

MitraStar

SUSTAINABILITY

REPORT

2021



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About this Report

Since the MitraStar Technology was found in 2011, the company has published the MitraStar Technology Sustainability Report. It keeps our promise as mentioned in our first report that we publish the sustainability report annually to exposure our corporate social responsibility practices.

MitraStar Technology complies with its corporate responsibility to create a beneficial relationship between its customers and our corporate management, to encourage our employees to show a strong company commitment and to cooperate with our partners to create a win-win situation.

In this report, we share our efforts in strengthening green product and service, employee care, health and safety, environmental protection and community. We have fully committed ourselves to our social responsibility and it is also the uncompromised commitment to all of our stakeholders.

Report Content

Report period: January 1~December 31, 2021.

• Issues of Stakeholders' Concern

This part covers the consideration of the potential impacts of stakeholders on the Company as well as the identification of significant issues associated with the operations and actual achievements in terms of economy, environment and society and discloses the Company's strategies, implementation processes, and outcomes. The significant issues this year are slightly different from those in the report for the previous year. Please refer to Chapter "Stakeholders Communication" for details.

• UN Sustainable Development Goals (SDGs)

MitraStar supports the 17 SDGs set by the UN. In 2021, we focused on 7 SDGs which were adopted as the core and achieved in a sustainable manner.

Meanwhile, the "MitraStar Sustainability Committee" discussed economic, social and environmental issues concerning the Company's benefits and prioritized the issues discussed according to their significance for the Company and stakeholders and the importance of the issues to the management of MitraStar to formulate its CSR strategies in line with our SDGs.

Report Structure

Pursuant to TWSE's "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" and "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies", disclosures were made based on the framework of the Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) Standards, and Task Force on Climate-related Financial Disclosures (TCFD). The disclosure framework reference table is attached as an appendix to the Report.

GRI Standards

The Report was prepared in accordance with the framework of the GRI Standards: Core option. Materiality analysis results, disclosures, and reviews will be described in the following respective chapters.

- **SASB Standards**

The Company first adopted the disclosure framework of the SASB Standards in the Report to disclose information in the "electronic manufacturing services (EMS) and original design manufacturing (ODM) industry".

- **TCFD**

The opportunities and risks of the financial impacts of climate change, as well as the response measures, were evaluated and disclosed.

Report Scope

The report covers information regarding operations at MitraStar Technology's headquarters in Hsinchu, Taiwan, and included selected information from its subsidiaries Wuxi MitraStar and Genezys Technology in Wuxi, China.

Internal Examination

The information in the Report could not be disclosed unless it was examined internally.

Information Provision and Review by Departments

Business executives in the relevant business departments of the Company's plants submitted information to the department heads for review.

Compilation by the Sustainability Committee

The communication team in the MitraStar Sustainability Committee conducted information compilation, wrote the first draft of the Report after having discussions with the relevant sales departments, and handed over the first draft to the information providers for checking.

Approval by the Chief Sustainability Officer External Verification

The Report was submitted to President of MitraStar for approval.

External verification and auditing were carried out.

Disclosure on the Official Website

The communication team subordinate to the MitraStar Sustainability Committee disclosed the Report on the official website of MitraStar.

External Assurance

Financial Information: The financial figures in the Report were prepared according to the International Financial Reporting Standards recognized by the Financial Supervisory Commission and the financial data was audited and verified by KPMG and is expressed in NTD.

Report Verification: We commissioned DNV Business Assurance Co., Ltd. to verify the Report according to the DNV VeriSustain™ Protocol, AA1000 Assurance Standard.

Management System Verification Certificates:

- ISO 9001 Quality Management System
- QC 080000 Hazardous Substance Process Management System
- TL 9000 Telecommunications Quality Management System
- ISO 14001 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 14064-1 Greenhouse Gas Inventory Certificate
- ISO 27001 Information Security Management System

Report Publication

MitraStar published a sustainability report on an annual basis. The last sustainability report was published in August 2021. The Report was published in December 2022.

To promote paperless practices for environmental protection, all the reports are published on the official websites and can be downloaded via the following links:

[MitraStar Sustainability Report \(English Version\)](#)

Feedback

Should you have any questions or suggestions regarding the content or activity in the Report, please don't hesitate to contact us.

Contact information: **MitraStar Sustainability Committee**

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Message from the President

Dear friends and colleagues,

Keeping a philosophy of "innovation, striving for excellence, customer-orientation and value creation" in mind, with the creation of innovative products and technology as our core value, MitraStar promises to deliver effective services and best quality products and solutions to our customers for win-win. As a global citizen, we fully expect to fulfill our corporate social responsibilities through use of our professional knowledge and by endeavoring to do our best in bringing the world the most convenient life possible.

Corporate Social Responsibility is an Ongoing Journey

MitraStar is fully committed to fulfilling its responsibilities to society and the environment, as well as maintaining its corporate governance with integrity. Moreover, we respect the value of the community by supporting the neighborhood and also by providing our employees with a high quality and safe, working environment. To meet the challenges of climate change, we insist on innovation to comply with and surpass environmental protection policies and to provide eco-friendly products and technologies.

MitraStar not only complies with the corporate responsibility to create a beneficial relationship among all stakeholders but also proactive set a high standard ourselves on corporate management, to encourage our employees on showing a strong commitment and accountability through daily operation.



Wayne Huang *Wayne Huang*
President of MitraStar Technology

An Overview of MitraStar

Established	Production Site	Research Center	Headquarters	Capital (NTD)	2021 Revenue (NTD)	2021 Employees
2011	2	2	Hsinchu Science Park, Taiwan	3.16 Billion	17 Billion	2,192

With passion pursuing the ultimate profession, MitraStar excels in offering reliable, highly effective services through its experienced, well-trained teams of network experts. To create innovative products and solutions with unparalleled value, MitraStar commit itself to collaborating proactively with its partners not only to satisfy customers, but also to generate more benefits for all.

The consistent investment on developing networking equipment empowers MitraStar to keep keen observations on the global market in order to maintain its product edge with flexibility and creativity as well as to fulfill customer demands with its outstanding design, manufacturing management, channel management, technical support and all-aspect service capability.

As convergence of digital media accelerates, MitraStar's derives its advantage from the abilities to foresee the trend and concentrate on development of mobile broadband, next-generation networking, digital entertainment, smart home and Internet applications; these enable MitraStar to offer competitive, cost-effective mobile and fixed-line broadband products along with services designed exclusively for its customers and business partners.

As a leader and innovative developer of high-quality, high-performance networking products, MitraStar distinguishes itself with the aptitude to secure a prominent market position by integrating best-of-breed technologies and comprehensive product portfolios conceived to realize the "Creating smarter living through a seamlessly connected world." vision for the better future of our community.

Corporate Development

Operation Site:

MitraStar Technology Corp.

No. 6, Innovation Road II, Hsinchu
Park Hsinchu 300, Taiwan

WuXi MitraStar Technology Corp.

No.1-1, Minshan Road, Xinwu District, Wuxi City, Jiangsu Province, China

WuXi Genezys Technology Corp.

No.1-1, Minshan Road, Xinwu District, Wuxi City, Jiangsu Province, China

The Unizyx Holding Corporation began operations on August 16, 2010, as it was set up to hold Zyxel's communications businesses. In 2011, Unizyx set up the MitraStar Technology as its subsidiary. The new holding company becomes the parent company and has MitraStar Technology as its subsidiary.

MitraStar Technology

Experienced in product research and development, MitraStar does not only have strong technical capabilities but is also proactive in aligning with industrial and technical trends. To understand and even exceed expectations from our customers, we work on both advanced technology and new products to accelerate product development and maintain our leading position. For years, our team members collaborate with many first-tier talents to accumulate solid knowledge and experience on ODM/OEM engineering and high-quality manufacturing.



Vision & Mission

Vision

Smarter · Connected

Mission

MitraStar is a world-class Design, Manufacturing and Service (DMS) company. MitraStar works closely with its customers, suppliers, and partners to design and manufacture innovative, reliable networking products and services that meet evolving digital demands.

Products

The business scope of MitraStar Design, Manufacturing and Service ranges from Product ODM, Hardware ODM to OEM. In response to customer requests, we provide Wireless Broadband CPE, Wired broadband CPE, Fiber CPE, Digital Home and Multimedia Application products as well as next-generation (internet/M2M) total solutions.



Multi-Service Gateway



Fiber Broadband CPE



IoT & Digital Home

Sustainable Key Highlights

Sustainable Management

Ecovadis Sustainability Rating

MitraStar Technology won the **Silver medal**.

Survey Plan for the Issues of Stakeholders' Concern

The "Survey Plan for the Issues of Stakeholders' Concern" was fully initiated to conduct a survey with our management on the impact of sustainability issues on the Company's operations and with the stakeholders on the level of concern about the sustainability issues. The number of questionnaires recovered in the two surveys was **286 and 790**, respectively. We then completely updated the issues of stakeholders' concern and set long-term goals to be achieved by 2030.

(The survey conducted by MitraStar's holding company, Unizyx, and the survey range is covering Unizyx, MitraStar and Unizyx's other subsidiaries, Zyxel communication and Zyxel Networks.)

Economic Aspect

Employee Business Ethics

Employee business ethics education and training's completion rate **99.5%**

Material business ethics violations: **0**

Information Security Management

Material information security incidents: **0**

Completion rate of courses on business secret protection regulations: **99.5%**

The **ISO 27001** certificate has been obtained.

Supplier Sustainability Management

Percentage of suppliers signing a letter of commitment **79.5%**

Require suppliers to adhere to a code of conduct **100%**.

Environmental Aspect

Science Based Targets initiative (SBTi)

To support the global Science Based Targets (SBT) initiative, the holding company Unizyx declared to submit a **SBT commitment letter** in 2022, put forward the **short-term SBTs** in 2024, and deliver **on the net-zero emission commitment in 2050**

TCFD for the Financial Impact of Climate Change

The TCFD framework has been used to identify the risks and opportunities of the financial impact of climate change. We planned to start the **Situational Analysis and Financial Estimation Plan** for material risks and opportunities.

Carbon Disclosure Project (CDP)

Awareness level (C) for climate change

Awareness level (C) for water safety

Management level (B-) for value chain engagement

Greenhouse Gas Reduction and Inventory

The Company performed **Scope 1~Scope 3 GHG inventories** and subsequently acquired the **ISO14064 certificate**. In 2021, a **reduction of 50.2 tons CO₂-e** in GHG emissions was achieved.

The SBTi's Absolute Emissions Contraction approach was used to set an **annual carbon reduction target of 4.2%**

Product Carbon Footprint Inventory Plan

The **Product Carbon Footprint and Environmental Footprint Calculation Platform** was developed to measure a product's level of eco-friendliness throughout its life cycle and thereby allow the customers to take the environmental impact level into consideration during product planning.

Product Carbon Labels

We **designed our own product carbon label** in order for the customers to disclose on their products their GHG emissions so as to boost the market competitiveness of low-carbon products. A carbon footprint label design competition was also organized to enhance the employees' awareness of environmental protection.

Social Aspect

Human Rights Protection

The human rights of our employees and suppliers have been protected by conducting risk assessments, implementing protection measures, and disseminating relevant concepts. Material human rights violations **0**

Completion rate of courses on employee sexual harassment prevention **>99.5%**

Completion rate of human rights-related training courses for new employees **100%**

The **"Labor Risk Factor Identification and Assessment Form"** has been used to conduct human rights risk surveys with employees

Zero payment from migrant workers: We pay in full the expenses and placement fee required for our foreign migrant workers to work.

Talent Training, Social Care and Environmental Protection

Shun-I Chu Unizyx Scholarship: In 2021, NT\$**8.3** million was awarded to **366** students. The total scholarships awarded amounted to **NT\$140 million**, benefiting nearly **5,200** students.

"Bring Love with Shoe Boxes at Christmas" Social Welfare Campaign for rural elementary schools

"Walk From Heart" Charity Brisk Walking and Step-counting Campaign

Sustainable Management

- A. Sustainability Management
- B. Sustainability Committee
- C. Response to UN Sustainable Development Goals
- D. Stakeholder Communication



A. Sustainable Management Framework

Following Unizyx holding company, MitraStar's sustainable management framework is based on visions and integrated with sustainability policies. We supervise sustainability matters and formulate and execute strategies through the management platforms, such as the Board of Directors, Steering Committee and Sustainability Committee.

The Sustainability Committee responds to the UN's SDGs and analyzes and identifies the Material topics of the main stakeholders' concern, e.g. investors, customers, government agencies, suppliers, employees, and communities, thereby setting the Company's sustainable development goals. Our sustainability policies are implemented on the basis of our five main sustainability focuses, namely sustainable management, corporate governance, environmental protection, sustainable products, and friendly workplace and social welfare in communities.



Sustainability Policies

MitraStar takes the creation of economic value, sustainable product development, and promotion of good social value as its corporate vision. Through international regulations and guiding principles and the operation strategy of senior executives, MitraStar has gradually formulated sustainable development policies. Based on these standards, MitraStar creates economic benefits to support the best interest of its shareholders. Moreover, it respects the value of the community, not only by supporting the neighborhood in addressing pollution and energy issues, but also by encouraging similar commitment by its suppliers and employees.

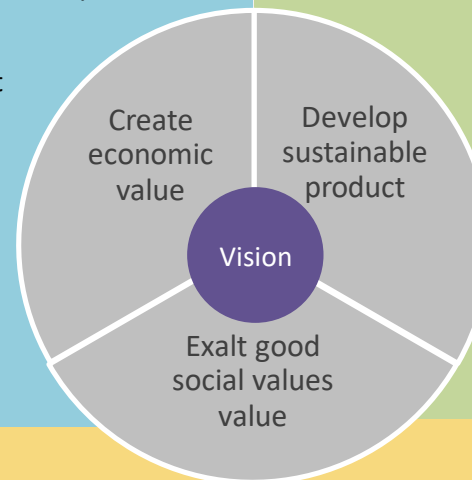
Vision and Policies

Corporate Governance & Ethics

- Observe laws and regulations with improper interests, corruption, bribery, etc. strictly prohibited.
- Strengthen corporate governance with disclosed information, best interests of shareholders and implementation of international initiatives and standards.
- Pursue the goal of sustainable operation, pay attention to the rights and interests of all stakeholders, and continue to contribute to society.
- Help business partners to grow and build a responsible industrial supply chain with suppliers.

Sustainable Environment and Products

- Bring less impact to the environment
- Comply with environmental regulations
- Provide green products
- Save energy and reduce waste







Friendly workplace and community relations





- Establish a friendly workplace with a good working environment and care to the physical and mental health and career development of employees.
- Protect the rights and interests of employees by creating a diverse and inclusive workplace, avoiding any discrimination, bullying and harassment at work.
- Focus on public welfare activities, social care and a harmonious society.

Material Topics Strategies and Goals








Governance/Economic Aspect

Material Issue	Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Corporate governance	The Company's sustainable management goals can be achieved	<ul style="list-style-type: none"> Development of an effective corporate governance framework and control mechanism to enhance the function of the governance framework 	Ranking in the corporate governance evaluation	Remain among the top 21%~ 35% in the corporate governance evaluation	Remain/rank higher among the top 21%~35% in the corporate governance evaluation	
Business ethics	To create a business environment with sustainable development, unethical behavior must be prevented from endangering customer trust and causing business loss	<ul style="list-style-type: none"> Formulation of business ethics policies and regulations Shaping the corporate culture on the basis of "integrity" and conducting ethical education and training Implementation of moral hazard assessment and monitoring through internal control, self-evaluation, and auditing 	<ul style="list-style-type: none"> Education and training completion rate Number of material business ethics violations 	<ul style="list-style-type: none"> Achieve a completion rate of > 98% for business ethics education and training Ensure zero material business ethics violation 	<ul style="list-style-type: none"> Achieve a completion rate of 100% for business ethics education and training Ensure zero material business ethics violation 	 Employment and economic growth
Information security	The confidentiality of the information assets is ensured in compliance with the laws to gain customer trust	<ul style="list-style-type: none"> Identify information security management risks to avoid the impact of information security incidents Improve the employees' awareness and knowledge of information security 	<ul style="list-style-type: none"> Number of material information security incidents Online course completion rate Certificate acquisition 	<ul style="list-style-type: none"> Material information security incident: 0 Achieve a completion rate of >98% for online courses on business secret protection laws and regulations The ISO 27001 certificate was acquired 	<ul style="list-style-type: none"> Material information security incident: 0 Achieve a completion rate of 100% for online courses on business secret protection laws and regulations Acquire the ISO 27001 certificate every year 	
Customer relationship management	Customer satisfaction and trust can be built for higher profits	<ul style="list-style-type: none"> Maintain smooth and effective communication with customers Adopt a rigorous product quality control mechanism Implement the customer information protection mechanism 	Customer satisfaction	Customer satisfaction score >9.0	Customer satisfaction score >9.5	 Partnerships for the goals
Sustainable supplier	Sustainable supplier management can deepen the partnership with the supply chain and put into practice the Company's sustainability values	<ul style="list-style-type: none"> Realize a supply chain sustainability management model Build sustainable supply chain partnerships 	<ul style="list-style-type: none"> Percentage of suppliers signing a letter of commitment Suppliers' acquisition of ESG-related certificates 	<ul style="list-style-type: none"> Percentage of suppliers signing a letter of commitment: >80% Percentage of key suppliers acquiring the ISO14064-1 certificate for their organizational GHG inventories:75% 	<ul style="list-style-type: none"> Percentage of suppliers signing a letter of commitment: >90% Percentage of key suppliers acquiring the ISO14064-1 certificate for their organizational GHG inventories: 80% 	 Employment and economic growth  Partnerships for the goals

Environmental Aspect

Material Issue	Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Climate strategy	By grasping the risks and opportunities of climate change, the Company can monitor the operational strategies and financial planning and mitigate the financial impact brought about by climate risks. Our R&D capacity can be further increased to develop energy-efficient products and solutions continuously	<ul style="list-style-type: none"> GHG reduction Enhancement of climate change resilience 	<ul style="list-style-type: none"> Setting of targets using the SBTi's Absolute Emissions Contraction approach Number of days of interrupted production due to climate-related disasters 	<ul style="list-style-type: none"> Achieve an annual carbon reduction target of 4.2% (corresponding to a temperature rise of 1.5°C) Ensure zero production interruption due to climate-related disasters 	<ul style="list-style-type: none"> Achieve an annual carbon reduction target of 4.2% (corresponding to a temperature rise of 1.5°C) Ensure zero production interruption due to climate-related disasters 	 Climate action
Energy management	To support sustainable management, we carry through our visions of environmental protection and energy saving, reduce GHG emissions, and cut energy costs	Increase energy efficiency	Achievement of energy saving targets	<ul style="list-style-type: none"> Reduce the emissions by 50.2 metric tons CO2e 	<ul style="list-style-type: none"> Perform additional energy measures to achieve a reduction of 20 million kWh in the electricity consumption from 2015~2030 	 Climate action  Affordable energy
Green product	We increase the sustainable value of our products and stay engaged in the R&D and design of green products to develop a capability to design products with less environmental impact	Creation of green product design guidelines and inspection forms	<ul style="list-style-type: none"> Creation of documents for product carbon footprint procedures Setting short-term, medium-term, and long-term green design goals 	<ul style="list-style-type: none"> Establish design guidelines to ensure eco-friendly packaging, product energy efficiency, easy disassembly and recyclability, and the use of sustainable materials and parts/components Use non-plastic bags, energy-efficient software and hardware that can be disassembled easily, PCR plastics, and 100% recyclable paper packaging materials for green products to be shipped Create a standardized product carbon footprint format 	Apply the green product design to all products to be shipped	 Responsible consumption and production

Social Aspect

Material Issue	Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Talent attraction and retention	Attraction and retention of outstanding employees can help boost operating performance	<ul style="list-style-type: none"> Gain a grasp of the current salary trends in the market to offer overall competitive remuneration Provide multiple and smooth employee communication channels 	<ul style="list-style-type: none"> Employee turnover rate Complaints made through the employee communication channels 	Indirect employee turnover rate: < 20%	Indirect employee turnover rate: < 20%	 Gender equality  Employment and economic growth
Talent training and development	A wide range of talent training programs will attract outstanding employees to stay	<ul style="list-style-type: none"> Offer diverse talent training programs 	<ul style="list-style-type: none"> Completion rate of personal development programs for potential talent Completion rate and satisfaction of professional skill training programs 	<ul style="list-style-type: none"> Completion rate of 80% for personal development programs for potential talent Potential talent retention rate of 90% Completion rate of 100% and a satisfaction score of 4 or higher for professional skill programs 	<ul style="list-style-type: none"> Completion rate of 90% for personal development programs for potential talent Potential talent retention rate of 90% Completion rate of 100% and a satisfaction score of 4.3 or higher for professional skill programs 	 Quality education
Human rights management	Human rights can be maintained to create a sustainable workforce	<ul style="list-style-type: none"> Human Rights Protection Promote the concept of human rights 	<ul style="list-style-type: none"> Number of material violations of the laws Completion rate of human rights-related courses 	<ul style="list-style-type: none"> Ensure 0 violation of the laws Achieve a completion rate of 100% for human rights-related training courses for new employees Maintain a completion rate of > 95% for courses on employee sexual harassment prevention 	<ul style="list-style-type: none"> Ensure 0 violation of the laws Achieve a completion rate of 100% for human rights-related training courses for new employees Maintain a completion rate of > 97% for courses on employee sexual harassment prevention 	 Gender equality  Employment and economic growth
Occupational safety and health	The Company can ensure continuous operations and steady growth in a work environment with safety as a priority	<ul style="list-style-type: none"> Promote an occupational safety culture Give safety awareness education Implement preventive management 	<ul style="list-style-type: none"> Occupational safety course coverage Number of occupational accidents Disabling injury frequency rate (FR) Disabling injury severity rate (SR) Management system verification 	<ul style="list-style-type: none"> Course coverage > 95% Occupational accidents = 0 Disabling injury frequency rate (FR) = 0 Disabling injury severity rate (SR) = 0 Pass the ISO45001 certification process 	<ul style="list-style-type: none"> Occupational safety course coverage > 98% Occupational accidents = 0 Disabling injury incidence rate (FR) = 0 Disabling injury severity rate (SR) = 0 Pass the ISO45001 every year 	 Employment and economic growth
Social engagement	Activities help to build good relationships with communities and enhance their corporate images	Organize social welfare activities in support of MitraStar's long-term carbon neutrality goal	Number of participants in the activities	Have over 2000 people in the Company and community participate in campaigns or lectures hosted by the Company every year	Have over 5000 people in the Company and community participate in the campaigns or lectures hosted by the Company every year	 Climate action

B. Sustainability Committee

MitraStar follows the Unizyx holding company's sustainability policy as our highest guiding principle for our sustainable development, and has established the MitraStar Sustainability Committee as the highest-level management for the planning, implementation, and supervision of our sustainable development strategy. The MitraStar Sustainability Committee formulates policies and goals for its three subsidiaries to operate sustainably. It discloses the vision and mission of sustainable development, sees to it that the subsidiaries carry out operations sustainably, and regularly reviews the implementation results.

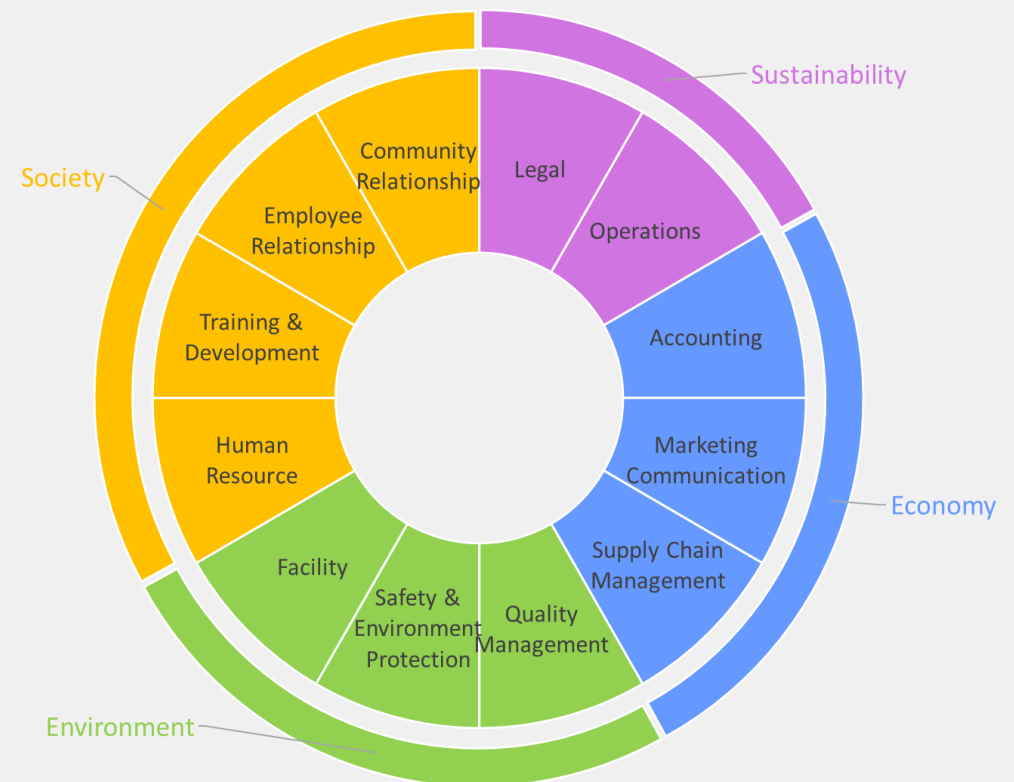
The MitraStar Sustainability Committee is composed of senior executives, and members of relevant departments. This steering committee acts as a strategic guidance unit. The president of MitraStar serves as the committee chairman to supervise the sustainability work about the implementation of sustainable operations.

