Safety Management	
403-9	Work-related injuries	3.5 Health and Safety Management	
403-10	Work-related ill health	3.5 Health and Safety Management	
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	
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

Other Topics

GRI Standards	Disclosure	Chapter	Reason for Exclusion
GRI 202 : Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.3 Labor-Management Relations	
202-2	Local minimum wage	4.2 Information on Employees	

Other Topics			
GRI Standards	Disclosure	Chapter	Reason for Exclusion
GRI 203 : Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	3.4 Environmental Protection	
GRI 303 : Water and Effluents 2018			
303-3	Water withdrawal	3.4 Environmental Protection	
303-4	Water discharge	3.4 Environmental Protection	
303-5	Water consumption	3.4 Environmental Protection	
GRI 306 : Waste 2020			
306-1	Waste generation and significant waste-related impacts	3.4 Environmental Protection	
306-2	Management of significant waste-related impacts	3.4 Environmental Protection	
306-3	Waste generated	3.4 Environmental Protection	
306-4	Waste diverted from disposal	3.4 Environmental Protection	
306-5	Waste directed to disposal	3.4 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 Corporate Governance Structure 4.2 Information on Employees	




Other Topics

GRI Standards	Disclosure	Chapter	Reason for Exclusion
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 Climate-Related Information of TWSE/TPEX Listed Company

Item	Chapter	Item	Chapter
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	3.1 Climate Change Governance	6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The company has not implemented.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the company (short, medium, and long term).	3.1 Climate Change Governance	7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The company has not implemented.
3. Describe the financial impact of extreme weather events and transformative actions.	3.1 Climate Change Governance	8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The company has not implemented.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.1 Climate Change Governance	9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	3.4 Environmental Protection
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts should be described.	The company has not implemented.		

Annex III AA1000AS v3 Assurance Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

Marketech International Corp. 2023 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 followings:

1. The assurance scope is consistent with the description of Marketech International Corp. 2023 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. 2023 Sustainability Report provides a fair view of the Marketech sustainability programmes and performance during 2023. 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 assessors 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.
- 4 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 a 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 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
000-4/V3-VSR0W

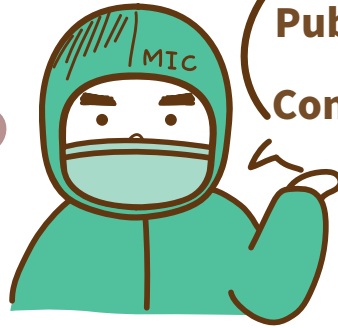
Statement No. SRA-TW-770099

2024-07-26

...making excellence a habit.™

Taiwan Representative: 2nd Floor, No. 37, 3-He Rd., 24-He Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies

Sustainability



Publisher
Consultant

高新明
林育業
王怡鈞

**Supply Chain
Management**

劉曜州、英道明、
洪筱萍

Sustainable Environment

蔡千嶸、毛光燦、陳瓊瑤、徐景詮、
張明忠、游琇閔、蘇建洲、楊家彰、
王仁邦、王怡婷、王思平、王啓豪、
王繭萱、江卓諺、吳峙葑、吳凱茵、
吳朝宏、李羽璇、李幸娟、李盛旺、
李慈萱、沈俊翰、林俊安、洪巳雅、
洪天賜、高晨惠、張美慧、張哲銘、
張歆昀、張維哲、莊惠卿、郭曉潔、
陳世良、陳宜珊、陳奕銓、黃政偉、
黃榆婷、黃璿羽、楊昕樺、葉芷瑜、
劉依萍、劉品妍、潘羿彤、蔡羽柔、
鄭世旺、鄭美慧、盧巧玲、羅秀雲、
羅雅怡、蘇品綺、王蕙菁

**Environmental
Sustainability
and Worker Safety**

周坤富、方智勇、吳智凱、
方耀盟、王明川、王薪佩、
江聖德、李亭儀、周琦武、
林玟伶、邱愛雁、陳維倫、
陳熾諗、黃呈峰、黃敬云、
劉世強、蔡佩玲

**MIC
Sustainability
Report**

**Editorial
Team**

Financial Taxation

謝明珠、鐘啟雯、侯嘉美、
馮雅卿、張維容、黃韋丞、
梁哲銘、葉芷瑜、葉書涵

Social Care

謝智雄
王蕙菁
黃璿羽

**Corporate Governance
and Committees**

李易融、吳姍祐、謝淑玲

**Employee
Care**

李心聖、呂蘭英、張惠珍、
黃宗瑜、謝淑玲、徐景詮、
張明忠、陳文洲、陳嘉慧、
何宜芬、林延昭、曾輝方、
劉靜芳



2023
Marketech International Corp.
Sustainability Report