The committee has a Corporate Communication and Planning Group which is responsible for resource integration, communication, and coordination. It guides the implementation of the strategy of the committee from above and communicates with each executive team from top to bottom to enforce policies in a horizontally cascaded manner.

The MitraStar Sustainability Committee is composed of a number of sustainability working groups, headed by the top managers of relevant departments, who set annual and long-term goals, implement sustainable operations, and regularly report implementation results.

The MitraStar Sustainability Committee holds weekly reports where the sustainability working groups take turns to have dialogues, review the implementation status of related businesses, and check for continuous improvements. All of the sustainability working groups also report to the chairman of the steering committee every month to review the short, medium, and long-term sustainability goals and the blueprint for sustainable development.

At the quarterly board meeting, the chairman of the steering committee and the communications team of the Unizyx holding company report to the directors on major decision-making issues, sustainability plans, and work progress including MitraStar's.



Sustainability Committee Structure

Unizyx Board of Directors

- Supervise enterprises to practice sustainable development
- Ensuring the implementation of sustainable development policies

Unizyx Steering Committee

Chairman: Shu-I Chu Unizyx Chairman

CSO: Denice Lin Unizyx CSO

Member: Gordon Yang, Unizyx CEO

Member: Wayne Hwang, MitraStar President

- Strategic Guidance Unit
- Oversee sustainability work and report to the board

MitraStar Sustainability Committee

- Corporate Communication and Planning
- Corporate Governance
- Information Security
- Supplier Management
- Environmental Protection
- Labor & Human Rights

Reporting Items of Unizyx Board of Directors in 2021

• Items Reported at 1st Board Meeting:

- Sustainable Development Achievements in 2020
- Key Sustainable Development Plans in 2021

• Items Reported at 2nd Board Meeting

- Risk Management Work Plan Reporting:

C. Response to UN Sustainable Development Goals



The United Nations passed its Sustainable Development Goals (SDGs) which set up 17 targets related to global sustainable development. MitraStar combines the major issues of its stakeholders through its sustainable development goals: implementing sustainable management, creating value chain, sustainable green environment, innovating sustainable products, creating common prosperity value and fulfilling civic responsibilities, actively respond to the relevant 7 SDG United Nations Sustainable Development Goals and list them as our promotion strategy and short, medium and long-term goals. The relevant implementation contents of this year are as follows:

Corporate Governance



- 99.5% completion rate of employee training on ethics and compliance
- 0 major cases of violations of business ethics
- 0 case of major violations

Value Chain



Require all partners to establish business relationships on the foundation of mutual trust and compliance to the law.



- 79.5% of suppliers signed the CSR statement and commitment letter
- 78.9% of suppliers signed the integrity commitment letters
- Promote the sustainable development of suppliers, and require suppliers to pay attention to their carbon footprint with a green supplier audit process

Environment Protection



- Conduct GHG Scope 1 ~ Scope 3 inventory, and obtained ISO14064 certificate
- 50.2 tons of CO2e emissions reduction in 2021



- Water savings: 4%
- The waste recycling rate of MitraStar Hsinchu site is 93%
- No violation of environmental protection laws and regulations

Green Products & Supply Chain



Make energy-saving products to decrease power consumption to help customers reduce energy costs and enhance usability.



Build a "green cooperative information system" to control each stage from the suppliers of raw materials, production, manufacturing, and transport to usage and disposal to insure all green requirements are met.

Employee Development & Care



- 100% completion rate of personal development plan for potential talents
- The retention rate of potential talents is 96%
- 100% completion rate of professional skills courses & 4.3 points for employee



- 100% completion rate of human rights-related new training courses
- 99.5% completion rate of employee sexual harassment prevention courses

Community Contribution



Take care of disadvantaged people in the area by offering children and senior citizens necessary resources, and financial assistance.



Invest a high percentage of revenue on research and development for fostering potential talent and the community.



Work with government agencies to support natural area preservation, green environment, and resource recycling activities.

D. Stakeholder Communication

For the management of the issues of stakeholders' concern, we have a stakeholder management procedure in place. We pick out our main stakeholders through stakeholder identification and the analysis of issues of concern and then draw up stakeholder plans to communicate with them through our stakeholder communication channels. The Company responds to the stakeholders' feedback and opinions and takes action to meet their expectations, thereby enhancing the relationship with them and further fulfill our corporate responsibility to stakeholders.

| Implementation Unit: Unizyx Sustainability Committee"

In an effort to identify the main stakeholders of us and thereby map out sustainable development goals and measures, the Unizyx holding company has formed the "Unizyx Sustainability Committee," which consists of the representatives of the Finance, Investor Relations, Market, Human Resource, General Counsel, Administration, Information Management, Procurement, Supplier Management, and Quality Departments that are associated with the stakeholders. These representatives are responsible for managing and collecting the feedback of the stakeholders.

The committee has developed a materiality analysis approach in compliance with the disclosure requirements of the GRI Standards and the AA1000 Accountability Principles (2018): Inclusivity, Materiality, Responsiveness and Impact and paid attention to local and international sustainable development trends and business needs to identify stakeholders.

| Stakeholder Feedback Survey Channel

- "Stakeholder" Section on the Company's Website: "Online Stakeholder Questionnaire"

As the Company values the feedback of all stakeholders, the "Online Stakeholder Questionnaire" has been put on the "Stakeholder" section on the Unizyx official website to gather issues of their concern related to the Company periodically. We have dedicated personnel to handle the issues and request the relevant departments to assess and respond to the issues.

- Survey Plan for the Issues of Stakeholders' Concern

In order to reach out to our stakeholders more comprehensively and gain an understanding of issues of their concern related to the Company, the "Survey Plan for the Issues of Stakeholders' Concern" was fully initiated. We first provided training courses on stakeholder surveys for the "Unizyx Sustainability Committee" including member of "MitraStar

Sustainability" to increase its members' knowledge about the importance and methods of surveys on issues of stakeholders' concern. The committee members then designed two sets of questionnaires titled "The Impact of Sustainability Issues on the Operations" for the Company's management and "The Level of Concern about Sustainability Issues" for the stakeholders on the basis of their own feedback on issues of their concern in relation to the Company, with topics in GRI, CDP and DJSI questionnaires taken into account. The English versions of the two sets of questionnaires were designed for our overseas employees and foreign suppliers and customers.

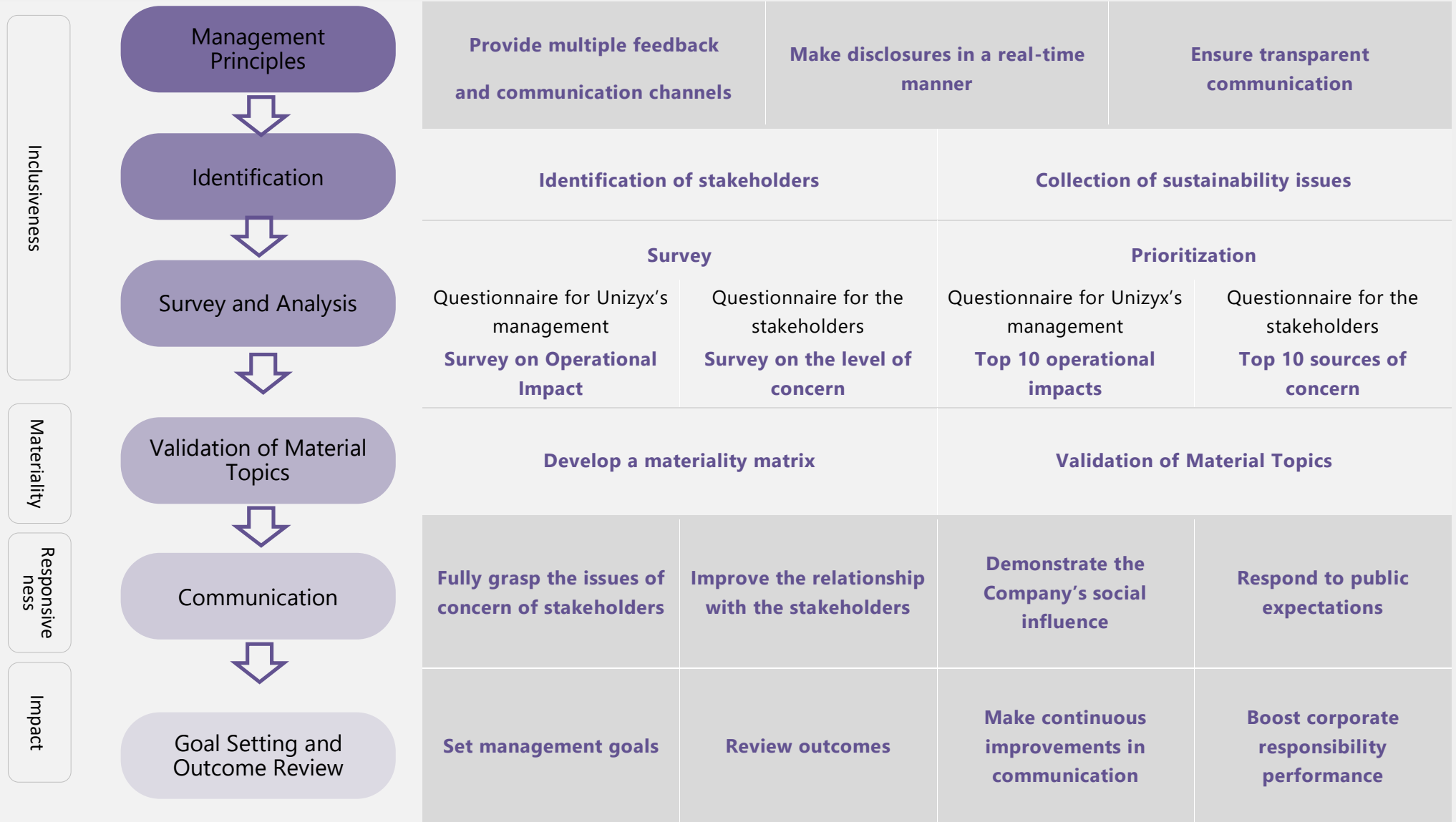
Our stakeholder management involves first the identification of stakeholders and then the assessment of their impact on the operations. Unizyx defines annual management goals and procedures, build communication channels, set up plans for improving the relationship with the stakeholders, and report our annual achievements of communication with the stakeholders on Material topics of their concern to the Unizyx's Board of Directors every year and publish them on our website and in the sustainability report in an effort to further deliver on corporate responsibility for the stakeholders.

| Changes in Material topics of Stakeholders' Concern in 2021 over 2020

As a brand new stakeholder survey with redefined topics was conducted, there were relatively significant changes in this year's Material topics, as compared to the 15 Material topics for the previous year. For corporate governance and economic aspects, "sustainability policy" was replaced with "customer relationship management"; for the environmental aspect, "green product" was added and "product quality" was removed; for the social aspect, "employee welfare" was removed.

In 2021, 13 Material topics were selected as the sustainability issues associated with the operations.

1. Stakeholder Management Procedure



Step 1. Identification of Material Topics

Identification

Identification of Stakeholders: Unizyx identified operational stakeholders who are internal or external individuals or groups that influence the Company or are influenced thereby in the Company's economic, environmental, or social aspects pursuant to the "AA1000 Stakeholder Engagement Standard (SES)". Based on the "Unizyx Group Sustainability Committee" 's feedback on the main stakeholders of the Company at the ESG consensus meeting, six main stakeholder groups were eventually identified, including the investors, employees, suppliers, customers, government agencies, and communities.

Collection of Sustainability Issues: To ensure a comprehensive settlement of sustainable development issues, 26 initial issues were derived based on the feedback from the 52 members of the "Unizyx Group Sustainability Committee" on issues of concern of the Company's main stakeholders at the ESG consensus meeting along with the SDGs, GRI and SASB Standards, and the disclosure issues in the CDP Climate Change Questionnaire and DJSI Questionnaire, which we took as a reference. These issues include eight governance issues, six economic issues, six environmental issues, and six social issues and they were used as a basis for the analysis of material topics.

Feedback from **52**
Sustainability Committee
Members
+
SDGs
+
GRI 、 SASB
+
CDP 、 DJSI

6 Main
Stakeholder
Groups

Investors

Employees

Customers

Suppliers

Contractors

Government Agencies
/Communities

26 Initial Sustainability Topics

8	6	6	6
Governance Topics	Economic Topics	Environmental Topics	Social Topics
Corporate governance	Financial performance	Climate strategy	Talent attraction and retention
Business ethics	Innovative management	Energy management	Workplace of diversity and inclusion
Risk and crisis management	Product quality	Green product	Talent training and development
Legal compliance	Sustainable supplier	Water resource management	Human rights management
Brand value	Material procurement	Waste management	Occupational safety and health
Information security	Customer relationship management	Biodiversity	Social engagement
Privacy protection			
Tax affairs			



Step 2. Material Issue Survey and Analysis

Analysis

Survey: Two sets of questionnaires about “the Company’s management’s opinions on the impact of sustainability issues on the operations” and “the level of stakeholders’ concern about the sustainability issues” were designed. Their English versions were also available for our overseas employees and foreign suppliers and customers.

The questionnaires were sent by the relevant teams subordinate to the Sustainability Committee to the six stakeholder groups according to their “interaction frequency”, “influence”, and “level of concern”, with their “representativeness” taken into account. By doing so, we not only demonstrated the Company’s attention to the opinions of the stakeholders, but also increased stakeholder interaction, creating an image of the Company expressing deep concern over the sustainability issues.

Prioritization: The analysis method for the “questionnaire for the Company’s management”: Top 5 and top 10 issues were arranged in order of the number of checks by operational aspect. The analysis method for the “questionnaire for the stakeholders”: Top 5 and top 10 issues were arranged in order of average score.

Evaluate **26** Sustainability Topics

8 governance topics

6 economic topics

6 environmental topics

6 social topics

Survey on Operational Impact

Internal Questionnaire for the Company's Management

4 operational impacts

Business Growth Customer Trust

Talent Retention Risk Response

286 questionnaires/ 200

respondents with a response rate of **70%**

Survey on the Level of Concern

Questionnaire for the External Stakeholders



338 Employees



133 Suppliers



24 Customers



15 Contractors



12 Investors



1 from Government Agencies/3 from Communities
1 from the Media/3 from Other Sectors
5 from Academic Institutions

790 questionnaires/ 535 respondents

with a response rate of **67%**

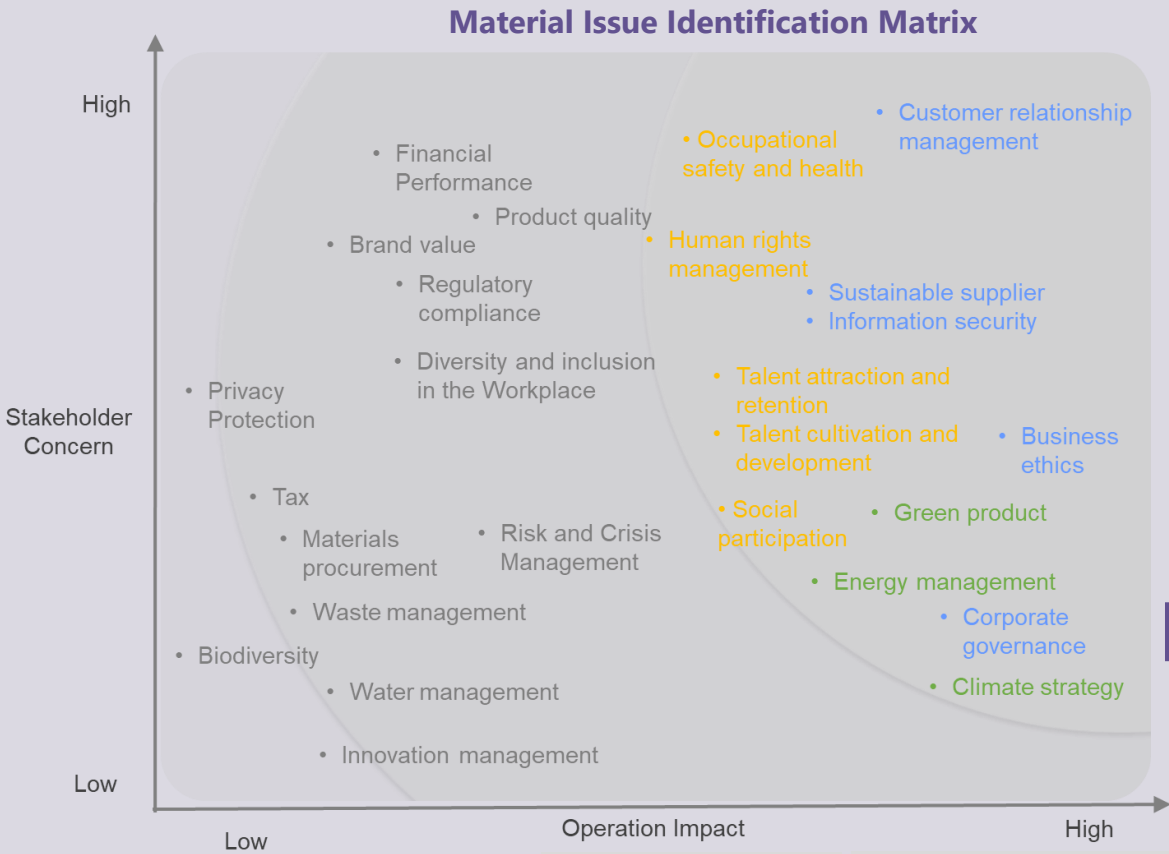
Step 3. Validation of Material Topics to Be Disclosed

Validation

In an attempt to understand the Company’s governance, economic, social, and environmental issues of the stakeholders’ concern, a materiality matrix was analyzed based on the issues’ operational impact and the stakeholders’ level of concern about the issues. A discussion with the “Unizyx Group Sustainability Committee” on the analysis result took place to identify issues of material concern and of secondary concern and use them as a reference for the Company’s CSR implementation work plans.

The 13 Material topics correspond to the topics of the GRI Standards. Information on the issues of the stakeholders’ concern was disclosed in accordance with the GRI Standards.

We assessed the impact of each material issue on the operations to formulate strategies, develop management policies, and set 2025 medium-term and 2030 long-term goals. Annual achievements for the goals are reviewed every year for performance tracking and review.



Material topics	Low	Operation Impact	High
	<p>5 governance/ economic topics</p> <ul style="list-style-type: none"> Corporate governance Business ethics Information security Customer relationship management Sustainable supplier 	<p>3 environmental topics</p> <ul style="list-style-type: none"> Climate strategy Energy management Green product 	<p>5 social topics</p> <ul style="list-style-type: none"> Talent attraction and retention Talent training and development Human rights management Occupational safety and health Social engagement

Step 4: Communication Channel and Grievance Mechanism

Communication

MitraStar identifies stakeholders and integrates stakeholders' concerns into the annual plan.

MitraStar's stakeholders include investors, employees, suppliers, customers, government and communities. We have certain responsibilities to our stakeholders and communicate through various channels to understand their needs. The communication channels and activities with our stakeholders are described in the table below.

All stakeholders are invited to visit the CSR pages on the MitraStar website to learn the details about how the company handles the issues, or they can write to the CSR mailbox for direct feedback or suggestions.

- **MitraStar CSR contact e-mail:** csr@mitrastar.com.tw
- **MitraStar Website** www.mitrastar.com.tw

Appeal

In order to protect stakeholders' rights, to advance communication with stakeholders, and to enhance corporate governance, we have established internal and external grievance mechanisms to fight corruption and provide a channel for stakeholders to communicate about the supply chain's social, human rights, and environmental issues. The cases handled by the personnel in charge will be transferred to the specific internal authorities.

For Internal stakeholders:

Human Resources Department

Whistleblower email address: Care.Unizyx@unizyx.com.tw

For External stakeholders:

Audit Office

Whistleblower email address: audit@unizyx.com.tw

A whistleblower email address has been posted on the company website. The Internal Audit Unit and investigation team will set up a case in response to each complaint and maintain a file log. All complaints are kept strictly confidential. MitraStar will take all necessary steps to protect the informant and personnel participating in the investigation from retaliation or unfair treatment.

MitraStar's Material Topics for Operational & Value Chain Impact

Aspect	Material Topics	Operational Impact				Value Chain			GRI Standards	Chapter
		Revenue	Customer Satisfaction	Employee Recognition	Risk	Upstream Supplier	Corporate Operation	Downstream Customer		
Governance /Economic	Corporate governance	●	●	●	●		●		201-1, 405-1, 415-1	Corporate Governance
	Business ethics		●	●	●		●		205-1~3, 206-1, 419-1	Business Ethics
	Information Security	●	●				●	●	418-1	Information Security Management
	Customer relationship management						●	●	418-1	Customer Relations
	Sustainable supplier	●	●		●	●	●		204-1, 308-2, 408-1, 414-2	Supplier Sustainability Management
Environment	Climate strategy				●	●	●	●	201-2, 305-1~305-4, 305-6~305-7	Climate Change
	Energy management		●		●		●		302-1, 3~4	Energy management
	Green product	●	●		●		●	●	416-2	Green Products
Society	Talent attraction & retention			●	●		●		201-1, 201-3, 401-1, 401-2, 401-3, 405-1	Diversity and Inclusion Recruitment
	Talent cultivation & development			●	●		●		404-1, 404-2, 404-3	Human Capital Development
	Human rights management			●	●	●	●		402-1, 406-1, 407-1, 408-1, 409-1, 412-1, 412-2	Human rights management
	Occupational Safety & Health			●	●	●	●		401-2, 403-1~10, 410-1	Workplace Health & Safety
	Social Participation			●			●		203-1, 203-2	Community Contribution

Actions & Communication Channels for Stakeholder Topics of Concern

Stakeholder	Topics of Concern	Communication Channels	Actions	Results
Investor	<ul style="list-style-type: none"> Corporate governance Business ethics 	<ul style="list-style-type: none"> Holding company shareholders' meeting Holding company Investor Conference Holding company annual report/sustainability report Holding company website: investor relations webpage Spokesman Market Observation Open System 	<ul style="list-style-type: none"> Provide investors with appropriate investment returns Provide timely and accurate financial information Releases important information on the Market Observation Open System 	<ul style="list-style-type: none"> MitraStar consolidated revenue in 2021 is NT\$17 billion Identify operational climate risks and opportunities based on the TCFD framework Analyze the impact of major issues of stakeholders on operations
Government	<ul style="list-style-type: none"> Corporate governance Business ethics Human rights management Occupational Safety & Health 	<ul style="list-style-type: none"> Association of Science Park Industries Government department communication meetings Government seminars and public hearings 	<ul style="list-style-type: none"> Comply with regulation Join promotions and activities Build communications channels with government Official correspondences and visits Seminar / Conferences 	<ul style="list-style-type: none"> Join Hsinchu Science Park Industrial Safety and Environmental Protection Month Series Activities No major violations of the law
Customer	<ul style="list-style-type: none"> Information Security Customer relationship management Sustainable supplier Green product 	<ul style="list-style-type: none"> Quarterly business meetings Customer online service system Customer audits Email discussion 	<ul style="list-style-type: none"> Online courses on legal regulations for the protection of business secrets Provide high-quality products Committed to the research and development of environmentally friendly products and technologies Cooperate with customers' specifications for environmentally friendly products Conflict Minerals Investigation 	<ul style="list-style-type: none"> The coverage rate of online courses on business secret protection laws and regulations is 99.3% Customer satisfaction rating in 2021: 9.77 out of 10 points Continuously optimize the customer service online system

Stakeholder	Topics of Concern	Communication Channels	Actions	Results
Supplier/ Contractor	<ul style="list-style-type: none"> • Business ethics • Sustainable supplier • Occupational Safety & Health 	<ul style="list-style-type: none"> • Supplier survey • Supplier on-site audit • Provide supplier the training materials • Green Management System 	<ul style="list-style-type: none"> • Supplier signs social responsibility statement and commitment letter • Supplier signs the integrity commitment letter • Conduct supplier on-site audits • Supplier Conflict Minerals Investigation • "green product management system" to assist suppliers in complying with all green regulations 	<ul style="list-style-type: none"> • Achievement rate of suppliers signing CSR social responsibility statement and commitment letter is 79.5% • 78.9% of suppliers signed the integrity commitment
Employee	<ul style="list-style-type: none"> • Talent attraction and retention • Talent cultivation and development • Human rights management • Occupational Safety and Health 	<ul style="list-style-type: none"> • General manager town meeting • Labor-management meeting Internal staff website • Welfare Committee website • Company announcement • Suggestion box • Complaint mailbox • Employee satisfaction survey 	<ul style="list-style-type: none"> • Online Courses • Diversified courses for physical, mental and career development • Subsidies for diverse club activities • Diverse health promotion activities • A working environment that meets labor regulations and standards • Factory accident and disaster prevention 	<ul style="list-style-type: none"> • 22 town meetings with general manager • 17 labor-management meetings • 100% completion rate of management function training The retention rate of potential talents is 96% • Professional skills course completion rate 100% / course satisfaction 4.3 points • Completion rate of human rights-related training courses for new recruits is 100% • Sexual harassment prevention courses cover 99.5% • No major violations of human rights • 384 questionnaires for employee opinion survey
Communities	<ul style="list-style-type: none"> • Social Participation 	<ul style="list-style-type: none"> • Internal association • The Progressive Foundation of Education • News release • Spokesman 	<ul style="list-style-type: none"> • Participate public activities • Dr. Shu-i Chu Zyxel scholarship provides students with outstanding academic performance and low-income students 	<ul style="list-style-type: none"> • "Love at Christmas: Shoebox Love" primary school Christmas charity activities • "Walk From Heart" charity walk step counting activity • In 2021, 366 students are benefited from the scholarship

Corporate Governance

- A. Governance Structure
- B. Financial Performance
- C. Business Ethics
- D. Risk Management
- E. Information Security Management



Corporate Governance Policy

With integrity as part of its core values, Unizyx and its subsidiaries strongly observe this principle to abide legislations and business ethics.

We believe that good Corporate Governance allows us to have a firm foundation for growth and to maintain the best interest for all stakeholders.

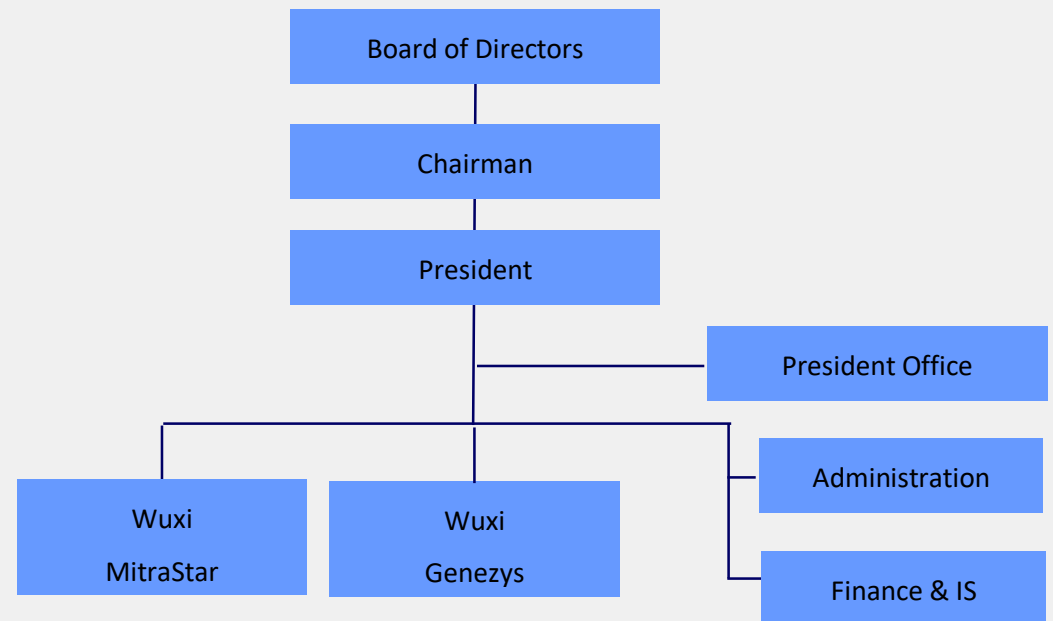
A. Governance Structure

The MitraStar Board of Directors currently consists of three directors who are assigned by Unizyx holding corporation. Gordon Yang is the chairman of MitraStar Technology. All MitraStar Board members are male, over 50 years old and industry professionals, and MitraStar provides occasional courses and information to the members to keep them connected with the company's current status and reviews the financial consultant as well.

Unizyx holding company is the only one corporate shareholder of MitraStar Technology.

In terms of financial operations, the Unizyx holding company has an auditing unit to ensure adequate reporting and internal controls. In addition to all measures towards safeguarding shareholders' interests, we disclose transparent and relevant information to stakeholders and investors in a timely manner. Unizyx reveals its financial status information such as annual reports and financial reports on the company Web site.

Concerned parties are always assigned an official spokesperson to respond to queries and issues. For more Information about Unizyx's corporate governance and financial information, please visit the "Investor Relations" on [Unizyx Global Website](#).



B. Financial Performance

MitraStar consolidated financial status and operating results

(Unit: NT\$ thousands)

1. Financial status and operating results

Accounting Title	2021	2020
Sales	17,054,098	13,168,592
Gross profit	1,549,118	1,546,218
Operating income	258,454	389,017
Income before income tax	373,766	538,820
Consolidated net income	260,520	433,596

2. Profitability Analysis

Item	2021	2020
Rate of return on assets (%)	2.71	5.40
Rate of return on stock equity (%)	7.27	13.33
Operating income to capital (%)	8.16	12.28
Income before tax to capital (%)	11.80	17.01
Net income to sales (%)	1.53	3.29
Earnings per share (NTD.)	0.82	1.37

Membership of Associations

MitraStar joins different industry associations and non-profit organizations, e.g. in industrial development, technological innovation in a proactive manner. For industrial associations, MitraStar is a member of the Taiwan Science and Industry Park Science and Industry Association. The latest industry-related and technology-related information is acquired from the relevant industry associations and during their activities. We also maintain good relationships with companies and organizations in related sectors while facilitating more effective communication with our stakeholders.

Political contributions

Maintaining a neutral political stance, MitraStar is not engaged in political election campaigns or political donations.

C. Business Ethics

To establish MitraStar's globally applicable norms, employees, business partners, and suppliers should abide by the same standards in their work and business operations and ensure that we maintain fair and equitable treatment with customers, suppliers, and competitors.

Ethics, integrity, and compliance with local regulations are our highest business ethical standards. Based on the business philosophy of integrity, transparency, and responsibility, MitraStar has set out a policy based on integrity, approved by the board of directors, and established a corporate governance and risk control mechanism to create a sustainable business environment.

The mechanism not only focuses internally on setting up the compliance policies and procedures, providing training and promotion activities, and periodic assessments and declarations, but also externally through effective reporting channels and whistleblower protection for the participation of third parties.

Employees: For employees, the internal focus is on establishing policies and procedures that comply with the relevant laws and regulations, providing training, publicity activities and declarations, regular risk assessments, and internal control and auditing. While the external focus is on using notification channels and whistleblower protection mechanisms to protect third-party participants.

Suppliers: We also extend MitraStar 's integrity management concept to review and assist suppliers in ethical management so they can understand the core value of MitraStar's integrity management and jointly establish sustainable business cooperation partnerships.

Material Topics Strategies and Goals

Material Issue	Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Business ethics	To create a business environment with sustainable development, unethical behavior must be prevented from endangering customer trust and causing business loss	<ul style="list-style-type: none"> Formulation of business ethics policies and regulations Shaping the corporate culture on the basis of "integrity" and conducting ethical education and training Implementation of moral hazard assessment and monitoring through internal control, self-evaluation, and auditing 	<ul style="list-style-type: none"> Education and training completion rate Number of material business ethics violations 	<ul style="list-style-type: none"> Achieve a completion rate of > 98% for business ethics education and training Ensure zero material business ethics violation 	<ul style="list-style-type: none"> Achieve a completion rate of 100% for business ethics education and training Ensure zero material business ethics violation 	 Employment and economic growth

Near-term goals and Achievements

Material Issue	Management Approach	2021 goal	2021 achievement	2022 goal
Business ethics	<ul style="list-style-type: none"> Education and training completion rate Number of material business ethics violations 	<ul style="list-style-type: none"> Achieve a completion rate >98% for business ethics Number of material business ethics violations <1 	<ul style="list-style-type: none"> The completion rate for business ethics 99.5% Number of material business ethics violations 0 	<ul style="list-style-type: none"> Achieve a completion rate >98% for business ethics Number of material business ethics violations <1

Management Procedure

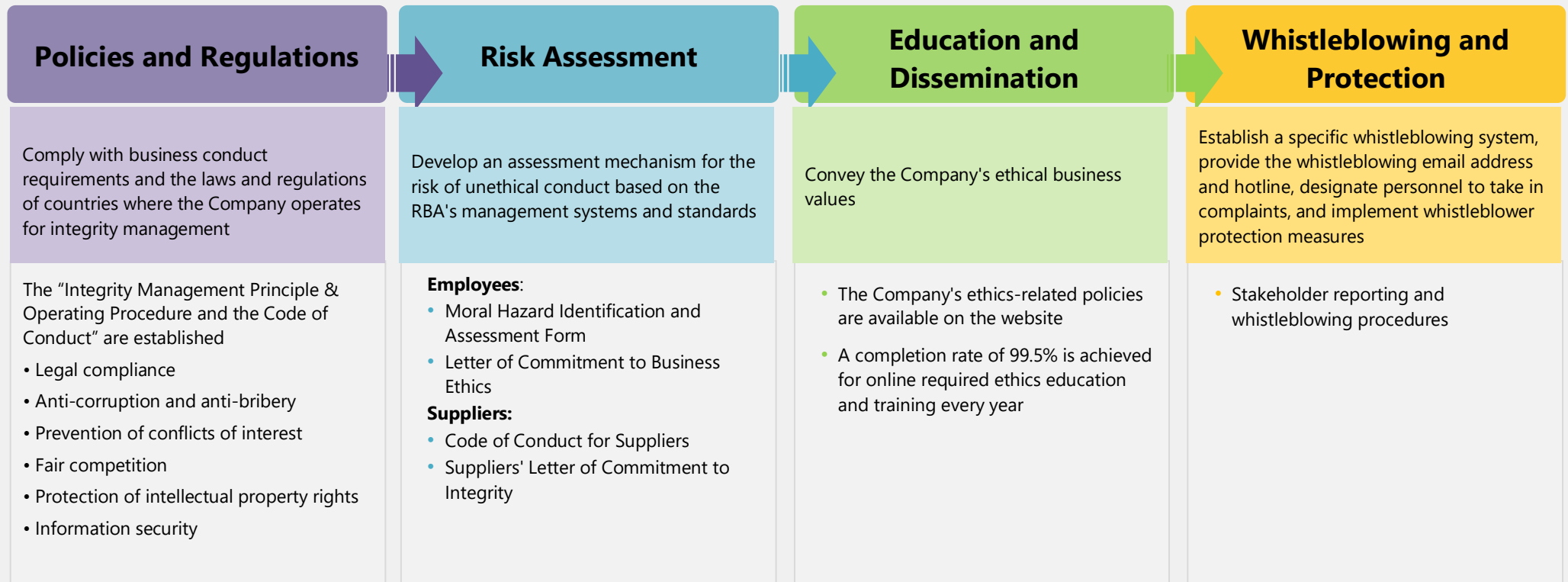
The management procedure for integrity management involves [policies and regulations](#), [risk assessment](#), [education and dissemination](#), and [whistleblowing and protection](#). We observe business conduct requirements and the related laws and regulations of countries where we operate, map out policies and procedures, develop an assessment mechanism for preventing the risk of unethical conduct based on the RBA's management systems and standards, and provide relevant dissemination and training courses to convey our ethical business values. A specific whistleblowing system is established accordingly and the whistleblowing email address and hotline are offered. Also the designated personnel is taken in complaints and adopts whistleblower protection measures for preventive response.

Management Organization

MitraStar Sustainability Committee - Ethics Team: The team is a management organization for business ethics and integrity management. It is responsible for coordinating the development, monitoring and implementation of the Company's integrity management policies and regulations, regularly reviewing the promotion of and compliance with the policies and regulations every year, and making reports to the Unizyx's Board of Directors.

MitraStar draws up their own operating procedures and codes of conduct in accordance with MitraStar's policies, conduct internal implementation planning, organize dissemination and training courses, assess risks, and provide whistleblowing channels.

Internal Auditing Office's Internal Control, Self-evaluation, and Auditing: The auditing office of the Unizyx assesses moral hazards, monitors and audits the assessment process, maintains the whistleblowing channels, and frames review and corrective plan for whole group including MitraStar.



1. Policies and Specifications

MitraStar's ethical policies and norms are based on the basic premise of complying with business conduct standards and the relevant laws and regulations where it operates, and implementing honest business operations. The content covers: anti-bribery and corruption, prevention of conflicts of interest, fair competition, intellectual property protection, and information security.

The Board of Directors of Unizyx holding company has passed the "Guidelines for Integrity Management and Operational Procedures and Conduct", which is formulated in accordance with the "Code of Integrity Management of Listed OTC Companies" and the relevant laws and regulations where the company operates, in order to implement the integrity management policy and prevent dishonest behavior.

"The Staff Code of Conduct" stipulates the basic code of conduct and ethical standards that all employees must abide by when performing their duties every day and expounds and reiterates the company's existing concepts, values, and spirit of relevant laws and regulations.

"The Employee Appointment Measures" clearly stipulate employees shall not accept bribes, commissions, etc., so as to prevent employees from sacrificing the rights and interests of the company for personal interests.

Business ethics and Integrity related norms:

- Guidelines for Integrity Management and Operational Procedures and Conduct
- Procedure for Ethical Management and Guidelines for Conduct
- Sustainability Development Best Practice Principles
- Code of Business Conduct and Ethics
- Stakeholder Appeal and Prosecution Guidance
- Fair competition Management Procedures

The Ethics Policy and Code is geared towards:

Corporate Compliance

- Every employee should comply with local laws, rules, and regulations while conducting business.
- Our business partners must follow the regulations.

Anti-bribery and Corruption

- All employees including top executives shall not engage, directly or indirectly, in any bribery or other activities which may be construed as corrupt business practices.
- In all relations with governmental agencies, customers, and suppliers, we shall not, directly or indirectly, engage in bribery, kick-backs, payoffs, or other activities which may be construed as corrupt business practices.

Prevention of Conflicts of Interest

- The involvement of personal interests in the Company's overall interests is prevented to avoid conflicts of interest which may lead to the failure of the Company's personnel to handle business matters in an objective and effective manner

Fair Competition

- The Company conducts transactions with customers in conformity with fair business, marketing and advertising standards and adopts reasonable measures to ensure the safety and quality of the goods or services provided.
- The employees shall not bring in business from customers by offering improper benefits and shall be dedicated to improving the products and services that meet the requirements of the customers.

Protection of Intellectual Property Rights

- To respect the intellectual property rights of others, all our employees and senior management shall ensure the confidentiality of the confidential information of the Company and our customers.

Information Security

- Information on the Company and our customers and suppliers shall be kept confidential unless the Company is authorized or required by the laws to disclose the information.
- An effective mechanism shall be used to prevent improper use of the confidential information.

2. Risk Assessment

MitraStar has established an assessment mechanism for the risk of dishonest behavior according to the RBA management system and specification. In addition to employees, we also assess the integrity risk of external suppliers.

Employees:

MitraStar uses the "[ethics risk identification and evaluation form](#)" to identify risks. We require departments we identify as high-risk to fill in the [business ethics checklist](#) and sign the [business ethics commitment letter](#). The risk team will conduct an audit meeting for evaluation.

Suppliers:

- Required to comply with the "Supplier Code of Conduct".
- Fill out the "Supplier Social Responsibility Assessment Questionnaire". We conduct on-site audits of suppliers using the "Supplier On-site CSR Assessment Checklist" as part of our due diligence on behavior integrity. We also require suppliers to fill in the "Suppliers' Corporate Social Responsibility Statement and Commitment Letter" and "Integrity Commitment", promising to abide by the relevant anti-corruption business ethics regulations.

3. Education and Promotion

To guide MitraStar's stakeholders to better understand our business ethics standards, MitraStar has released our ethical related policies on the company website. We also communicate our concept of business ethics through education, promotion, mandatory online training courses, and various other communication channel and methods.

Business Ethics Education and Training Completion Rate in 2021:

Business Ethics courses	Number of trainees	Training hours	Coverage %
MitraStar	857	429	99%
Wuxi MitraStar	5,346	2,673	100%
Total	6,203	3,102	99.50%

4. Whistleblower Mechanisms and Protection

We have established internal and external whistleblower mechanisms to combat corruption. The cases handled by the personnel in charge will be transferred to the relevant internal authorities.

The company website has a link to a mailbox for reporting corruption and/or misuse of company resources. The anti-corruption review team will set up a case for each report and create a file. All reports will be kept strictly confidential. MitraStar will take all necessary steps to protect whistleblowers and those who are involved in the investigation from retaliation or unfair treatment.

- [Guidelines for Integrity Management and Operational Procedures and Conduct](#): The guidelines formulated by Unizyx holding company with specific whistle-blowing systems, including whistle-blowing mailboxes, dedicated lines, designation of whistleblowers, and measures to protect whistleblowers.
- [Stakeholders' Appeal and Prosecution Method](#): Standardize all internal and external reports, which are handled by the appeal review team, establish a case for each complaint, and record or save it in writing, electronic files or system sign-off. Major violations found after investigation shall be reported to Unizyx's independent directors or supervisors by the Unizyx's audit office, and appropriate rewards shall be given to the whistleblower upon verification. The company shall handle the whistleblower case in a confidential manner, and handle it in a prompt, fair and objective position, and make every effort to protect the absolute confidentiality of the identity of the complainant or whistleblower.

grievance mailbox

Internal stakeholders	External stakeholders
Human Resources Department	Unizyx Audit Office
Whistleblower email address: Care.Unizyx@unizyx.com.tw	Whistleblower email address: audit@unizyx.com.tw

2021 business ethics report cases:

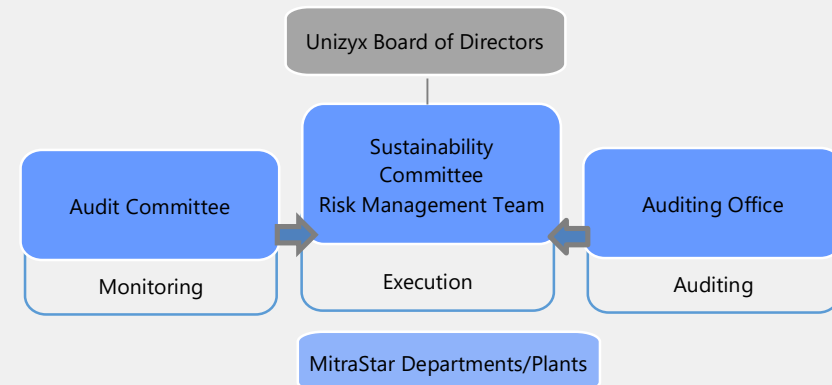
Material regulatory violation case	0
Incidents reported through the whistleblower system	0

D. Risk Management

We include the risk management in our business strategies and corporate culture, in order to manage the exposure of various potential risks and hazards to operations and earnings. Through the top-down hierarchical organization, we establish systematic risk response policies and procedures in order to effectively identify, analyze and evaluate risk management mechanisms, control various risks, and establish corresponding mitigation policies to effectively control the enterprise's risk, and mitigate the effects posed by the risks to related stakeholders accordingly.

The "Risk Management Policies and Procedures" are adopted by the Unizyx's board of directors as the highest guiding principle for risk management. Meanwhile, we have set up a risk management policy group subordinated to the "Unizyx Sustainability Committee", which establishes the corresponding policies and procedures in accordance with ISO31000 Risk Management Guidelines, and is responsible for implementing the risk management policies authorized by the Board of Directors.

Risk Management Organization Structure



Responsibilities of the Risk Management Organization

Unizyx Board of Directors

Unizyx Board of Directors serves as the top management and decision-making unit in the risk management organization and reviews the risk management strategies as a whole based on the overall business strategies and operating environment.

Audit Committee

The "Audit Committee" subordinate to Unizyx Board of Directors is responsible for reviewing the internal control system, ensuring compliance with related laws and regulations, and controlling existing or potential risks to the Company.

Auditing Office

The office is an independent auditing unit that audits the Company's financial and business activities as well as the appropriateness of the design and implementation of the internal control system on a regular basis, supervises internal control, and accomplishes annual audit plans. It makes reports to the broad members at board meetings and conducts follow-ups on subsequent improvements.

Risk Management Team

It formulates relevant response policies and procedures according to the ISO 31000 Principles of Risk Management and executes risk management policies approved by the Board of Directors. A risk management meeting shall be held at least once a year to report the implementation of risk management to the Board of Directors.

Departments /Plants

The Strategy, Finance, General Counsel, Information, Human Resource, Environmental Safety, R&D, Manufacturing, and Sales Departments and other functional departments draw up policies in line with key strategic directions. All functional departments build good two-way lateral communication mechanisms with the subsidiaries through regular meetings to cope with potential risks.

Risk Management Policy

As the top guiding principle for risk management, the policy defines all types of risks based on the Company's overall management policy to establish a risk management mechanism enabling early identification, precise measurement, effective monitoring, and strict control. In this way, we can prevent possible losses within acceptable risk levels, respond to internal and external environmental changes, and make continuous adjustments and improvements in order to boost the shareholders' interests and the Company's value.

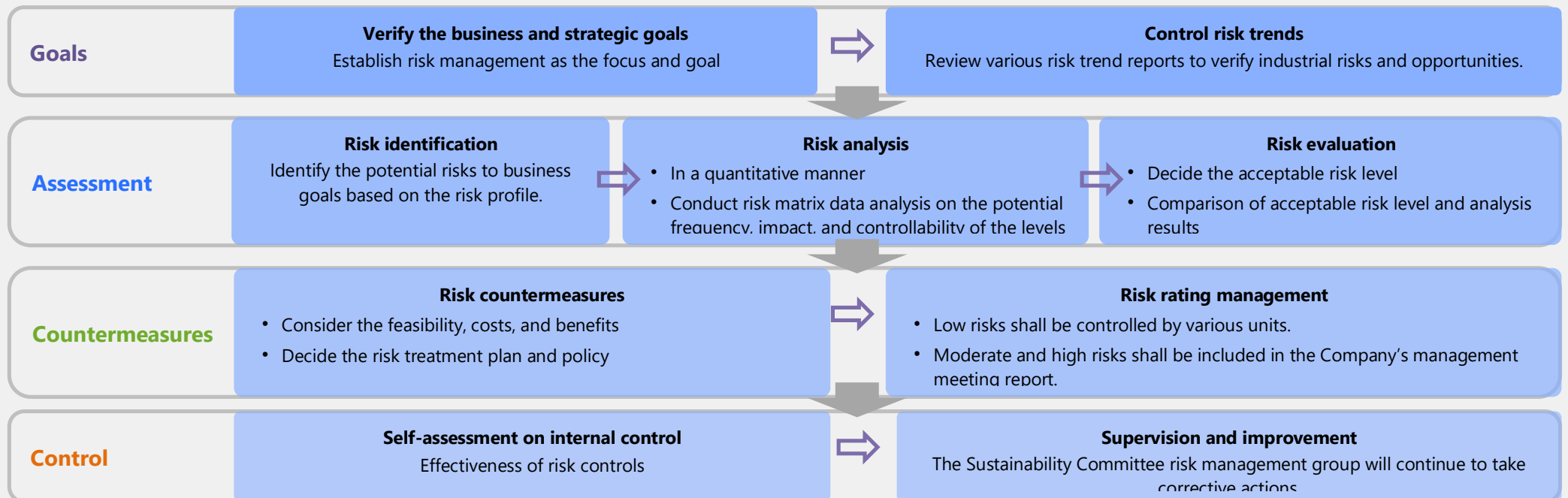
Risk Management Goal

Awareness of risk management is required for Unizyx's business management and must be ingrained into the management strategies and organizational culture. Through systematic and institutionalized management and effective risk identification, analysis, and assessment mechanisms, we can control risks, formulate corresponding mitigation measures, and keep track of corporate risks in an effective manner so as to mitigate the impacts of the risks on relevant stakeholders.

Risk Management Mechanism

According to the risk management procedure, it is necessary to first verify the business and strategic goals. It focuses on the establishment of risk management and then reviews various risk trend reports to verify the opportunities and risks within the industry and economic trends, and also combines its own risk profiles to identify the potential risk exposure to the business's goals.

Then conducts risk matrix data analysis on the potential frequency, impact, and controllability of the levels of these risks; rates and manages the risks by comparing with the acceptable levels of these risks and risk analysis results to decide the risk treatment plan and policies. Emphasis is given to recording, communicating, inquiring, controlling, and reviewing throughout the process.



Risk Assessment and Strategies

Departments of MitraStar conducts detailed risk assessment through their professional services, and also prepare management strategies and response programs to mitigate, transfer, or evade risks, for the purpose of reducing the company's operational risk effectively.

MitraStar conducts self-assessments on internal control on a yearly basis. They judge the effectiveness of risk controls in the various risk scenarios likely to be encountered by related units and take stock of the effects posed by changes to MitraStar's external environment and business model. MitraStar also supervises the implementation of changes to continue managing MitraStar's risks.

In the event of emergencies and major events, e.g. to respond to emerging risks such as the outbreak of COVID-19, supply chain shortages, and the Sino-US Trade War, MitraStar activated the crisis management mechanism. The president of each subsidiaries served as the commander dedicated to calling related units, organizing functional groups, preparing response policies, and releasing communications and messages to ensure the transparency of information. MitraStar continues to manage corporate risks effectively to keep the business uninterrupted and achieve the goal of sustainability.

Dimension	Risk type	Risk impact	Mitigation policy	Corresponding chapters
Corporate governance	Operational risk	Achievement of business goals	<ul style="list-style-type: none"> Management reports strategic issues to Unizyx's directors periodically in order to mitigate the operational risk through directors' engagement, suggestions, and supervision. Manage the achievement of annual polices and goals via the management performance meeting. Strengthen the risk management mechanism, increase the diversified interactive opportunities and channels for stakeholders, and improve the quality of communications and disclosure. Set forth the "business plan management procedure" to ensure product quality and market competitiveness, customers' satisfaction, and financial performance results. Revise goals as needed for sustainability. 	Corporate governance: A. Governance structure
	Financial risk	Exchange rate fluctuations	In consideration of MitraStar's high proportions of export sales, the Company monitors market information and exchange rate trends from time to time and evaluates the risk of its foreign exchange position, in order to mitigate foreign exchange risks. Meanwhile, MitraStar hedges against risks in a timely manner, in hopes of mitigating any adverse effects posed to operations.	Unizyx Annual Report 2021: VII. Review and Analysis of Financial Conditions and Operating Results, and Risk Management
	Information Security Risk	<ul style="list-style-type: none"> Abnormality in the data system Information security attacks Disclosure of confidential information 	<ul style="list-style-type: none"> Establish the "Information Security Committee" inter-departmental unit Improve the employees' awareness and expertise towards information security Enhance information security management Assess our assets and verify threats and weaknesses to enable the management to have fuller knowledge of the risks and mitigate the risks to an acceptable extent. Acquire ISO 27001:2013 certification 	Corporate governance: E. Information Security Management

Dimension	Risk type	Risk impact	Mitigation policy	Corresponding chapters
Economic dimension	Supply chain risk Emerging Risk	<ul style="list-style-type: none"> Fluctuation in prices of raw materials and supplies Shortages of materials 	<ul style="list-style-type: none"> Establish sustainable supply chain partnerships Establish a risk management mechanism for prices of raw materials Evaluate carefully and use the best methods to develop new sources of materials to prevent the sources from being monopolized by a few suppliers Establish safe inventories Verify the market conditions through collection of business intelligence or market surveys in order to respond to changes as early as possible. 	Value chain: B. Supplier Sustainability Management
	Technology risk	<ul style="list-style-type: none"> Easy access to low-price product technology affects the market price. Increasing demand in the technology integration market 	<ul style="list-style-type: none"> Control the market trends, verify customers' needs, and layout the development of new products and core technologies as early as possible Launch the R&D of related technologies, and increase R&D strength and investment Set forth the "Regulations Governing Project Risk Management" and implement the risk management plan when planning new products in order to ensure the timely management of risk when developing any new products. 	Unizyx Annual report 2021: VII. Review and Analysis of Financial Conditions and Operating Results, and Risk Management
	Business risk	Changes in the market affecting operations	<ul style="list-style-type: none"> Verify market conditions through the collection of business intelligence or market surveys in order to respond to changes as early as possible. In response to the changes in the US-Sino Trade War, MitraStar has enhanced our partnerships with our clients and supply chains to ensure optimal capacity. 	Unizyx annual report 2021: VII. Review and Analysis of Financial Conditions and Operating Results, and Risk Management
Environmental dimension	Disaster risk Emerging Risk	Given the COVID-19 epidemic, customers' demand is uncertain. Human resources, raw materials and supplies are in short supply.	<ul style="list-style-type: none"> Allocation of optimal capacity Enhancement of our partnerships with our clients and supply chains. 	Value chain: B. Supplier Sustainability Management
	Climate change risk Emerging Risk	<ul style="list-style-type: none"> Impact to the business posed by climate changes Reduction in GHG emissions Laws & regulations and other requirements 	<ul style="list-style-type: none"> Identify the risks and opportunities derived from climate changes, research and draft a risk response policy, evaluate the operational impact and financial effects, and disclose information about climate change concretely. Manage carbon emissions, and boost GHG (Green House Gas) inspection and energy-conservation policies 	Environmental protection: A. Climate change
Social dimension	Human resource risk Emerging Risk	<ul style="list-style-type: none"> Difficulty in soliciting talent Loss of key talent 	<ul style="list-style-type: none"> Effective HR management mechanism and implementation of performance evaluation procedures Improvement of talent recruitment and training channels The HR Management Procedure and Regulations satisfy the relevant laws and regulations. 	Friendly workplace: A. Diversity and Inclusion Recruitment B. Human Capital Development

E. Information Security Management

We are committed to optimizing cybersecurity, driving digital transformation, and creating a trustworthy and secure online world through technological innovation and close collaboration with key partners. As a major network communications company, we have obtained ISO 27001 information security certification in the face of increasingly severe information security threats. MitraStar continue to strengthen the integration of network and information security, ensure product information security, and at the same time enhance employee information security awareness, evaluate supplier information security, and protect the intellectual property security of customers and partners.

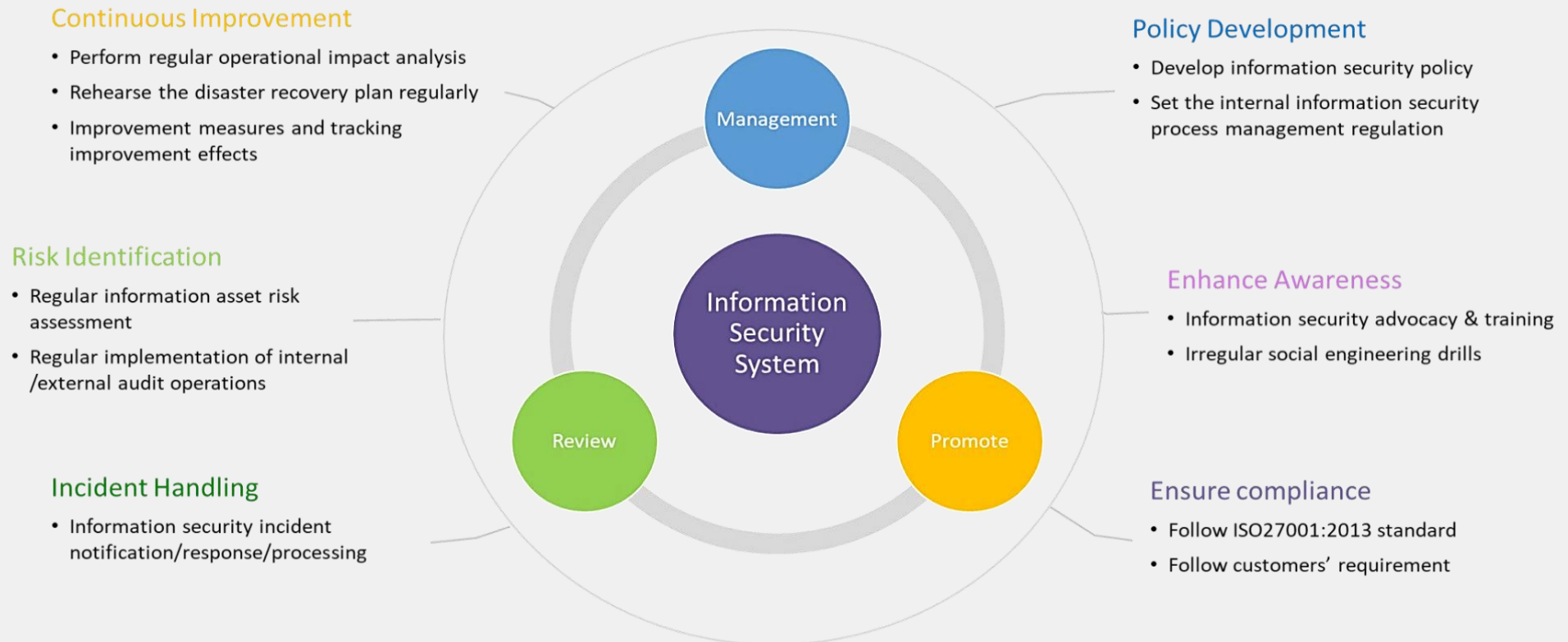
Material Topics Strategies and Goals

Material Topic	Operational Influence	Promotion Strategy	Management Approach	2021 Achievement	2025 Medium-term goal	2030 long-term goal
Information security	The confidentiality of the information assets is ensured in compliance with the laws to gain customer trust	<ul style="list-style-type: none"> Identify information security management risks to avoid the impact of information security incidents Improve the employees' awareness and knowledge of information security 	<ul style="list-style-type: none"> Number of material information security incidents Online course completion rate Certificate acquisition 	<ul style="list-style-type: none"> Material information security incident: 0 A completion rate of 99.5% for online courses on business secret protection laws and regulations The ISO 27001 certificate was acquired 	<ul style="list-style-type: none"> Material information security incident: 0 Achieve a completion rate of >98% for online courses on business secret protection laws and regulations The ISO 27001 certificate was acquired 	<ul style="list-style-type: none"> Material information security incident: 0 Achieve a completion rate of 100% for online courses on business secret protection laws and regulations Acquire the ISO 27001 certificate every year

1. Enterprise Information Security Management

| Information Security Management Framework

Unizyx, as the holding company operating the group's information security management, has set up a safe and reliable digital operation platform to ensure the sustainable operation of data, systems, equipment, and networks. We have implemented security control mechanisms for data processing, transmission, and storage while taking information security and work efficiency into account. We have set up a complete information security management framework, with governance, promotion, and inspection as the three management directions. As part of our information security policy we raise awareness about information security and undergo and pass ISO 27001 information security certification audits regularly to ensure our compliance measures and track improvements.



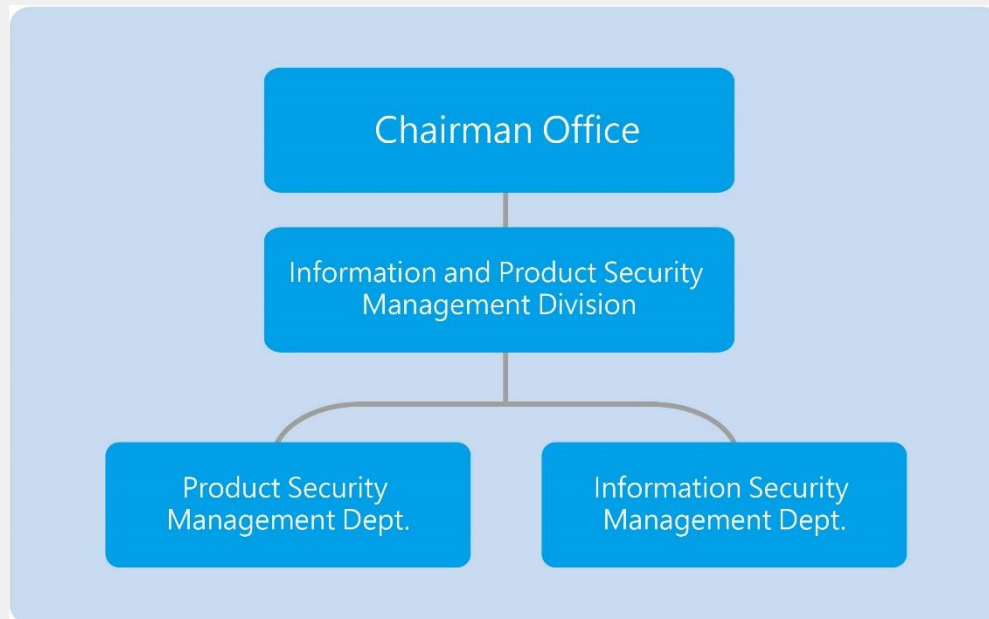
Information Security Organization

Dedicated Information Security Organization: A dedicated chief information security officer is responsible for coordinating the planning of information security strategies. In 2014, an information security team was formed based on the information security organization structure developed according to ISO27001 to map out the group including MitraStar's information security strategies and goals, monitor information security incidents, carry out information security activities and projects, and organize relevant dissemination and training sessions.

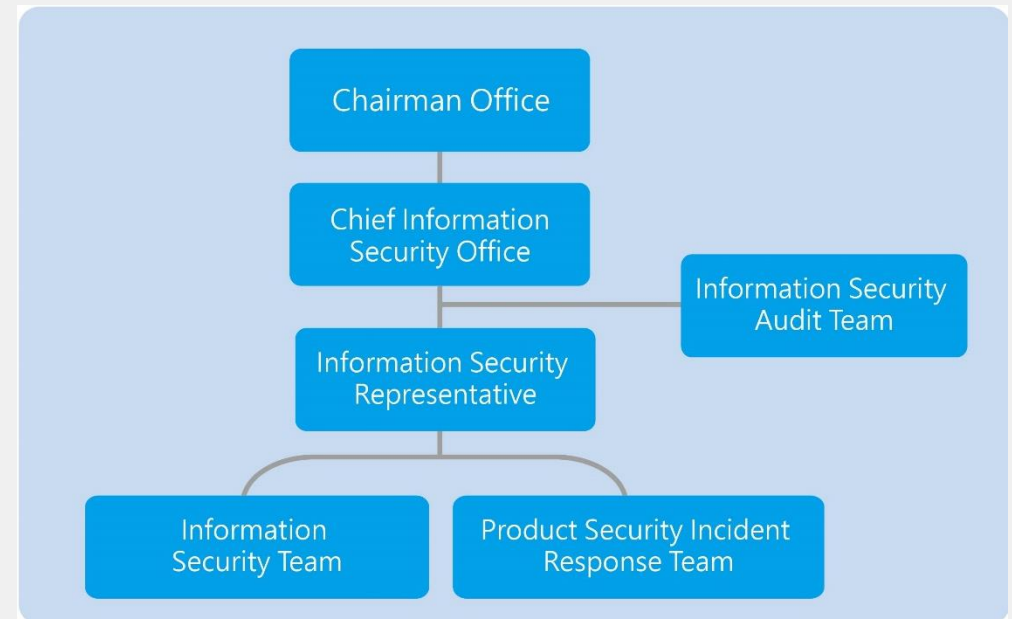
Direct Subordination to the Chairman's Office: In response to rising information security threats, in addition to the Product Security Incident Response Team (PSIRT) formed in 2017, a virtual team comprising members from different teams started to function as a formal unit titled "Unizyx PSIRT Committee" in 2021. The Information and Product Security Management Departments are subordinate to the "Information and Product Security Management Division". The departments and division are in direct subordination to the group's chairman's Office and are responsible for continuously monitoring potential external threats and giving immediate response to safety issues.

Monitoring by the Board of Directors: The implementation of information security is reviewed regularly on an annual basis. Management review meetings are also held in an effort to unceasingly promote and improve the information security management system. With the aim of ensuring the continuous and effective operation of the internal information security management mechanism, a report on information security work plans and their implementation is made to the Board of Directors at least once a year.

Information Security Organization



Information Security Committee



| Information Security Policy

Unizyx's security policy sets information security management regulations, guidelines, standards, rules, and codes of conduct to achieve our information security goals, ensuring the effectiveness of Unizyx's information security practices. We formulated information security management policies and codes of conduct including "Network Security Management Measures", "Software Asset Management Measures", "Personal Computer Equipment Services and Management Measures", and others in accordance with the ISO 27001 international standard.

Company employees, subsidiaries of online operations, and manufacturers providing information services get notified of the relevant security management information in writing or electronically.

| Information Security Workforce and Investment

Unizyx has departments responsible for information and product security, which were formed in 2017, as well as 20 independent information security personnel, of which 40% are senior employees and 60% are newbies. Among the personnel, five have acquired professional information security certificates (ISO27001 Lead Auditor, CTIA (Certified Threat Intelligence Analyst) Certificate, CEH (Certified Ethical Hacker) Certificate, TCSE (Trend Certified Security Expert), CCNA (Cisco Certified Network Associate)). On top of that, continuous efforts have been devoted to ensuring our products acquire the information security certification of BSI_Bund. Through technology utilization and the identification of information security risks and deficiencies, we can enable effective intensification, develop comprehensive information security protection capability, and build a rigorous and effective information security protection network.

To nurture information security professionals, our education promotion program, "Information Security Contest", has been initiated to arouse students' interest in information security. By bridging the academia-industry gap, we hope to encourage students who aspire to working in the information security field to enhance their information security skills and develop practical skills through information security contests.

| Information Security Management Scope

The information security management covers 13 management items to avoid misuse, leakage, tampering, and destruction of information due to factors such as human negligence and intentional or natural disasters that could bring various risks and hazards to the organization.

- Information Security Policy Formulation and Evaluation
- Information Security Organization
- Information asset classification and control
- Personnel safety management and education and training
- Physical and environmental security
- Communication and operation safety management
- Access control security
- System development and maintenance security
- Information security incident response and handling
- Operation continuity management
- Compliance with relevant regulations and policies of the implementing unit
- Information security of project management
- Supplier management

Information Security Management System

The Company has established an information security management system (ISMS) compliant with the international standard ISO/IEC 27001:2013 (including the national information security system standard CNS 27001:2014). The information security management system has acquired the information security management certificate and passed regular audits for six consecutive years since its first introduction and certification in 2015. Continuous information security management, the acquisition of the certificate through re-evaluation on a triennial basis, and the execution of regular audits in between ensure the unceasing improvement and optimization of our information security management and technology.

Information Protection System and Mechanism

Our Information Security Team has formed a security operations center (SOC) and built a safety intelligence database through data collection and big data platforms. Multi-dimensional association analyses are conducted in combination with user and entity behavior analytics and machine learning to detect information security incidents or anomalous connections. A real-time early warning mechanism is also in place to have a timely grasp of internal and external information security threats, deal with relevant incidents immediately, and minimize damage to information security.

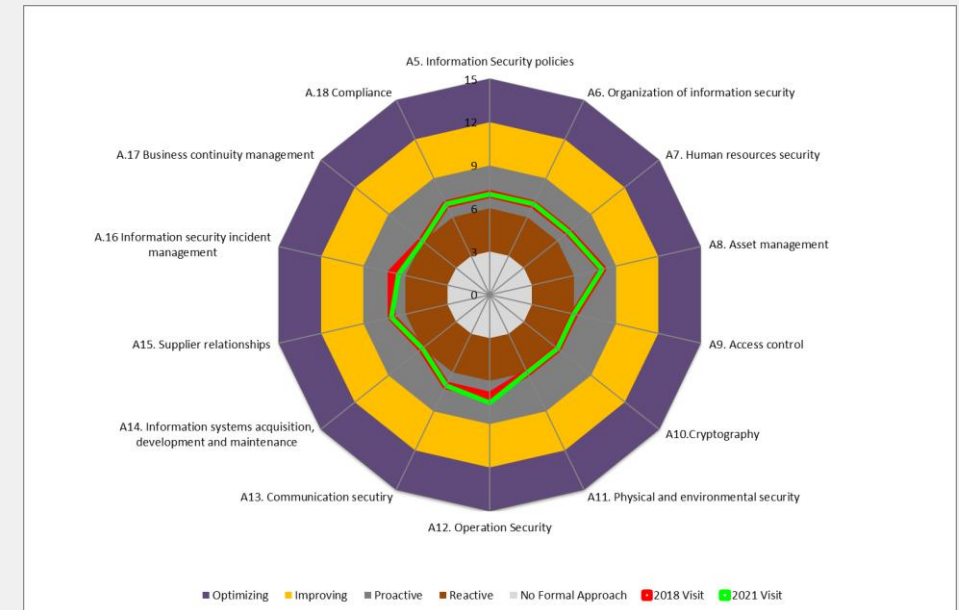
ISO 27001

To ensure the confidentiality, integrity, and availability of all information, we passed the BSI verification agency review in 2015 and obtained the ISO 27001:2013 international standard certification. Unizyx continues to implement the PDCA (Plan-Do-Check-Act) Management spirit, continuous improvement of information security management and technology, to ensure the security of customer data.

We follow the ISO 27001:2013 version of the standard requirements to establish various management documents, conduct annual inventory and updates of information assets, and perform risk assessment, operational impact analysis, disaster recovery drills, account permission checks, vulnerability scans, penetration testing, and social networking engineering drills for various information security tasks. We perform internal and external audits regularly every year, and hold management review meetings to continuously implement various information security policies.

Information Security Maturity Indicator

The purpose of the information security maturity evaluation is to acquire the ISO 27001 certificate and gain a better understanding of the Company's control level of each dimension according to the information security requirements of the international standard. Diagrammatic quantitative indicators can help the management refine the adjustment of the information security management measures, thereby reflecting the adjustments on the information security policies and creating an effective organizational communication interface. Please note that information security maturity is evaluated based on the lowest score in sampling result for each control area (A5~A18) under the international standard.



Information Security Risk Management

To assure the sustainable business operations and prevent our important information systems from leading to the risk of unsustainable services due to major disasters or incidents, the Company regularly conducts information security risk assessment to adjust our sustainable management policies, reviews laws and regulations, and evaluates and revises the internal information security regulations in order to ensure their legal compliance and effectiveness. Our employees also participate in information security awareness campaigns, education and training as well as social engineering exercises to raise their information security awareness and make sure that the concept of information security is ingrained into their routine at work. Information asset risk assessment, internal/external audits, and backup system switchover drills for keeping our information systems essential to the business running are implemented periodically to analyze operational impacts, carry out disaster recovery drills, perform improvement measures, and keep track of and evaluate the improvement on a regular basis.

- **Social Engineering Drill**

Two social engineering drills are implemented for information security education and awareness-raising to intensify our employees' awareness of information security and avoid email scams.

- **Information Security Education and Dissemination**

To improve the employees' cognitive ability for information security, enhance their information security awareness, facilitate all personnel's understanding of the importance of information security, provide them with knowledge of all potential security risks and response approaches, and thereby maintain overall information security, an internal information security website, "Information Security Website", is built to offer real-time information security news to the employees.

- **Information Security Education and Training**

Online required information security courses covering information security policies and usage guidelines are completed. All our employees are required to complete information security courses for personnel at different levels, allowing them to become aware of the importance of information security and any potential security risk, improving their information security awareness, and ensuring their compliance with related information security regulations. Online information security courses in 2021: Courses titled "Information Security for Individuals; An Introduction to Information Security; An Introduction to Network Security" were provided. General employees spent three hours for the courses every year and a total of 1,589 employees took the courses, with a training completion rate of 96.13%.

2. Product Information Security

In an effort to monitor potential external threats continuously and cope with security issues immediately, Unizyx has formed the "Product Security Incident Response Team" (PSIRT). The team maps out and executes product safety control measures, identifies procedures and guidelines required to be improved together with our product safety representatives, and makes flexible and continuous revisions. It has established safety framework design principles and carried out source code security testing and product safety verification to solve root problems and integrate product design with information security.

The Company joins the CVE Community as a CVE Numbering Authority (CNA) of the MITRE's Common Vulnerabilities and Exposures (CVE) Program to not only self-manage, but also analyze product vulnerabilities. We hope to facilitate the internalization of product safety and accelerate the achievement of security by design with an external force obtained by acquiring the international membership. Compliance with the safety design principles is required throughout the R&D process to ensure the confidentiality, integrity and availability of the Company's information security management system.

Information Security Management Achievements in 2021

Defense in Depth for Information Security

Network Security

- North-south and east-west firewalls and network control have been reinforced to prevent virus attacks from spreading.
- Advanced technology was introduced for computer scanning as well as system and software updating.
- We formed a security operations center and built a safety intelligence database through data collection and big data platforms. User and entity behavior analytics has been combined with machine learning to provide a real-time early warning

Device Security

- Network visibility has been improved to identify and control network-connected devices.
- Multi-layered endpoint information security protection programs have been used to strengthen the detection and response to unknown attacks.
- Regular vulnerability assessment was performed for devices in internal user network segments on a weekly basis.

Application Security

- We established safety framework design principles and carried out source code security testing and product safety verification to integrate product design with information security.
- Regular vulnerability assessment was performed for systems and devices in the internal host network segment every week. Cyberspace security services were used to assist in external automated risk exposure evaluation to reinforce software asset and safety control.

Data Security

- The classification of confidential documents, authority control, and data backup and protection have been further ensured.
- The Company introduced document and data encryption as well as effective track records.

Enhanced Information Security Awareness

Education and Training

- 1,589 employees participated in information security education, training and tests, with a training completion rate of 96.13%. All participants passed the tests.
- An email-based social engineering drill was conducted on a half-yearly basis. High-risk employees identified in the drill received reeducation and retraining for information security to boost their information security awareness and vigilance.

Awareness Promotion

- An internal information security website was built to provide information security policies and share new information, thereby increasing information security risk awareness.

Regular Risk-related Drills

Operational Impact Analysis

- Backup system switchover drills for keeping our information systems essential to the business running were completed.

Improved Disaster Response Capability - COVID-19

Disaster Recovery Plan

- In response to the impact of COVID-19, we used highly secure equipment, adopted a multi-factor authentication mechanism, and regularly reviewed the authorization status to further secure the information system services and network connections, enabling the employees to work from home.

3. Intellectual Property Protection

With the evolution of network technology and the growth of market demand, Unizyx actively develops various network technology and other products. In order to maintain Unizyx's competitive advantage in innovative technology capabilities and protect the interests of all stakeholders, we prioritize the protection and control of intellectual property and confidential information.

| Intellectual Property System

Unizyx has developed intellectual property management strategies and established a mechanism to improve the advantages and value created from intellectual property. Unizyx's "Procedural Management Guidelines for Intellectual Property" were formulated to set up the management objectives, application policies, and management maintenance of intellectual property rights. Unizyx has also adopted the Taiwan Intellectual Property System (TIPS) to strengthen Unizyx's intellectual property management system and enhance Unizyx's competitiveness.

| Patent Protection

Unizyx attaches great importance to the development of various types of patents, and enhances Unizyx's competitiveness in intellectual property through the strategies of education, a rewards system, and a talent training management system.

Reward: Unizyx formulated the "Employee Creative Invention Proposal Reward Guidelines" and related patent invention bonuses to encourage R&D colleagues to actively engage in innovative R&D, provide creative proposals, apply for patents, and continue to accumulate patent rights, copyrights, trademark rights, trade secrets, and professional technique intellectual assets.

Training: The "Valuable Patent" course is held, with business and product managers and R&D colleagues as the main teaching target, to introduce the definition of valuable patents and Unizyx's patent proposal application process and improve the quality of patents.

| Protection of Intellectual Property for Suppliers

We also request our suppliers to protect intellectual property and specify in the procurement contract with them that the subject matter delivered by the suppliers shall not infringe the patent right, trademark rights, copyright, or the rights of others.

| Dissemination and Training Courses

To accumulate our R&D capacities, new employees are required to take courses on intellectual property rights. These courses cover an introduction to patent systems and the prevention of rights violations and focus on intellectual property management training. The Company promotes the responsibility and obligation to protect intellectual property with the employees and adopts non-disclosure agreements for the protection of the intellectual property.

All our employees must also complete our CSR courses involving the protection of intellectual property rights every year. They are required to maintain the confidentiality of the confidential information of the Company and customers, are obligated to protect the information, and shall not communicate or obtain such information for internal and external individuals, companies or organizations unauthorized to access it.

Completion rate for courses on business secret protection regulations in 2021:

Business secret protection regulations	Number of trainees	Training hours	Coverage %
MitraStar	857	429	99%
Wuxi MitraStar	5,346	2,673	100%
Total	6,203	3,102	99.5%

Value Chain

A. Customer Relations

B. Supplier Sustainability



A. Customer Relationship


Customer Service Policy

The Company is devoted to listening to the voice of customers, creating values with service quality, and satisfying the customers' needs. The customers' complaints are always prioritized. We take the customers' critiques and suggestions on the chin with a proactive and ethical attitude and strive to improve our product and service quality.

Customer Service Commitment

We offer innovative design, manufacturing and services and deliver competitive and high-quality products and services in time to ensure customer satisfaction.

Strategies and Goals for Material Topics

Material Issue	Operational Influence	Promotion Strategy	Management Approach	Achievement in 2021	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Customer relationship management	Customer satisfaction and trust can be built for higher profits	Maintain smooth and effective communication with customers Adopt a rigorous product quality control mechanism Implement the customer information protection mechanism	Customer satisfaction	Customer satisfaction score >9.77	Customer satisfaction score >9.0	Customer satisfaction score >9.5	 Partnerships for the goals

1. Protection of Confidential Information

With the aim of protecting the interests of all stakeholders, MitraStar highly values the protection and control of confidential business information. Hence, the Company has developed the "Management Guidelines for the Classification of Confidential Documents" to specify appropriate methods to keep confidential documents secure and related protection measures and thereby facilitate the management of the Company's business secrets and internal confidential documents.

When entering into a contract with a third party, we request it to observe the information confidentiality rules and explicitly state that both parties shall be responsible for keeping the confidential information of the opposing party known or held thereby for performing the contract confidential and shall not divulge the confidential information of the opposing party to others, provide them with the information, or assist them in obtaining it, in any form. Both parties shall perform necessary measures to prevent the confidential information from being stolen or divulged, including reasonable measures for ensuring that employees having access to the confidential information of the opposing party do not disclose it.

2. Customer Communication Platform

MitraStar has built their own customer relationship management systems to offer timely, effective, high-quality and interactive information exchange and problem-solving services to customers.

eITS Customer Service System:

MitraStar Technology's professional customer service team uses an eITS system to provide product consulting services, problem-solving solutions, software updating information and product documents, product education and training courses, and education and training platforms for large brand customers to help boost their technical service capabilities for new products.

Customer Complaint Platform:

Our customer service system also provides a customer complaint platform to handle customer complaints. In 2021, no material customer complaints were received via the platform.

Customer Service Knowledge Platform:

To equip our customer service personnel with more comprehensive professional skills, a customer service knowledge platform has been built to gather technical product information, problem-solving records and other information for the personnel's reference and for the inquiry of our front-line employees or partners.

3. Customer Satisfaction Survey

MitraStar focuses on the R&D and OEM of network communication technology and products and spares no effort to have a grasp of the needs and expectations of large brand customers to provide them with better after-sales service quality and thereby increase their satisfaction and trust.

MitraStar Technology's Customer Service Department is responsible for looking into, gathering data on, and analyzing customers' satisfaction with its after-sales services according to the ISO9001 procedures every year, notifying relevant departments of customer feedback for improvement and review, and informing the customers of the improvement. The relevant departments help draw up countermeasures, keep track of and evaluate the improvement. An inquiry and survey are carried out every year and the information on customer feedback is compiled and reviewed together with the relevant departments for making improvements.

Customer satisfaction surveys are conducted mainly by sending questionnaires to customers by email. The department has interviews with the contact persons of the customers, if necessary, after the initial analysis to ensure the correct interpretation of customer feedback.

Quarterly operational meetings attended by the sales representatives and the customers or gathered performance evaluation results provided by the customers serve as another data source for the customer satisfaction surveys. The Customer Service Department also optimizes the customer satisfaction surveys periodically and continuously to keep the operating procedures up-to-date. With satisfaction surveys, MitraStar Technology can understand the customers' needs, improve product design, identify potential markets, cement partnerships with customers, and gain business opportunities.

MitraStar Technology Customer Satisfaction Score (Perfect score: 10)

Year	Score
2019	8.98
2020	9.23
2021	9.77

B. Supplier Sustainability Management

In addition to suppliers' competitive quality, MitraStar expects to continuously improve the overall supply chain's resilience through the stable development of partnerships with its suppliers, and by implementing responsible procurement.

MitraStar assesses the overall sustainable value generated by the supply chain and places great value on suppliers' aspects of governance, environment, and society. The purpose is not only to treat suppliers as our business partners, but also as our partners in promoting sustainable development issues. MitraStar is committed to partnering with our suppliers to ensure that working conditions in our supply chain are safe, their workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

In recent years, in response to emerging risks in the supply chain, the identification and prevention of supply chain risks and the preparation of countermeasures have been strengthened to reduce the impact of supply chain disruption risks.

Supplier Sustainability Policy

Value supply chain sustainability values, improve the sustainable supply chain capabilities of our suppliers, cooperate with our suppliers in sustainable development and the creation of a responsible supply chain industry

Supplier Management Guidelines

Training of suppliers' management staff

Supply chain sustainability management

Development of suppliers' sustainability capabilities

Supplier Management Strategies

Integrate the Group's resources to achieve competitive costs through strategic collaboration

Keep an eye on opportunities and risks to create the best interests of the customers, shareholders, employees, and relevant stakeholders.

Realize a supply chain sustainability management model

Pursue corporate sustainability and focus on the Company's economic, environmental, and social operations.

QCDS

Regularly evaluate the suppliers in terms of their quality, costs, delivery time, and services.

Take supplier relationships and harmonious partnerships seriously

Reinforce partnerships to increase the value of value chains

Ensure no use of metal materials made from conflict minerals by the suppliers

Adhere to laws and regulations as well as commitments and implement international initiatives and standards.

Attach importance and attention to environmental issues and build a green supply chain together with the suppliers

Formulate green product policies in line with international laws and regulations and standards and strive to develop and design energy-efficient products to reduce environmental impact.

Material Topics Strategies and Goals

Material Topic	Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Sustainable supplier	Sustainable supplier management can deepen the partnership with the supply chain and put into practice the Company's sustainability values	<ul style="list-style-type: none"> Realize a supply chain sustainability management model Build sustainable supply chain partnerships 	<ul style="list-style-type: none"> Percentage of suppliers signing a letter of commitment Suppliers' acquisition of ESG-related certificates 	<ul style="list-style-type: none"> Percentage of suppliers signing a letter of commitment: 80% Percentage of key suppliers acquiring the ISO14064-1 certificate for their organizational GHG inventories: 75% 	<ul style="list-style-type: none"> Percentage of suppliers signing a letter of commitment: >90% Percentage of key suppliers acquiring the ISO14064-1 certificate for their organizational GHG inventories: 80% 	 <p>Employment and economic growth</p>  <p>Partnerships for the goals</p>

Near-term goals and Achievements

Management Guideline	2021 Goal	Achievement	2022 Goal	2025 Mid-term Goal
Supplier management training				
Conduct purchasing staff training	<ul style="list-style-type: none"> Completion rate of CSR training courses: 100% 100% completion rate of CSR audit/risk courses 	<ul style="list-style-type: none"> Completion rate of CSR training courses: 100% 100% completion rate of CSR audit and risk control course 	<ul style="list-style-type: none"> Completed ESG training materials for procurement personnel 100% completion rate of training courses 	<ul style="list-style-type: none"> 100% completion rate of ESG training courses for purchasing staff
Ethical Risk Assessment for Procurement Personnel	Ethical Risk Assessment for Procurement Personnel <ul style="list-style-type: none"> 100% evaluation rate 100% signing rate of the letter of commitment 	<ul style="list-style-type: none"> Ethical hazard assessment for procurement personnel in 2021 Moral Hazard Assessment Rate: 100% Signing rate of "Anti-Corruption and Anti-Bribery Commitment": 100% 	<ul style="list-style-type: none"> Procurement staff ethical hazard assessment 100% evaluation rate 100% signing rate of the letter of commitment 	Ethical Risk Assessment for Procurement Personnel <ul style="list-style-type: none"> 100% evaluation rate 100% signing rate of the letter of commitment
Supply Chain Sustainability Management				
Require suppliers to adhere to a code of conduct	(Undetermined target for the year)	100% completed promotion	100% completed promotion	100% completed promotion
Suppliers sign CSR statement and integrity commitment	Signing Completion Rate: >80%	<ul style="list-style-type: none"> Corporate Social Responsibility Statement and Commitment Signing Achievement Rate: 79.5% Integrity and Integrity Commitment Signing Achievement Rate: 78.9% 	<ul style="list-style-type: none"> Sign-off completion rate: >80% Systematization of the sign-back file 	Supplier sign-off completion rate>90%
Supplier CSR Assessment Questionnaire	(Undetermined target for the year)	Completion rate 29.8%	Completion rate: 80%	Completion rate: 100%
On-site audit of key suppliers	On-site audit completion rate: 50%	Due to the impact of the epidemic, the on-site audit was suspended, and the audit was changed to a written review. On-site audit completion rate: 80%	On-site audit completion: 12 suppliers	<ul style="list-style-type: none"> On-site audit completion rate: 80%
Conflict Minerals Management	Number of product surveys/coverage rate>90%	MitraStar: 146 suppliers surveyed	MitraStar completes the survey according to the customer's request	MitraStar completes the survey according to the customer's request
Supplier Sustainability Cultivation				
Key suppliers import ISO14064 carbon emission plan	(Undetermined target for the year)	-	<ul style="list-style-type: none"> Requires carbon inventory within 3 years 	<ul style="list-style-type: none"> Obtained ISO14064-1 inventory completion rate in 2024: 75%
Supplier ESG education and training	(Undetermined target for the year)	-	<ul style="list-style-type: none"> Create video and audio versions of training materials Introduce systematic online promotion : Completion rate: 80% 	<ul style="list-style-type: none"> 100% completion rate for key suppliers by 2025

1. Supply Chain Overview

MitraStar is a network communication equipment manufacturer and has production bases in Taiwan and China. We continue the promotion of procurement localization to allow the suppliers to offer services in a more effective way, shorten the delivery time to reduce environmental footprints, and help the suppliers create more job opportunities while cementing our long-term partnerships with them.

Main Types of Procurements from Suppliers

MitraStar focuses on the R&D and OEM of products and the types of procurements from the suppliers are the procured raw materials and parts/components mainly include integrated circuits, circuit boards, displays, electromechanical components, mechanical parts, and packaging materials. The consumable production materials are solder paste, solder wire and other consumable materials used for the processes. In 2021, 435 suppliers located in Taiwan, China, Hong Kong, Malaysia, South Korea, Singapore, and the United States, from which MitraStar Technology's locations sourced raw materials, parts/components, and consumable production materials, accounted for 80% of the locations' purchases.

2. Supplier Management Structure

Supplier Management Organization

The "Global Supply Chain Management Office" of the Unizyx holding company coordinates the supply chain management of the whole group, including MitraStar. To effectively promote supply chain sustainability management, Unizyx's "Global Supply Chain Management Office" has formed the "Unizyx Sustainability Committee - Supplier Management Team" to integrate the supply chain systems of our subsidiaries. The director of the Group's Supply Chain Management Office serves as the leader of the Supplier Management Team, subordinate to the Sustainability Committee. The team members are assigned by the supply chain management heads of Unizyx's subsidiaries and are responsible for coordinating the planning and implementation of the activities of projects classified into six categories, namely "management and establishment of policies and regulations", "ESG education and training", "supplier audits", "project collaboration with suppliers in ESG programs", "setting of ESG KPIs", and "reward programs for suppliers of the year". Regular team meetings are held to track project progress and conduct reviews. Plans and outcomes are reported at the Unizyx Sustainability Committee's weekly team meetings and monthly committee meetings.



Electronic Supplier Management System

With the Green System, information on supplier activities, education and training courses, and the dissemination of the Code of Conduct for Suppliers can be compiled to handle or document supplier management processes effectively and thereby facilitate real-time interaction with the suppliers and the storage of signed and returned documents. The suppliers will also be allowed to access the "Suppliers' Letter of Commitment to CSR", "Letter of Commitment to Integrity", and "Supplier CSR Audit Checklist". In response to the trend of digital transformation, the system is expected to be built in 2022 for effective document management and material information announcement.

3. Training of Suppliers' Management Staff

Moral Hazard Assessment for Suppliers' Management Staff

Every year, the "Unizyx Sustainability Committee - Risk Management Team" conducts a moral hazard assessment for employees according to the "Labor Risk and Moral Hazard Factor Identification and Assessment Form", identifies high-risk issues using the hazard level assessment method, and issues a "high-risk item assessment result report".

Procurement personnel considered to have high potential moral hazards under the item "improper benefits" according to the identification result and high-risk issues identified are listed in the report. A "business ethics checklist" is provided for the personnel to check any moral hazard that may be generated from trading with the

Training of Suppliers' Management Staff

In terms of the development of the employees' supplier management capabilities, the Company actively offers education and courses on sustainability concepts and knowledge as well as supplier management capabilities, particularly to the on-site supplier audit team to enhance the formulation of on-site audit plans, audit techniques and approaches, and process management and assist the suppliers in improving their knowledge-based and experiential training. We also include the suppliers' management staff's implementation of sustainable procurement goals and strategies as a performance evaluation item, demonstrating our attention and determination to implement supply chain sustainability management.

CSR Education and Training: All management staff of the suppliers complete CSR training courses that all our employees are required to take on the online education and training platform every year.

Sustainable Procurement Training: New courses are launched for the management staff of the suppliers. The courses are classified into two categories, "ESG Education and Training Materials for the Group/Suppliers - Basic" and "ESG Education and Training Materials for the Group/Suppliers - Advanced". Relevant concepts are promoted through online education and courses in the hope of incorporating the concept of sustainable procurement into supplier selection and management.

Supplier Management Tools: The suppliers' management staff share their data management and visualization tools or collaboration tools to improve our procurement personnel's capabilities to handle and interpret data and boost

suppliers. Control measures and rectifications made for the risk issues, as well as reviews verified subsequently, are recorded in the report. All procurement personnel are also required to sign the "Letter of Commitment to Anti-corruption and Anti-bribery" to ensure a fair, impartial and reasonable competitive environment. In 2021, all MitraStar's personnel signed the "Letter of Commitment to Anti-corruption and Anti-bribery".

Supplier Whistleblowing Channels

We have a supplier whistleblowing channel in place and its email address is available on the Company's website. The recipients are the chief auditor and top management. All whistleblowing emails are anonymous. This channel can help the Company manage moral hazards generated during supplier management.

Reporting channel for violations of integrity management: audit@unizyx.com.tw

communication efficiency. Different product departments are invited to introduce new products and their features to employees. The procurement manager regularly selects books and organizes guided reading circles to encourage the employees to be engaged in continuous advanced education. The Company's training programs are initiated with "change management" and "responsible supply chains" as the pillars.

In 2021, external consultants were engaged for the two-day "Social Responsibility Audit Training and Risk Control Course". All participants completed the training and acquired training certificates.

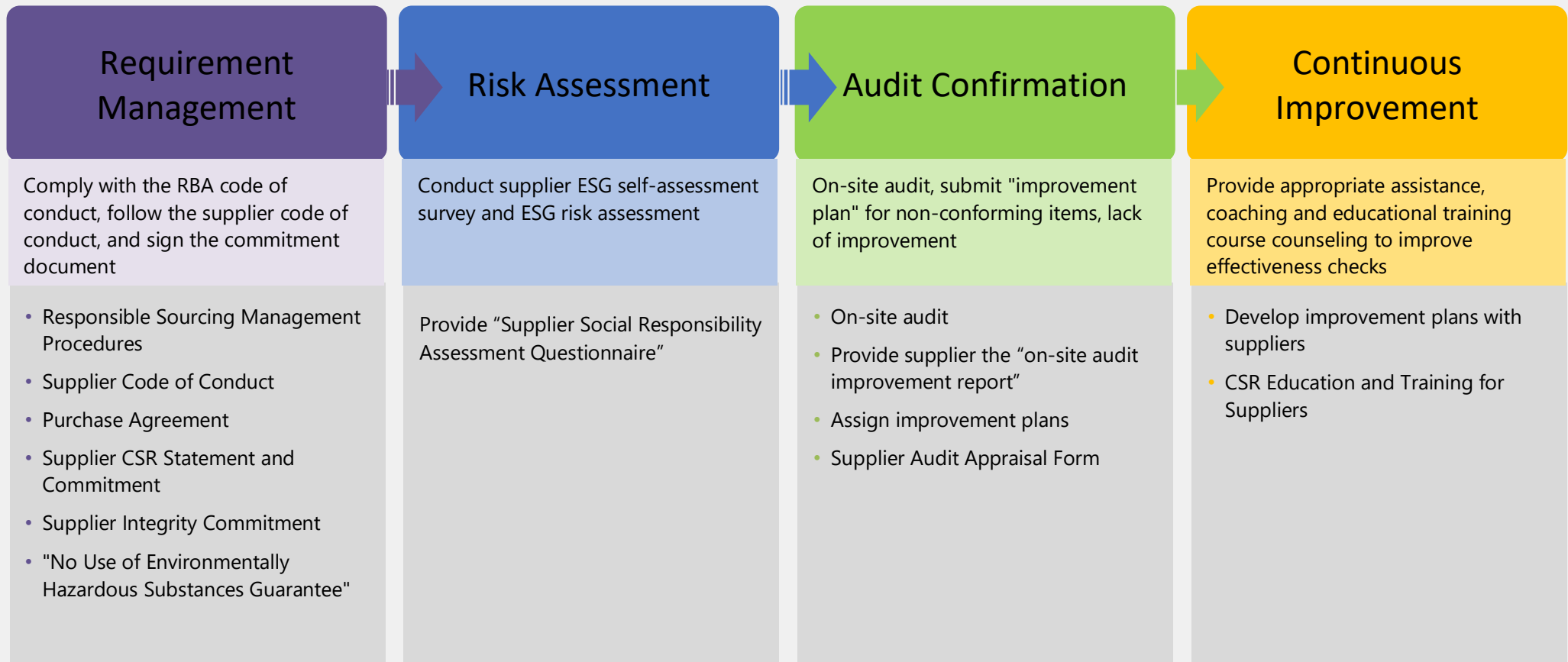
Training for the Supplier Audit Team: For the training of the "Supplier Audit Team" for supplier audit capabilities, training programs have been implemented. In 2021, external consultants were retained for the "Social Responsibility Audit Training and Risk Control Course" that the audit team members were required to take. All the members completed the training and acquired training certificates.

Training meetings are convened for the Supplier Audit Team before on-site supplier audits to not only discuss SOPs for the on-site audits and appoint members who will be in charge, but also to conduct audit R&R drills and training.

2021 "Social Responsibility Audit Training and Risk Control Course"		
Number of Trainees	8	course
Number of Trainees Acquiring Training Completion Certificates	8	
Training Hours	12 hours	
Training Completion Rate	100%	
		<ul style="list-style-type: none"> Audit technique training course Introduction to audit approaches and techniques Audit planning, arrangement and preparation Audit execution, reporting and follow-ups Common audit deficiencies and key audit matters

Supplier Sustainability Management Approach

As part of our procurement and supply chain development policy and commitment, we established a four-stage sustainability supply chain management process with **requirements management**, **risk assessment**, **audit confirmation**, and **continuous improvement**. We evaluate the performance of the supply chain with regards to the three aspects of economy, society, and environment. This helps ensure that suppliers meet standards and improve their sustainable performance.



Step 1: Requirement Management

To create a supply chain compliant with the RBA standards and evaluate the suppliers' capabilities to fulfill social responsibility, MitraStar has set up the "Responsible Procurement Management Procedure" respectively. The Procedure and the Guidelines are used as a basis for supplier sustainability management principles to urge the suppliers to meet the sustainability requirements. In addition, the suppliers are required to sign the "Ongoing/Product Procurement Agreement" to ensure the compliance of the products offered with environmental protection laws and regulations and product safety regulations. They must also make a declaration of the non-use of conflict minerals to achieve the goals of pollution prevention, environmental impact mitigation, and personal safety.

In an attempt to optimize supplier management strategies and operational efficiency, the ILO's standards, the RBA Code of Conduct, and the self-requirements for best practices of benchmarks in the electronics industry are adopted as reference for the

establishment of the "Code of Conduct for Suppliers" regulating labor, health and safety, environment, business ethics, and management systems. By doing so, we hope to work with our suppliers to stay concerned about and further protect the labor rights and health of workers, enhance occupational health and safety, and be dedicated to business ethics and environmental protection.

Our suppliers are required to sign the "Suppliers' Declaration and Letter of Commitment to Corporate Responsibility" to make sure they understand our conditions for sustainable collaboration and must live up to their commitments. As for business ethics, they shall sign the "Letter of Commitment to Integrity". In terms of environmental protection, the "Letter of Commitment to Non-Use of Environmentally Hazardous Substances" is required for the suppliers to ensure that they observe the code of conduct and take responsibility for social and environmental protection.

Suppliers' Signing of the Letter of Commitment to Social Responsibility

	Number of signed suppliers in 2021	Achievement rate	2022 Signed Supplier Target
MitraStar (Hsinchu & Wuxi sites)	346	79.5%	85%

Suppliers' Signing of the Letter of Commitment to Integrity

	Number of signed suppliers in 2021	Achievement rate	2022 Signed Supplier Target
MitraStar (Hsinchu & Wuxi sites)	343	78.9%	85%

Step 2: Risk Assessment

To gain a deep understanding of the suppliers' status, the suppliers are required to provide relevant information for CSR evaluation. We also conduct monitoring with risk management measures, evaluate the current performance of the suppliers according to the "Supplier Social Responsibility Evaluation Questionnaire", and validate it through subsequent "on-site audits". A formal audit report is then issued to identify supply chain sustainability risks. The Company uses "supplier social responsibility audit reports" as an indicator for supplier selection and evaluation and adopts multiple supplier risk management measures to cope with supplier risks that occur.

A: Suppliers' Presentation of Their Material Supply Response Measures and Risk Management

For the risk management and response measures of key suppliers, the suppliers are required to present their material supply response measures and risk management practices by reporting or disclosing the information on their website or by email so that we can conduct risk identification for the suppliers to reduce risks.

B: Audits with the "Supplier Social Responsibility Evaluation Questionnaire"

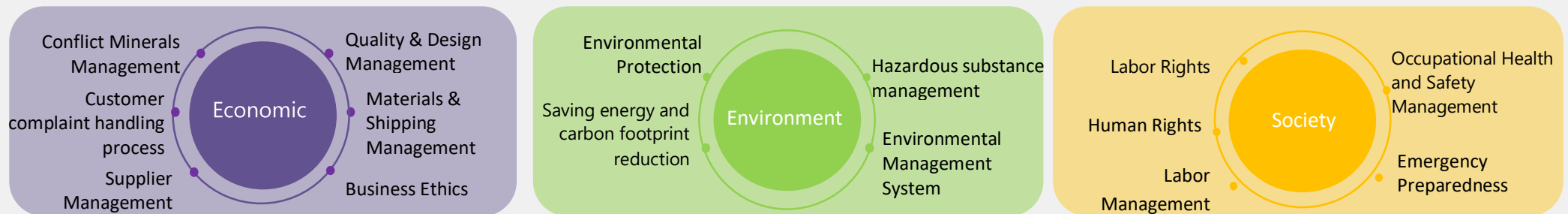
Reviews using the "Supplier Social Responsibility Evaluation Questionnaire" are conducted for all our suppliers. The questionnaire covers labor, health and safety, environmental standards, business ethics standards, management systems, and other items. Through the audits, we can understand how well the suppliers are aware of sustainable management in order to identify supplier risks.

	Evaluated Supplier	Suppliers That Should be Evaluated	Number of Suppliers Evaluated	Completion Rate
MitraStar (Hsinchu & Wuxi sites)	Suppliers ranking among the top 80% in terms of the amount in annual transactions	435	130	29.8%

C: Identification of High-risk Suppliers

High-risk suppliers are identified with the "Supplier Social Responsibility Evaluation Questionnaire". These suppliers are required to present their improvement plans and their progress for us to formulate "on-site audit" plans for evaluating them on-site and checking the improvements made.

Sustainability Risk Assessment Factors

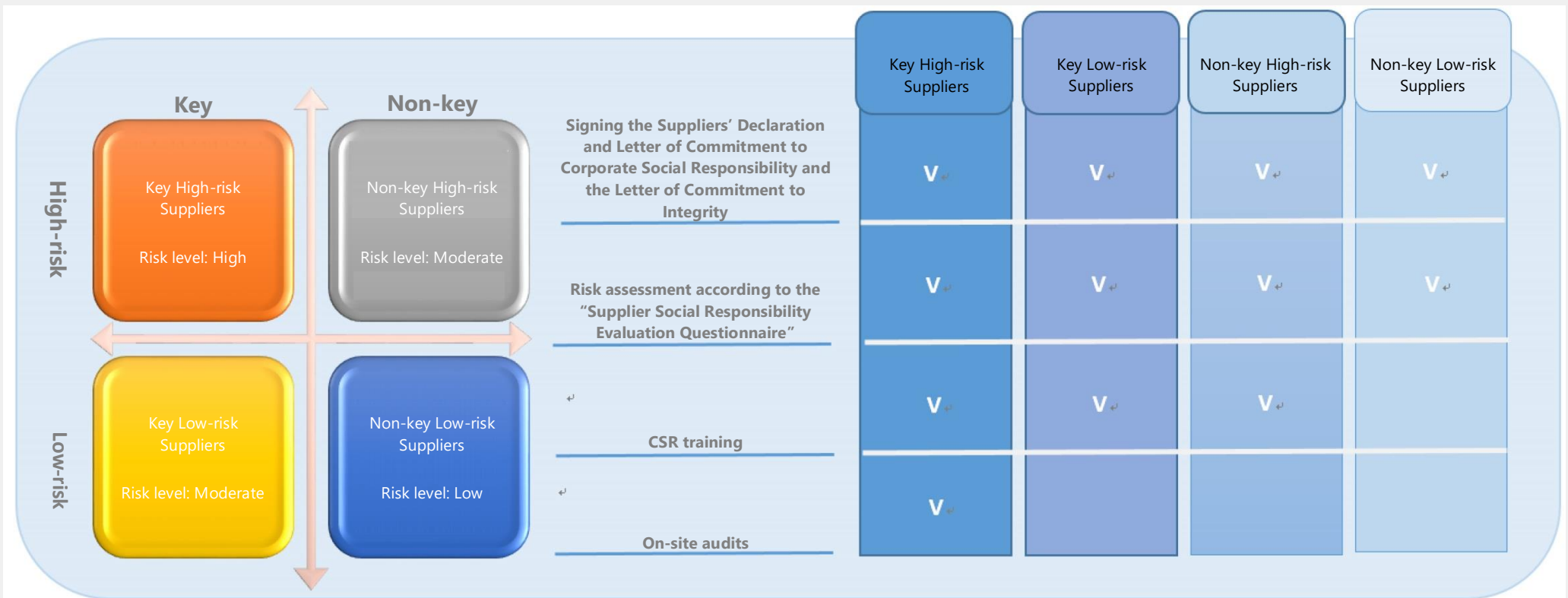


Definition of High-risk Suppliers

Categorized as high-risk suppliers, e.g. PCB/power suppliers

With a self-evaluation score of lower than 60

With no plans for introducing ISO14064



Step 3: On-site Audits

The Company performs on-site audits for our key suppliers for their compliance with the RBA Code of Conduct and laws and regulations in terms of labor, ethics, health, safety, and environment according to the RBA Validated Assessment Program (VAP) so as to identify and validate supply chain sustainability risks through the issued audit report. We also use “supplier social responsibility audit reports” as an indicator for supplier selection and evaluation.

• Supplier CSR Audit Team

Consisting of the Supplier Quality Management, Human Resource, Environmental Safety and Health, and Procurement Departments, the “Supplier CSR Audit Team” is responsible for the evaluation, assessment and management of the suppliers’ social responsibility capabilities. Personnel engaged in on-site evaluations shall receive training on the RBA standards and the Company’s system manual, as well as training courses for internal auditors.

The “Supplier CSR Audit Team” shall exert its influence on the suppliers to convey and disseminate the RBA standards and requirements to them, thereby encouraging all the suppliers to adopt measures to improve their social responsibility performance. Moreover, the team creates supplier social responsibility files to keep the evidence and records of suppliers’ evaluation results and improvement measures on file.

• Supplier Sustainability Rating Level

Suppliers who score 60 or higher in the supplier social responsibility evaluation are qualified to collaborate with the Company. They shall also present improvement plans for non-compliance items identified by the Company's Supplier CSR Audit Team and improvement will be tracked and validated subsequently. Suppliers whose scores are 59 or below shall neither be listed in the approved vendor list nor considered for collaboration with the Company, unless they make improvements for non-compliance items identified by our Supplier CSR Audit Team in the evaluation, apply to the Company for an on-site re-evaluation in written form, and obtain a passing score in the re-evaluation.

For suppliers whose audit results fall short of the required standards, specialists are designated to conduct reviews and formulate improvement plans jointly with them and offer proper assistance, guidance, and education.

On-site Supplier Audit Outcomes in 2021

In 2021, two suppliers underwent on-site audits and 130 suppliers went through reviews using the “Supplier Social Responsibility Evaluation Questionnaire” in lieu of on-site audits due to the impact of COVID-19. At the beginning of 2022, a program was launched to arrange on-site audits for 12 suppliers in the PVL.

Step 4: Continuous Improvement

We give continuous assistance to the suppliers in rectifying deficiencies and conduct evaluations and set standards for them in the hope of building long-term partnerships with them and jointly creating a responsible supply chain industry jointly. Deadlines for improvements set vary depending on the severity of the non-compliance items of the suppliers. When the agreed deadlines for improvements fall due, the Supplier Audit Team validates the improvements made by the suppliers. If the first-time improvements fail to meet the requirements, the Company may extend the deadlines and ask the suppliers for further improvements and the extension is limited to two months. Partnerships with the suppliers will be terminated if their second-time improvements still fall short of the requirements. In 2021, the Company did not terminate partnerships with any suppliers for their audit results or improvements not meeting the requirements.

MitraStar's supply sustainability plan aims to improve the sustainable supply chain capabilities of our suppliers. Learning materials for the "Supplier CSR Education and Training" are designed according to the "Responsible Business Alliance (RBA) Code of Conduct" that we adhere to. In this way, we can disseminate labor rights, ethical, health, environmental, and management system standards and assist the suppliers in ongoing improvements. In addition, a supplier whistleblowing channel is in place with the chief auditor and top management as the recipients to avoid malpractice.

Main Deficiencies and Improvement Actions of MitraStar's Suppliers in 2021:

RBA Standard	Deficiency under RBA Standards	Deficiency Definition	Improvement Action
Labor	Underage labor	Student workers were not distinguished on the basis of identity at the work site	Student workers wear distinctive armbands for easy identification
Labor	Freedom of association and communication	A Vietnamese version of the work rules was unavailable	The work rules have been updated to meet the language needs of employees
Health and safety	Dormitories and cafeterias	An inconsistency between the orientations of the cafeteria evacuation floor plan and the actual orientations was identified	The evacuation floor plan has been reviewed and updated to ensure consistency between the floor plan orientations and the actual orientations
Health and safety	Dormitories and cafeterias	No pest control procedures regulating the control scope and frequency were in place	Cockroach control work plans have been mapped out

Emerging Risks: Supply Chain's Response to COVID-19

The Company identifies emerging risks resulting from the outbreak of COVID-19 through operational risk management. The pandemic has caused several problems leading to significant impacts on the supply chain, such as city lockdowns, serious shortages of raw materials, port congestion, container shortages and price hikes, etc.. Indirect impacts that may be brought about by the production line disruptions, raw material shortages, unexpected soaring demand for materials, and suppliers working remotely in the supply chain due to COVID-19 can seriously affect the Company's operations.

In response to the material supply chain risks, our Supply Chain Management and Sales Departments have called emergency meetings to gather statistics about the production of raw materials affected by city lockdowns through an online system, introduce a validation procedure for alternative materials to cope with emergency material shortages, and deploy existing supplies in our plants in Taiwan to minimize the losses from the disaster. On top of that, a program has been initiated to ensure an uninterrupted supply chain. The departments have also worked with the Production Management and Material Departments in drawing up capacity recovery plans to best coordinate and deploy our key materials.

In the face of supply chain risks, long-term response strategies have been formulated to reduce the impacts of the COVID-19 pandemic on operations with product diversification, optimal capacity deployment, and cement partnerships with the customers and supply chain.

Sustainable Procurement

When selecting suppliers for cooperation, MitraStar strictly requires that the suppliers' materials ranging from components to accessory materials during product manufacturing, must comply with international environmental protection laws and regulations and set evaluation items for new suppliers based on the environmental issues identified by the RBA. In terms of conflict mineral management, our green product policies for the suppliers prohibit the use of conflict minerals and require the suppliers to make a commitment to not use the conflict minerals. Through the regulations and requirements, we are able to realize a supply chain sustainability management model.

| Compliant with international environmental regulations

- The Green Product Management - New Supplier Evaluation Operation process developed to select manufacturing suppliers that meet international hazardous substance management requirements to ensure all products comply with relevant regulations.
- The Supplier Green Product Purchasing Contract and Supplier Corporate Social Responsibility Statement formulated to standardize suppliers' compliance with environmental protection directives including "the Restriction of the use of certain hazardous substances in electrical and electronic equipment", the "Waste Electrical and Electronic Equipment Directive", the "Directive of Packaging and Packaging Waste", "Registration, Evaluation, Authorization and Restriction of Chemicals", the "Batteries and Accumulators and Waste Batteries and Accumulators Directive", the "Directive of Eco-design Requirements of Energy-using Products (ErP)", "US Conflict Minerals", the "Stockholm Convention on Persistent Organic Pollutants (POPs)", and "TSCA, the Toxic Substances Control Act", and address environmental issues of corporate social responsibility and other requirements.
- Suppliers are required to submit product-related component testing and verification reports during the product design stage, and the product development progress and implementation results are monitored through the review report.

Conflict Minerals Management Policy

MitraStar promises not to use conflict minerals and have published the Prohibition of Conflict Minerals Statement on the company's official website. We also ask suppliers to abide by the Prohibition of Conflict Minerals procurement policy and communicate this requirement to their upstream suppliers for compliance.

Conflict Minerals Management

MitraStar has established the conflict minerals material management process to ensure that our products comply with regulatory requirements on conflict minerals. We have included the prohibition of conflict minerals in the suppliers' green product policy. Suppliers must promise to not use conflict minerals and not accept primary minerals such as tantalum (Ta), tin (Sn) Gold (Au), tungsten (W) (3TG for short) and other raw materials mined under the control of armed groups from the Congo and neighboring countries in Central Africa in the production of products. We have also announced MitraStar's "Prohibition of Conflict Minerals Statement" declaring that products cannot use conflict minerals from conflict countries.

Our "Conflict Minerals Internal Flow Chart" is designed to ensure the suppliers' conflict minerals management process. MitraStar has adopted the RBA's "Conflict Minerals Reporting Template" (CMRT) to conduct a reasonable level of mineral source country investigation (Reasonable Country of Origin Inquiry, RCOI) which data provided by the Responsible Minerals Initiative for suppliers to identify the sources of 3TG in their products and confirm whether it comes from conflict areas.

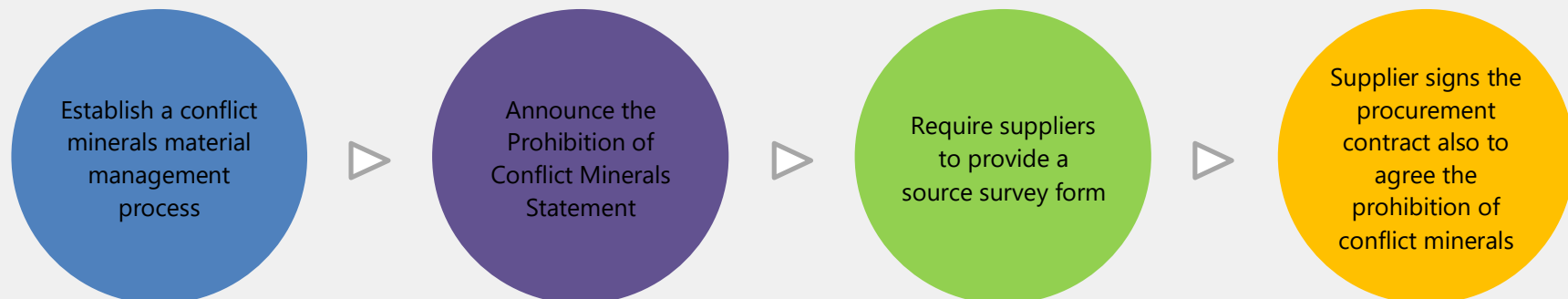
MitraStar's "Conflict Minerals Policy" covers procurement procedures. When the supplier signs the procurement contract, it also agrees to the prohibition of conflict minerals. Suppliers are required to abide by our procurement policy's prohibition of conflict minerals and comply with the "Conflict Minerals Reporting Template" and work together with us to do their best for corporate social responsibility.

Product and Supplier Survey Coverage Rate

As MitraStar is an ODM, the conflict mineral surveys for its suppliers are conducted mainly at customers' request. It was relatively difficult to calculate the percentage of suppliers surveyed due to larger changes in the supplier pool. Hence, the number of suppliers surveyed was disclosed instead.

From 2015~2021, MitraStar Technology surveyed 146 part suppliers for the possible use of metal minerals for the product parts at customers' request.

Conflict Minerals Management Process



5. Development of Suppliers' Sustainability Capabilities

Upholding the philosophy of marching towards a sustainable environment together with suppliers, we cooperate with them in a proactive manner. In addition to conducting ESG-related training for the suppliers, we also assist them in continuous improvements, team up with them to fight climate change, request them to adopt programs for introducing the ISO14064-1 GHG Inventory to be used as a basis for reducing the carbon emissions of the products and setting low-carbon management goals for the suppliers in the future, and offer supplier incentive programs. Projects where we and our suppliers cooperated are disclosed on the CDP's climate change platform and rated as B- in the evaluation, which is equal to the average score of the evaluated enterprises around the world and the companies in the electronics industry, demonstrating our determination and performance in accelerating global climate actions in collaboration with our suppliers.

Thorough Promotion of ESG Training for Suppliers

To disseminate MitraStar's sustainability philosophy to our suppliers and facilitate their ongoing improvements, MitraStar designs learning materials for the "Supplier CSR Education and Training" according to the RBA Code of Conduct. In this way, we can promote labor rights, ethical, health, environmental, and management system standards.

In an effort to implement ESG training for the suppliers thoroughly, boost their awareness, and thereby drive and increase the value of value chains, a new program has been launched to offer 2-stage ESG education and training for all our employees and suppliers. Stage 1 involves basic ESG education and training for the participants to understand what ESG is/why it is important and its essence. Stage 2 provides advanced ESG education and training aiming to further convey MitraStar's ESG policies and strategies and to explain the Company's supplier CSR audit procedures and approaches. An online system has also been introduced for the developed video-based CSR training materials and used for online dissemination.

ESG Training Goals for Key Suppliers in 2022: 100%

Key Suppliers' Programs for the Introduction of ISO14064 for Carbon Emissions

Our key suppliers are required to execute plans for obtaining CSR-related certificates and awards so as to encourage them to promote sustainable development. The experiences of suppliers succeeding in getting the certificates are used to help those that have not facilitated a sustainable supply chain. MitraStar sets goals for the reduction of GHG emissions to gain a grasp of the suppliers' GHG inventory practices and how well they are implemented and to use them as a basis for reducing the carbon emissions of the products and setting low-carbon management goals for the suppliers in the future.



Goals for Suppliers' Programs for Introducing the ISO 14064 Greenhouse Gas Inventory

Goals	2022 Goal Achievement Rate	2024 Goal Achievement Rate
Introduction of ISO 14064	Achievement rate during 2022~2024: 75%	

Cooperation of Key Suppliers in Product Carbon Footprint Inventories:

Year	Goal
2024	Target completion rate in two years: 50% (by the end of 2024)
2027	Target completion rate in five years: 75% (by the end of 2027)
2029	Target completion rate in seven years: 100% (by the end of 2029)

Reward Programs for Outstanding Suppliers

To encourage the suppliers to advance sustainable development, realize a supply chain sustainability management model, and build sustainable supply chain partnerships, we not only require them to bring forth new ESG projects in the supplier evaluation, but also to evaluate the suppliers' CSR certification results from impartial third parties every year. Suppliers who make significant progress or have good performance and pass on-site audits are presented with awards and rewarded at the end of the year.

Environment Protection

- A. Climate Change
- B. Energy Conservation
- C. Water Management
- D. Waste Management
- E. Air Pollution Prevention
- F. Ecological Preservation



Sustainable Environment Commitment

Climate change has been the environmental issue that most concerns the world. With the upcoming trend of a low-carbon and circular economy, we are deeply aware that marching towards environmental sustainability is the only way to achieve sustainable management in the competitive market in the face of the global trend.

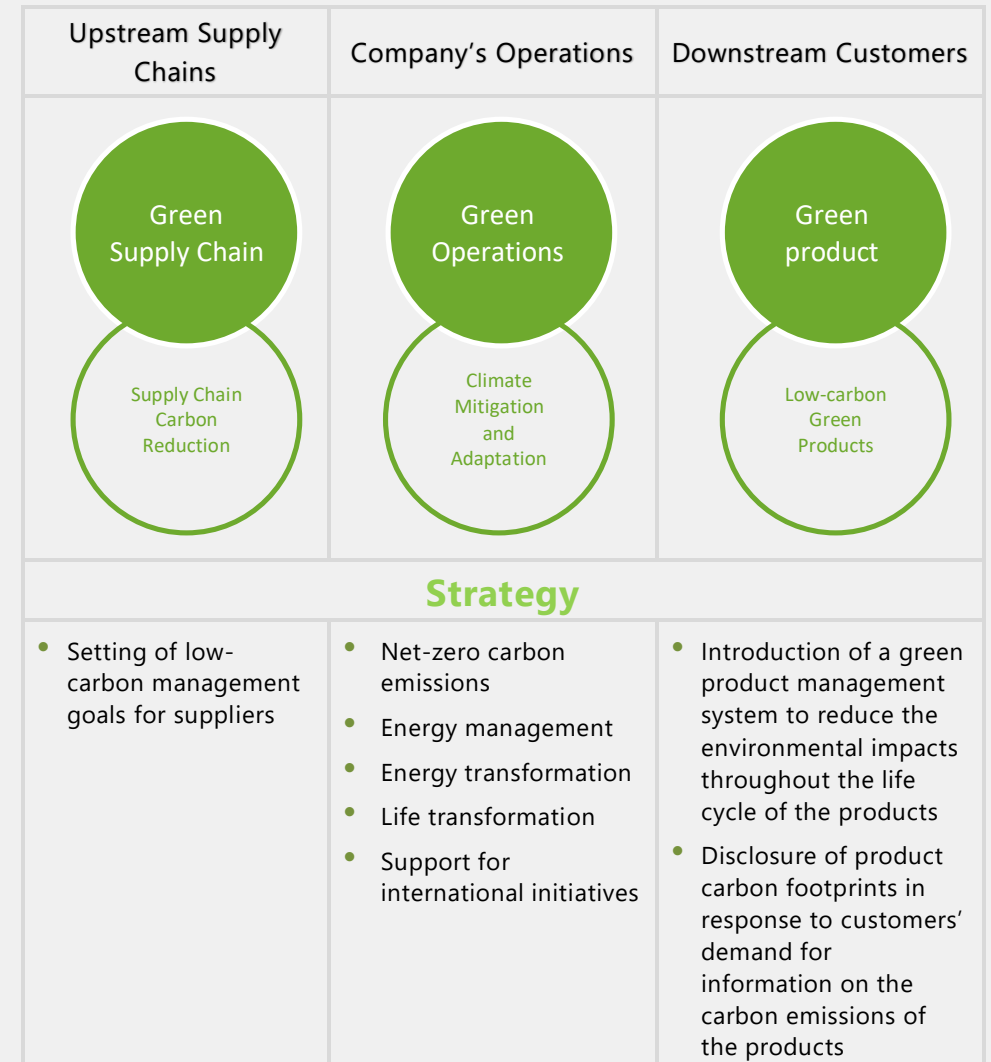
MitraStar makes a commitment to take the impacts of climate change seriously, identifies a sustainable environment as one of the Material topics for the Company's sustainable operations, and responds to the stakeholders' concerns about environmental issues and expectations of us.

For environmental strategies, three strategic pillars, "Supply Chain Carbon Reduction", "Climate Mitigation and Adaptation", and "Low-carbon Green Products" are developed based on three value chain aspects, "Green Supply Chain", "Green Operations", and "Green Products", respectively, to identify climate change risks and opportunities. We also implement mitigation and adaptation plans, set GHG reduction, water saving and waste reduction goals, and drive our employees' eco-friendly awareness and actions. A green product management system has been introduced to reduce the environmental impacts throughout the life cycle of our products. We respond to the demand of customers for information on the carbon emissions of the products by disclosing their carbon footprints. In addition, the suppliers are required to make plans for carbon inventories to be used as a basis for reducing the carbon emissions of the products and setting low-carbon management goals for the suppliers in the future. Comprehensive sustainable actions take place through collaboration with our employees, customers, and suppliers in the value chain. The Company also uses management systems to make ongoing improvements, actively supports international initiatives, and stays in line with global sustainable actions.

Stakeholders ▶ Customers, Suppliers, Government Agencies



Three Environmental Strategy Pillars



Note: Actions for the three environmental strategy pillars: For Green Supply Chain, refer to Chapter "Value Chain: Supplier Management"; for Green Products, refer to Chapter "Green Products"; for Green Operations, refer to this chapter, "Environment Protection".

Goals for Three Environmental Strategy Pillars

Pillars	Strategy	Corresponding Practice	2022~2024 Short-term Goal	2025~2050 Medium-to-long-term Goal
Green Operations	Net-zero carbon emissions	Set carbon reduction goals	<ul style="list-style-type: none"> Achieve an annual carbon reduction target of 4.2% (corresponding to a temperature rise of 1.5°C or below), with 2021 as the base year Achieve the science-based targets (SBTs) by 2022 Submit our short-term SBTs by 2024 	Deliver the commitment to net zero in 2050
	Energy management	<ul style="list-style-type: none"> Set energy saving goals Implement electricity saving measures 	2024 <ul style="list-style-type: none"> MitraStar Technology: Reduce the emissions by 50.2 metric tons CO₂e 	MitraStar Technology (manufacturing plant) Perform additional energy measures to achieve a reduction of 20 million kWh in the electricity consumption from 2015~2030
	Energy transformation	Use renewable energy	Assess the installation of additional photovoltaic power systems	Assess the procurement of green electricity
	Life transformation	Update in-plant equipment	2022 <ul style="list-style-type: none"> Use highly efficient ice machines Go paperless throughout the production lines Introduce smart material racks 	2030 Purchase electric company cars
	Support for international initiatives	Support international initiatives and commitments and participate in the initiatives	<ul style="list-style-type: none"> Commit to the Science Based Targets initiative (SBTi) Support TCFD for the financial impact of climate change EV100 	<ul style="list-style-type: none"> RE100 EP100
Green Supply Chain	Supply chain carbon reduction	Require suppliers to perform carbon inventory plans	Ensure key suppliers conduct carbon inventories within three years	Achieve a completion rate of > 75% for the carbon inventories of key suppliers
Green product	Low-carbon products	<ul style="list-style-type: none"> Reduce the environmental impacts throughout the life cycle of the products Disclose the carbon footprints of the products 	<ul style="list-style-type: none"> Establish design guidelines to ensure eco-friendly packaging, product energy efficiency, easy disassembly and recyclability, and the use of sustainable materials and parts/components Use non-plastic bags, energy-efficient software and hardware that can be disassembled easily, PCR plastics, and 100% recyclable paper packaging materials for green products to be shipped Create a standardized product carbon footprint format 	Apply the green product design to all products to be shipped

Green Operation

Near-term goals and achievements

Issue	Management Guideline	2021 Goal	Achievement	2022 Goal
Strengthen climate resilience	Production interruption days	<ul style="list-style-type: none"> Climate disaster caused production interruption for 0 days 	<ul style="list-style-type: none"> Climate disaster caused production interruption for 0 days 	<ul style="list-style-type: none"> Climate disaster caused production interruption for 0 days
Greenhouse gas reduction (Note 1~3)	Setting targets under the SBTi absolute emission reduction approach	<ul style="list-style-type: none"> Five-year (2017~2021) carbon reduction of 20,000 tonnes Plan in 2017 	<ul style="list-style-type: none"> 2017~2020: Achieve a cumulative greenhouse gas emissions reduction of 1,640 tons CO₂e in 4 years, reaching 82% of the target 2021 total carbon emissions of 5674.1588 tons CO₂e 	<ul style="list-style-type: none"> According to the SBTi absolute emission reduction method, the annual carbon reduction target is 4.2% (corresponding to a temperature increase of less than 1.5 degrees)
Energy efficiency	Achieving energy saving goals	Energy saving target: <ul style="list-style-type: none"> reduce CO₂e emissions by 300 tons CO₂e in 2021; 2017~2021 cumulative energy saving target: 2000 tons CO₂e 	Total energy saving: <ul style="list-style-type: none"> 2021: 50.2 tons CO₂e reduction 2017~2021: 2,520 tons CO₂e reduction 	Energy saving target: <ul style="list-style-type: none"> energy saving target in 2022: 100,000 kWh energy saving (reduce 50.2 tons CO₂e emissions) 2018~2022: Cumulative energy saving of 3.9 million kWh (reduce 1,950 tons CO₂e emissions)
Water Management	Continue to implement daily water saving measures	Water saving rate >3%	Water saving rate 4%	Water saving rate >3%
Waste Resource Management	Waste recycling rate	Recycling rate >90%	Recycling rate: 93%	Recycling rate >93%
Compliance with environmental regulations	Compliance with regulations	0 cases of violation of environmental protection laws and regulations	No violation of environmental protection laws and regulations	0 cases of violation of environmental protection laws and regulations
Management system of external certification	Management system external certification	Various environmental management systems have passed external verification up to 100%	Passed ISO14001 external verification	Various environmental management systems have passed external verification up to 100%

Note 1: In 2021, in response to the addition of Categories 3~6 to the provisions of ISO14064-1:2018 and the changes in IPCC GWP values and relevant GHG emission factors, the Company redefined the boundary for inventory in 2021. In addition, we not only engaged external experts to assist in carrying out the GHG inventories, but also built a systematic mechanism for improving the accuracy of the quantitative data to ensure the credibility of the inventory data.

Note 2: The achievement rate in 2021 will be presented separately in terms of cumulative achievements in 2017~2020 and 2021

Note 3: The power supplier of the company is Taiwan Power Company, and the carbon reductions of MitraStar Hsinchu site were calculated using the power carbon emissions coefficient of 0.502 tons CO₂e/MWh announced by the Bureau of Energy, Ministry of Economic Affairs, in 2021

A. Climate Change

The earth's climate and environment are gradually deteriorating due to the influence of greenhouse gases. As members of the earth's citizens, we proactively deal with the problem of global warming, so that the earth can avoid the impact and danger caused by climate change. Establishing the ability to adapt to climate risks and reducing possible climate risks to business operations are important issues that must be faced and planned for early in the sustainable operation of enterprises. Therefore, we actively respond to international environmental initiatives, strive to set goals, and implement practical actions to show the strength of MitraStar's determination to work together to care for our environment.

Climate Actions in Response to the SDGs



To respond to one of the UN's Sustainable Development Goals, **Goal 13: Climate Action**, emergency measures are adopted to cope with climate change and its impacts.

We aim for GHG reduction, energy saving, water resource management, the incorporation of product R&D into the life cycle of our products, and the disclosure of product carbon footprints.

Participation in the SBTi (Science Based Targets initiative)



The presence of international environmental initiatives on climate change drives the Company to actively commit to support and participate in related global initiatives. We decide to **submit a SBT commitment letter** in 2023 in support of the SBTi and **present our short-term SBTs** in 2024 to deliver our commitment to net zero in 2050.

We consider joining the **EV100** and **RE100** initiatives to declare the Company's support for the international initiatives and launch carbon reduction actions.

CDP (Carbon Disclosure Project) Platform



MitraStar complete questionnaires about "climate change" and "water safety" on the CDP platform every year. For climate change, it was rated as **C**. and received a **C** rating for water safety and a **B-** rating for "value chain engagement". MitraStar made significant progress in terms of its ratings as compared to the previous year.

MitraStar discloses on the CDP platform their climate change-related strategies, goals and actions, set improvement goals and plans for betterment according to the CDP's evaluation requirements and results, and review their improvements based on the customers' requirements for suppliers' CDP performance with the aim of meeting their needs and global expectations.

TCFD for Climate Scenario Analysis and Financial Impact Estimation



MitraStar assesses the risks and opportunities of financial impacts from climate change and is scheduled to invite consultants to provide guidance for the departments in conducting further **climate scenario analysis** and **financial impact estimation** for the existing climate change policies and strategies in 2022. By doing so, we are able to grasp current and future risk factors as well as the actual financial impacts on the Company so that risk prevention and response measures can be implemented.

1. Climate-related Financial Disclosures (TCFD)

MitraStar has included climate change as one of the major risk projects for corporate sustainability. We follow the framework of the "Task Force on Climate-related Financial Disclosures" (TCFD) released by the International Financial Stability Board to disclose information on climate governance, strategies, risk management, indicators and targets, etc. with yearly updates. MitraStar identifies the risks and opportunities of climate change, supervises operational strategies and financial planning from the corporate governance level, reduces the financial impact of climate risks on operations, further analyses opportunities for climate change, and strengthens research and development capabilities to continue developing energy-saving products and solutions.

■ Governance Organization

• Board of Directors

The chairman of the Sustainability Committee of the parent company Unizyx is concurrently the chairman of the board of directors and supervises the promotion and implementation of the sustainable development of the team, and makes decisions and reports directly to the board of directors. The Sustainability Committee reports to the Board of Directors on sustainable development plans and achievements every year. If there are major climate change issues, it will also submit special reports to the Board of Directors.

• MitraStar Sustainability Committee

Composed of high-level management, the MitraStar Sustainability Committee is the highest-level organization for sustainable development management. It is the decision-making unit for climate change and coordinates the operation of relevant departments.

• Climate Change Team

The "Environment, Safety, and Health Team" under the MitraStar Sustainability Committee is the main member unit of the Climate Change Team. It is responsible for issues related to climate change; including assessing its impact in terms of operational crises and financial impacts, evaluating related risks and opportunities, and the company's climate-related actions and results.

■ Strategies

- Identify risks and opportunities generated by climate change and carry out climate change mitigation and adaptation programs
- Mitigate potential climate change risks and develop capabilities to adapt to the climate risks
- Analyze climate change opportunities, accumulate and increase our R&D capacity, and develop green energy and energy-efficient products and solutions on an ongoing basis
- Set GHG reduction, water saving and waste reduction goals for energy management
- Drive the employees' eco-friendly awareness and actions
- Include climate change risks and the risks caused thereby to the operations in the corporate risk management system to identify, assess, and manage the risks with standardized procedures.

Climate-related Financial Disclosures (TCFD)

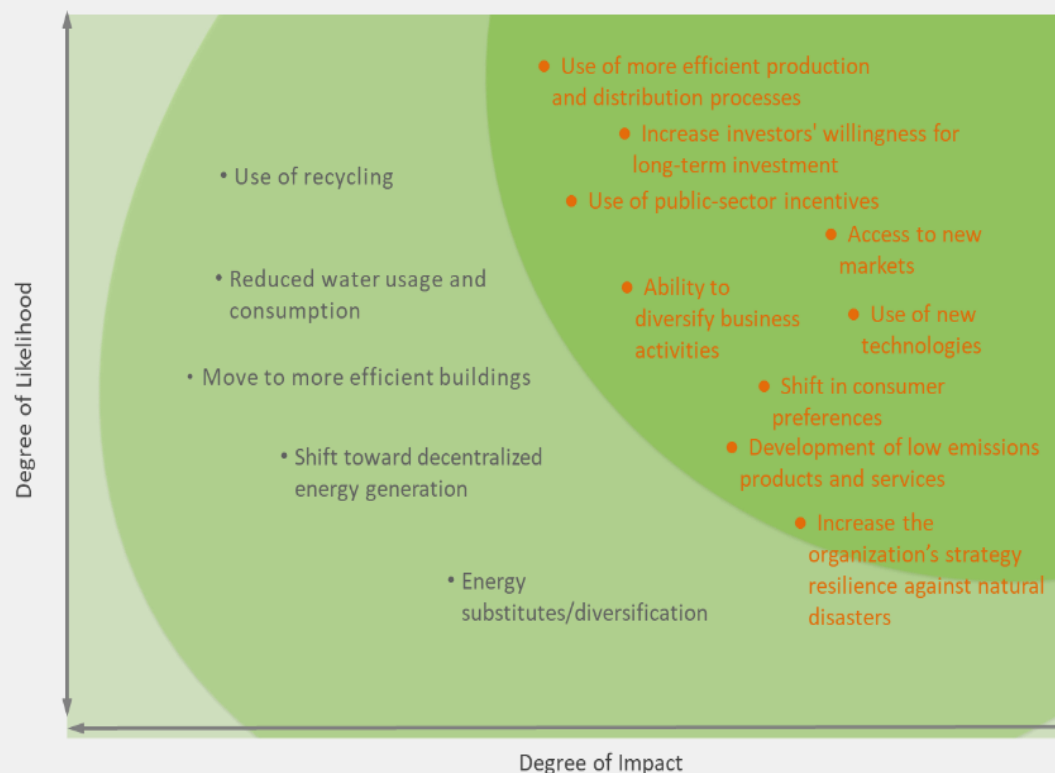
	Disclosure matters	Response to management strategies and actions
Governance	<ul style="list-style-type: none"> The board's oversight of climate-related risks and opportunities. 	<ul style="list-style-type: none"> The chairman of the Sustainability Committee of the parent company Unizyx is concurrently the chairman of the board of directors and supervises the promotion and implementation of the sustainable development of the team, and makes decisions and reports directly to the board of directors.
	<ul style="list-style-type: none"> Describe the role of management in assessing and managing climate-related risks and opportunities. 	<ul style="list-style-type: none"> The "Environment, Safety, and Health Team" under the MitraStar Sustainability Committee is the main member unit of the Climate Change Team. It is responsible for issues related to climate change, assessing its impact in terms of operational crises and financial impacts, evaluating related risks and opportunities, and the company's climate-related actions and results.
Strategy	<ul style="list-style-type: none"> Identify short, medium, and long-term climate-related risks and opportunities 	<ul style="list-style-type: none"> Through cross-departmental discussions, identify short, medium, and long-term climate risks and opportunities
	<ul style="list-style-type: none"> Impact of climate-related risks and opportunities on operations, strategies, and financial planning 	<ul style="list-style-type: none"> Assess the actual and potential impact of major climate risks and opportunities on the company's business, strategy, and financial planning
	<ul style="list-style-type: none"> Consider the resilience of organizational strategies in different climate scenarios 	<ul style="list-style-type: none"> Climate action linked to SDG goals
Risk Management	<ul style="list-style-type: none"> Process for identifying and assessing climate-related risks 	<ul style="list-style-type: none"> Use the TCFD framework to establish a climate risk identification process, and actively identify risks through the climate risk matrix.
	<ul style="list-style-type: none"> Process for managing climate-related risks 	<ul style="list-style-type: none"> According to the risk identification process, the identification results are collected and discussed in the "Sustainable Development Committee" meeting held every year to formulate management practices.
	<ul style="list-style-type: none"> Integrate the process of identifying, assessing, and managing climate-related risks into the overall risk management of the organization 	<ul style="list-style-type: none"> Integrate the process of identifying, assessing, and managing climate change risks and various operational risks into the enterprise risk management (ERM) system.
Metrics and Targets	<ul style="list-style-type: none"> Evaluation of climate-related risks and opportunities followed by strategies and risk management process indicators 	<ul style="list-style-type: none"> Use greenhouse gas reduction, energy conservation, and waste reduction as indicators to measure the degree of risk impact. Incorporate green product research and development into the product life cycle, disclose product carbon emissions, and set low-carbon product indicators
	<ul style="list-style-type: none"> Greenhouse gas emissions and related risks in all areas 	<ul style="list-style-type: none"> Formulate targets for greenhouse gas reduction, energy conservation, and waste reduction; and set relevant response plans Regularly check greenhouse gas emissions and review the impact of the company's operations
	<ul style="list-style-type: none"> Targets for managing climate-related risks and opportunities, and the performance of corresponding targets 	<ul style="list-style-type: none"> Expose climate action to meet SDG goals Participate in the SBTi scientific carbon reduction target initiative Implement a monitoring mechanism and set targets for climate risks with a high degree of impact Develop low-carbon indicators for product parts, analyze data on high-carbon parts, and provide relevant information on carbon reduction directions Link the internal system and the data stream of the carbon footprint platform Establish technical standards for the use of recycled plastics and carbon reduction assessment methods

2. Climate Change Risk & Opportunity Classification

Based on the categories of climate-related risks and opportunities of TCFD, MitraStar's relevant departments collect and analyze information on international climate-related trends, industry concerns, and MitraStar's reply to the contents of the CDP (Carbon Disclosure Project) questionnaire and meet to evaluate and discuss them. The impacts of specific risk topics and scenarios on MitraStar's organization and operations are identified and climate-related risks and opportunities are ranked according to the degree of impact to find out the potential crises and possible opportunities in response to climate change. Plans to follow TCFD recommendations are included in the annual financial report where MitraStar exposes the most important climate-related risks and opportunities. In September 2022, we have launched a program to analyze the financial impact using climate scenarios.

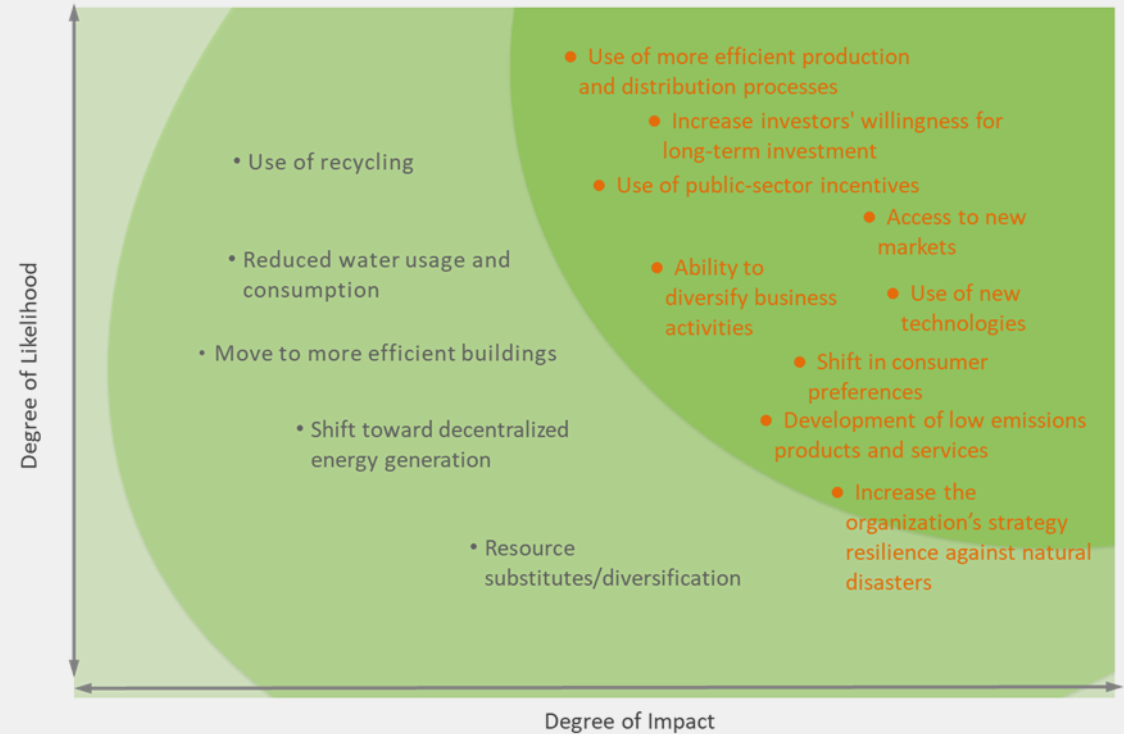
TCFD Climate-Related Risk Identification Matrix

Type	Aspects	Major Risks	Other Risks
Transition Risks	Policy and Legal	Fuel/energy tax or relevant regulations	<ul style="list-style-type: none"> Enhanced emissions-reporting obligations Mandates on and regulation of existing products and services
		Environmental law	
		Emissions control	
	Technology	Costs to transition to lower emissions technology	<ul style="list-style-type: none"> Exposure to litigation Constraints on air pollution
	Market	Changes in market requirements	
Increased costs of raw materials			
Reputation	Increased stakeholder concern or negative feedback	<ul style="list-style-type: none"> Stigmatization of sector Rising sea levels 	
Physical Risks	Acute	Extreme weather events (ex: typhoons, floods)	
	Chronic	Chronic Climate Change (average temperature rise)	



TCFD Climate-Related Opportunity Identification Matrix

Type	Major Opportunity	Other Opportunity
Resource Usage Efficiency	Use of more efficient production and distribution processes	<ul style="list-style-type: none"> • Use of recycling • Move to more efficient buildings • Reduced water usage and consumption • Shift toward decentralized energy generation • Resource substitutes/diversification
Energy Source	Use of new technologies	
Products and Services	Development of low emissions products and services	
	Ability to diversify business activities	
	Shift in consumer preferences	
Markets	Access to new markets	
	Use of public-sector incentives	
Resilience	Increase investors' willingness for long-term investment	
	Increase the organization's strategy resilience against natural disasters	



Climate-Related Risks & Opportunities and Potential Financial Impacts

Type	Aspects	Major Risks	Potential Financial Impacts
Transition Risks	Policy and Legal	Fuel/energy tax or relevant regulations	Increases in tax, management, and investment costs
		Environmental law	Cost increases in compliance with environmental regulations
		Emissions control	Increased costs of installation and operation for carbon reduction facilities
	Technology	Costs to transition to lower emissions technology	Increased costs of developing technology
	Market	Changes in market requirements	Reduced demand for products and services due to shift in customers' preferences
		Increased costs of raw materials	Increases in raw material procurement costs
Reputation	Increased stakeholder concern or negative feedback	Damage to MitraStar's reputation or image	
Physical Risks	Acute	Extreme weather events (ex: typhoons, floods)	Power outages, losses of plant equipment, supply chain and production interruptions
	Chronic	Chronic Climate Change (average temperature rise)	Increasing electricity consumption and carbon emissions, leading to increased costs

Type	Opportunity	Potential Financial Impacts
Resource Efficiency	Use of more efficient production and distribution processes	Production line automation, improved production efficiency
Energy Source	Use of new technologies	Reduced operational costs
Products and Services	Development of low emissions products and services	Increase revenue by meeting customer demands for energy-saving products
	Ability to diversify business activities	Create new business opportunities and increase revenue
	Shift in consumer preferences	Give priority to adapting to the market, meeting customers' needs, and increasing their satisfaction
Markets	Access to new markets	Increased revenue
	Use of public-sector incentives	Reduced operating and production costs
Resilience	Increase investors' willingness for long-term investment	Stabilize stakeholder structure, and lessen the risk of large stock fluctuations
	Increase the organization's strategy resilience against natural disasters	Reduce the probability of and losses due to operations interruptions

Climate Change Risks and Opportunities Responses

Type	Aspects	Risks	Opportunity	Response plans and actions
Transition Risks	Regulations /energy	<ul style="list-style-type: none"> Fuel/energy tax or relevant regulations Environmental law Emissions control 	<ul style="list-style-type: none"> Use of more efficient production and distribution processes Use of new technologies 	<ul style="list-style-type: none"> Set SBT carbon reduction targets Greenhouse gas reduction, water saving, waste reduction targets Continuous implementation of gas reduction measures Assess the use of renewable energy
	Technology /product	Costs to transition to lower emissions technology	<ul style="list-style-type: none"> Development of low emissions products and services Ability to diversify business activities Shift in consumer preferences 	<ul style="list-style-type: none"> Introduce green product management system to reduce the impact of product life cycle on the environment Expose product carbon footprint and respond to customers' demand for product carbon emissions information Continue to invest in energy-saving product research and development
	Market	<ul style="list-style-type: none"> Changes in market requirements Increased costs of raw materials 	<ul style="list-style-type: none"> Access to new markets Use of public-sector incentives 	Develop low-carbon design products, improve product efficiency, and respond to market demand
	Reputation	Increased stakeholder concern or negative feedback	Increase investors' willingness for long-term investment	<ul style="list-style-type: none"> Continue sustainable environmental goals and actions to establish a sustainable corporate image Responding to international initiatives
Physical Risks	Acute	Extreme weather events (ex: typhoons, floods)	Increase the organization's strategy resilience against natural disasters	<ul style="list-style-type: none"> Conduct risk assessment and risk mitigation measures for typhoon and flood disasters in the manufacturing plant area Regular natural disaster emergency drills
	Chronic	Chronic Climate Change (average temperature rise)		

2. Carbon Management

Material Issue	Management Approach	Goal in 2021	Achievement in 2021	Goal in 2022
Climate strategy	GHG reduction Setting of targets using the SBTi's Absolute Emissions Contraction approach	<ul style="list-style-type: none"> Five-year (2017~2021) carbon reduction of twenty hundreds20,000 tonnes Plan in 2017 	<ul style="list-style-type: none"> 2017~2020: Achieve a cumulative greenhouse gas emissions reduction of 1,640 tons CO₂e in 4 years, reaching 82% of the target 2021 total carbon emissions of 5674.1588 tons CO₂e 	According to the SBTi absolute emission reduction method, the annual carbon reduction target is 4.2% (corresponding to a temperature increase of less than 1.5 degrees)

Note: In response to the addition of Categories 3~6 to the provisions of ISO14064-1:2018 and the changes in IPCC GWP values and relevant GHG emission factors, 2021 was the year when the Company redefined the boundary for inventory to ensure the credibility of the inventory data.

Climate change has been a threat to global living environments. To implement sustainable development, we have set an annual carbon reduction target of 4.2% (corresponding to a temperature rise of 1.5 or below) and a long-term carbon reduction goal to achieve net-zero emissions in 2050, initiated carbon reduction plans, and developed implementation schedules and strategies.

To make step-by-step progress on the road to net-zero emissions, the Company adopts Scope 3 GHG inventories for calculation, works towards SBTs, and assesses projects for the use of renewable energy and the procurement of green electricity.

MitraStar gains a grasp of information on in-plant GHG emissions and uses it as a basis for management of the in-plant emissions. Our GHG inventories are conducted in accordance with the ISO 14064-1 GHG Inventory Standard. The Company's GHG emissions are inventoried regularly every year to have a picture of the GHG use and emissions and take actions to reduce the emissions. The GHG inventory results verified by third parties are used to review our overall carbon reduction performance.

GHG Inventory

2017 was originally the base year for the Company's GHG inventories and a target of reducing the GHG emissions by 2,000 metric tons CO₂e (during 2017~2021) was set. We have kept track of the annual emissions and set emission reduction goals. GHG inventories have been conducted pursuant to the ISO 14064 Standard. The emission sources include: (1) direct emissions (Scope 1), including those from emergency generators and company cars using fuel oil; (2) indirect emissions (Scope 2 and Scope 3), including those from the purchased electricity and other emission sources. During 2017~ 2020, the GHG emissions were reduced by a total of 1,640 metric tons CO₂e, with a target achievement rate of 82%.

In 2021, in response to the addition of Categories 3~6 to the provisions of ISO14064-1:2018 and the changes in IPCC GWP values and relevant GHG emission factors, the Company redefined the boundary for inventory in 2021. In addition, we not only engaged external experts to assist in carrying out the GHG inventories, but also built a systematic mechanism for improving the accuracy of the quantitative data to ensure the credibility of the inventory data.

MitraStar's Scopes 1, 2 and 3 CO₂ emissions in 2021 were 427.34 metric tons CO₂-e, 4431.94 metric tons CO₂-e, and 814.88 metric tons CO₂-e, respectively, totaling 5674.16 metric tons CO₂-e. It has obtained the ISO14064-1 verification certificate.

Greenhouse Gas Emissions

Unit: Ton CO ₂ -e	2019				2020				2021			
	Scope 1	Scope 2	Scope 3	total emissions	Scope 1	Scope 2	Scope 3	total emissions	Scope 1	Scope 2	Scope 3	total emissions
MitraStar Hsinchu site	201.5913	5278.4238	-	5480.0151	199.6734	5007.7292	-	5207.4026	427.3398	4431.9420	814.8770	5674.1588

Greenhouse Gas Emission Intensity (Carbon emissions intensity = carbon emissions / MitraStar's revenue NT\$ M)

Unit: Ton CO ₂ -e /NT\$ M	2019			2020			2021		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
MitraStar Hsinchu site	0.01	0.35	-	0.02	0.38	-	0.03	0.26	0.05

Note 1: In 2021, MitraStar conducted the surveys of greenhouse gases for scope 3

Note 2: The types of greenhouse gases refer to the seven greenhouse gases defined in the ISO 14064 standard, including CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃

Note 3: The emission scopes of the GHG inventory are disclosed under operation control; Global Warming Potentials (GWP) are cited from the IPCC 6th Assessment Report

Indirect GHG Emissions (Scope 3)

MitraStar's Hsinchu site conducts emissions source identification based on organizational boundaries to confirm the inventory of direct and indirect greenhouse gas emission sources. However, it is not easy to classify and quantify the materiality of indirect greenhouse gas emission sources. Nor is it easy to confirm the accuracy of the results. Therefore, we use the "materiality assessment criteria table" to identify emission source projects with significant risks and opportunities.

After the management representatives held a meeting to discuss and consider the practical, technical, and economic aspects of the organization, the following table items were decided to be the plant's major indirect emission source inventory items in the current year. The inventory data is as follows. Third party verification has been completed and a ISO 14064-1 verification certificate has been obtained.

MitraStar Hsinchu site

Sources of emissions	Emissions (tCO ₂ e)
Category 4: indirect GHG emissions from products used by organization	
4.1 Emissions from Purchased goods	814.877

Participation in the Science Based Targets initiative (SBTi)

To help meet the carbon reduction targets in the IPCC's "Special Report on Global Warming of 1.5C", we have set short-term, medium-term and long-term carbon reduction goals. We are scheduled to support the SBTi by putting forward a SBT commitment letter in 2022 and submitting our short-term SBTs in 2024 to deliver on our commitment to achieve net-zero emissions in 2050.

The Company performed GHG inventories for our Scopes 1, 2 and 3 emissions in 2021 to achieve the SBTs. With 2021 used as the base year, the required annual carbon reduction was calculated to be 4.2% based on the inventoried carbon emissions (corresponding to a temperature rise of 1.5°C or below) on the SBTi platform used for the calculation of carbon emissions. We thus set the annual carbon reduction target at 4.2%. The required annual carbon reduction by 2030 was also calculated to set the medium-term carbon reduction goal by 2030.

By signing up to the SBTi, the Unizyx holding company hopes to facilitate the setting of specific carbon reduction targets and schedules, contribute to our carbon reduction actions and outcomes, deliver on our commitment to net zero, and demonstrate our determination to make an effort to accomplish global sustainable development as an international enterprise.

Actions for the Reduction of Carbon Emissions

For the Company's operations, our environmental strategies adopt green operations as the strategic pillar. Aiming to achieve climate mitigation and adaptation, MitraStar has set short-term and medium-to-long-term carbon reduction targets for net-zero emissions, energy management, energy transformation, life transformation, and support for international initiatives. We have signed up to the SBTi and set an annual carbon reduction goal of 4.2% (corresponding to a temperature rise of 1.5°C or below). Our actions for reducing the direct carbon emissions (Scope 1), including emissions from emergency generators and company cars using fuel oil, and the indirect emissions (Scope 2 and Scope 3), including emissions from the purchased electricity and other emission sources, to achieve our GHG reduction targets are as follows:

	Scope 1	Scope 2	Scope 3
MitraStar Technology	<ul style="list-style-type: none"> Assess the electrification of the company cars Purchase constant temperature and humidity equipment with low refrigerant content Optimize the septic tank system to reduce anaerobic bacteria generated 	<ul style="list-style-type: none"> Install photovoltaic power generation systems Use highly efficient ice machines Promote an energy-saving responsibility system 	<ul style="list-style-type: none"> Reduce indirect GHG emissions generated from the purchased electricity Reduce GHG emissions generated from the use of the production products Cut waste generated from the operational activities

B. Energy Management

The Company has been dedicated to environmental protection and energy saving for a long period of time. In addition to improving energy and resource efficiency during product design, R&D, and manufacturing processes, in terms of environmental management, we are certified for the ISO 14001 Environmental Management System Standard and create a pollution prevention and improvement mechanism with systematic management approaches to keep our energy management goals in line with the implementation strategies. MitraStar is a company with low energy intensity. Our energy and resource management involves electricity, water consumption, and waste management.

Our electric energy resources are mainly used for office lighting and air conditioning.

Energy Conservation Target

Material Issue	Management guideline	2021 Goal	Achievement	2022 Goal
Energy efficiency	Achieving energy saving goals	Energy saving target: <ul style="list-style-type: none"> • reduce CO2e emissions by 300 tons CO2e in 2021; • 2017~2021 cumulative energy saving target: 2500 tons CO2e 	Total energy saving: <ul style="list-style-type: none"> • 2021: 50.2 tons CO2e reduction • 2017~2021: 2,520 tons CO2e reduction 	Energy saving target: <ul style="list-style-type: none"> • energy saving target in 2022: 100,000 kWh energy saving (reduce 50.2 tons CO2e emissions) • 2018~2022: Cumulative energy saving of 3.9 million kWh (reduce 1,950 tons CO2e emissions)

Power consumption

Unit: gigajoules	2019	2020	2021
MitraStar Hsinchu site	35,928	35,425	36,224

Power usage intensity

(Power usage: gigajoules /MitraStar revenue: million NTD)

Unit: gigajoules	2019	2020	2021
MitraStar Hsinchu site	2.40	2.69	2.12

Other energy consumption (diesel/gas usage)

gigajoules /year	type	2019	2020	2021
MitraStar Hsinchu site	diesel	17.49	19.92	21.12
	gas	100.97	126.07	142.49

Note 1: According to the energy product unit heat value table and common energy unit conversion table of " Bureau of Energy 2019 Energy Statistics Handbook", 1 liter of diesel oil is equal to 0.0352 gigajoules.

Note 2: The above statistics are all non-renewable energy

Enhancement of Energy Efficiency

System	Projects in 2021	Electricity Saved (kWh)	Money Saved (NT\$/Year)	Carbon Reduction(KG)
Lighting system	Replacement of the 8 mercury-vapor lamps (250W) (on the high ceiling) in the lobby on the 1st floor with LED lamps (32W)	2,543	7,629	1,294
	Replacement of the PL tubes (26W) of the 43 downlights installed in the canopy outside the lobby on the 1st floor with LED tubes (11W)	588	1,764	299
	Replacement of the PL tubes (26W) of the 75 downlights installed in the corridors on the 3rd and 4th floors with LED tubes (11W) fit into E27 lamp holders	2,464	7,392	1,254
	Replacement of the PL tubes (26W) of the 25 downlights installed in the lobby on the 1st floor with LED tubes (16W) fit into E27 lamp holders	188	564	96
	Replacement of the PL tubes (26W) of the 25 downlights installed in the lobby on the 1st floor with LED jewelry bulbs (20W) fit into E27 lamp holders	113	339	58
	Replacement of the 8 mercury-vapor lamps (400W) installed in the garden in MitraStar Park with LED lamps (50W)	700	2,100	356
	Replacement of the 22 light steel frame lamps with T8 tubes (80W) installed in the training rooms on B1 with LED lamps (40W)	330	990	168
	Replacement of the 495 light steel frame lamps with T8 tubes (4ft*1ft) (80W) installed in the production line area on the 2nd floor with LED lamps (40W)	19,272	57,816	9,809
	Replacement of the 105 mountain-shaped lamps with T8 tubes (2 tubes for each lamp) (80W) installed in the mechanical room (with ice machines, air compressors, substations) on B1 with LED lamps (40W)	1,008	3,024	513
	Replacement of the 35 batten lamps with T8 tubes (40W) installed in the lecture hall on B1 with LED lamps (20W)	70	210	36
	Replacement of the tubes (26W) of the 30 downlights installed (in the arc-shaped area) in the corridor on the 3rd floor with LED bulbs (11W) fit into E27 lamp holders	919	2,757	468
	Replacement of the 132 T8 lamps (40W*2 tubes) installed in the production lines areas and warehouses on the 1st and 2nd floors with LED lamps (20W*2 tubes)	12,320	36,960	6,271
	Replacement of the 63 batten lamps with T8 tubes (40W) installed in the corridors on B1 and 1F with LED lamps (20W)	3,675	11,025	1,871
Process	Integration of the soldering machines in the DIP line on the 2nd floor; there were four soldering machines installed in the plant, one of which was removed, with three soldering machines remaining	143,926	431,778	73,258
Total		188,116	564,348	95,751

Note 1: The electricity emission factor was 0.509 kg CO₂e/kWh

Note 2: The amount of electricity saved was calculated based on an electricity price of NT\$3 / kWh

Note 3: The figures disclosed in the table were based on the official reported data in 2021

C. Water Management

MitraStar's production process is based on assembly and does not use water so the company does not consume a lot of water resources. We mainly use water for basic factory facilities and people's daily life needs and the sources are all tap water. With limited water resources in Taiwan, MitraStar also actively promotes various water-saving measures to reduce water use.

Water Management Target

Issue	Management Guideline	2021 Goal	Achievement	2021 Goal
Water Management	Continue to implement daily water saving measures	Water saving rate > 3%	Water saving rate: 4%	Water saving rate > 3%

Water Resources Management Policy

The water resources management policy aims to achieve the results of saving water resources through water-saving facilities, water-saving measures and education promotion.

Water risk assess

According to the assessment of the Water Aqueduct developed by the World Resources Institute (WRI), MitraStar is located in a low pressure area (<10%).

Water saving measures

Cherish water resources, specific measures include:

- Employee hand washing facilities are fully equipped with water-saving faucets
- Install water-saving toilets
- Control of external wall cleaning and water use for irrigation
- Adjust the ratio of the make-up of the discharge water from the cooling tower
- Promote the concept of water conservation



1. Water Management

Water usage

Unit: M Liters	2017	2018	2019	2020	2021
MitraStar Hsinchu site	40,907	38,168	41,631	39,805	38,394

Water discharge

Unit: M Liters	2017	2018	2019	2020	2021
MitraStar Hsinchu site	30,267	26,042	27,271	25,281	24,061

Water consumption

Unit: M Liters	2017	2018	2019	2020	2021
MitraStar Hsinchu site	16,640	12,126	27,271	14,524	14,333

Water Conditions in 2021

Discharge source by destination (M Liters/year)	MitraStar Hsinchu site
Surface water	-
Underground water	-
Sea water	-
Third-party water (total)	38,394
Total water usage	38,394
Total water discharge	24,061
Total water consumption	14,333

Note1: The location of MitraStar is a low pressure area Water Stress: Low (<10%)

Note2: The source of water is fresh water

3. Wastewater Management

Sewage from MitraStar plant is included in the waste water plant of the Hsinchu Science Administration Bureau for treatment. The sewage treatment fee is paid quarterly according to the water quality and volume, so it has not caused damage or impact to the surrounding ecology of the operating base.

MitraStar has a comprehensive set of environment protection guidelines based on government regulations. Despite that fact that MitraStar produces no pollutant in its daily operations, MitraStar still aggressively monitors its own waste water by assigning staffs and commissioning qualified external inspectors to perform periodic checks. In addition, MitraStar has its own certified sewage processing facility for the utmost eco-friendliness.

D. Waste Management

We continue to improve our production equipment to meet international environmental protection requirements and help protect our environment. MitraStar's Hsinchu site includes a manufacturing plant. In terms of environmental considerations, the main environmental pollution sources that may arise are reflow ovens and wave soldering ovens for soldering operations. The exhaust gas contains trace metal fumes and volatile organic compounds.

Waste Management Target

Issue	Management Guideline	2021 Goal	Achievement	2022 Goal
Waste Management	Waste recycling rate	Recycling rate >90%	Recycling rate: 93%	Recycling rate >93%

Most wastes produced on the MitraStar Hsinchu site fall into three categories:

- General commercial wastes: These are mostly daily-life garbage.
- Hazardous commercial wastes: Waste organic solvents, tin and lead pieces as well as electronic components.
- Recyclable materials: Paper, plastic and iron/tin cans.

1. Reduced use of raw materials

The amount of raw materials used in the manufacturing processes is deliberately decreased to save on costs and to cut the waste. The reduction has been realized with the following methods:

- Packaging materials are recycled.
- Low-volatility solvents are used to reduce the amount needed.
- Closed spraying system for less organic solvent usage.
- Improved flowing path in tin ovens for less tin bar usage.
- Fans are replaced by smart heat-dissipation mechanisms.

2. Management and recycling of wastes

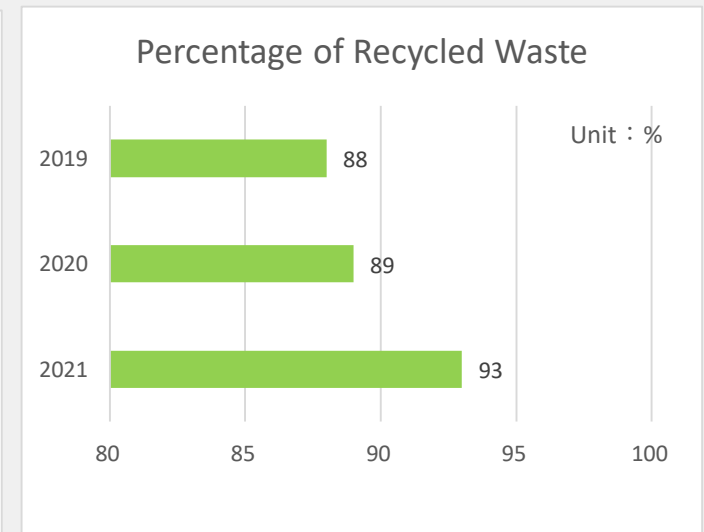
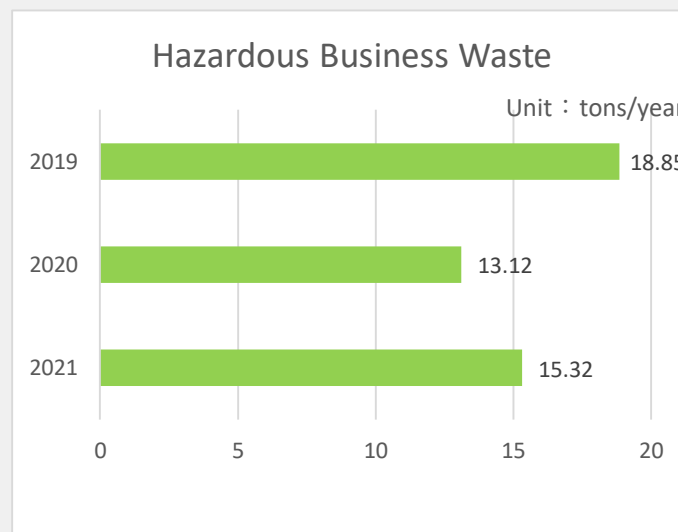
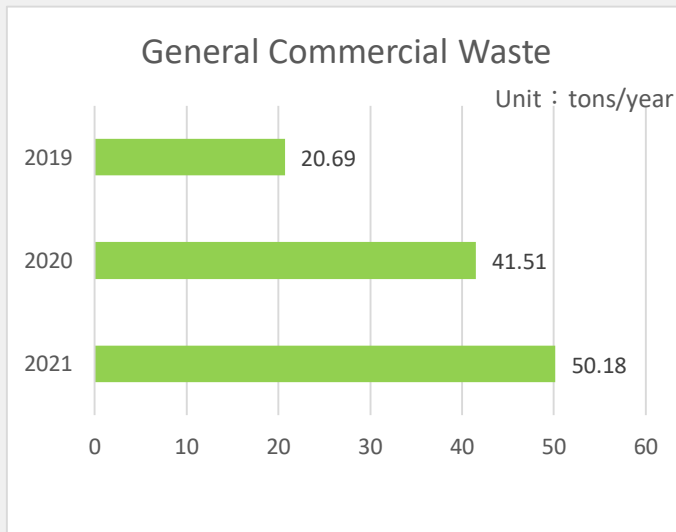
During the manufacturing processes we employ workflow improvement and material recycling to cut both acquisition costs and pollution to the environment. Under the strict supervision of MitraStar, qualified processing service providers separate and categorize all recyclable or reusable materials and report them online as required by the Environmental Protection Administration.

In 2021, the MitraStar Hsinchu factory campus produced 50.18 tons of general commercial waste, 15.32 tons of hazardous waste, and recycled 93% of waste resources. All wastes were confirmed to meet the Environmental Protection Administration's standards. The wastes are managed with the following principles:

- Experts from the Environmental Protection Administration are invited to instruct us on how to separate different waste materials.
- Paper is cut and bound to become notebooks.
- Packaging material made of PVC is reused.
- Waste tin or lead pieces are collected and melted to make blocks.
- Inseparable metal wastes are recycled to become raw materials or even works of art.

The rest of the waste shall comply with environmental protection laws and be entrusted to qualified removal and treatment manufacturers for physical or other forms of treatment.

The weight and recycling rate of wastes in MitraStar Hsinchu site



E. Air Pollution Prevention

MitraStar and all its affiliates produce no ozone-harming substances, NO_x, Sox, or other air pollutants. Only volatile gas from organic materials is emitted and the total emissions in 2021 were 2.57 metric tons. To ensure the gas doesn't cause any damage, MitraStar reports its usage of such materials and pays the associated fees every quarter.

Despite the fact that MitraStar produces no air pollutants in its daily operations, MitraStar still aggressively monitors its gas emissions by assigning staff and commissioning qualified external inspectors to perform periodic checks.

F. Ecological Preservation

Located in Taiwan's Hsinchu Science Park, the MitraStar Headquarters is surrounded by highly developed industrial buildings and roads rather than environment conservation areas; it means that the MitraStar campus does not have any significant environmental impact on the neighboring properties. Instead, MitraStar makes its campus more eco-friendly with massive green plants according to the "Guidelines for Science Park Environment Protection" and had even won several building beautification and greening awards.

The MitraStar Park

We built the 5140m² Park to improve the working environment with a selection of plants such as Large-leaf Banyans, Acacias, Flame Trees, Liquidambar, Red Cedars, Formosan Michelia, Mexican Frangipani, Hong Kong Orchid Trees and China Berries. These plants compensate CO₂ emitted by the factories.



Green Product

- A. Green Collaboration System
- B. Green Design
- C. Green Supply Chain
- D. Green Product
- E. Green Production, Package & Shipping
- F. Green End of Life
- G. Carbon Footprint Disclosure



Green Product Policies

The era of green consumption is approaching as the world's awareness of environmental protection and concern about climate change is raised. We, as an international network communication company, are deeply aware that developing green industries and following international green regulations will help sharpen our global competitive edge. MitraStar formulates green product policies, works together with the employees, suppliers, and customers in confronting the impacts of climate change on the world, commits to the minimization of the environmental impacts throughout our products' life cycle, and supports the net-zero emission initiative with them.

Compliance with environmental laws and regulations as well as customers' requirements

R&D of green products

Reduction of the environmental impacts throughout the life cycle of the products

Restrictions and regulations for hazardous substances



Green supply chain management

Green Product Management Strategies

MitraStar strictly control their product quality and obtain the ISO 9001 quality management system certificate on an ongoing basis. The green management systems are introduced for the product life cycle involving product design, supply chains, green products, manufacturing, packaging and transportation, and waste and recycling, thereby monitoring the environmental impacts of the products throughout all stages, from raw materials, production, transportation, use to disposal.



Strategies and Medium-to-long-term Goals

Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
We increase the sustainable value of our products and stay engaged in the R&D and design of green products to develop a capability to design products with less environmental impact	Creation of green product design guidelines and inspection forms	<ul style="list-style-type: none"> Creation of documents for product carbon footprint procedures Setting short-term, medium-term, and long-term green design goals 	<ul style="list-style-type: none"> Establish design guidelines to ensure eco-friendly packaging, product energy efficiency, easy disassembly and recyclability, and the use of sustainable materials and parts/components Use non-plastic bags, energy-efficient software and hardware that can be disassembled easily, PCR plastics, and 100% recyclable paper packaging materials for green products to be shipped Create a standardized product carbon footprint format 	Apply the green product design to all products of the Group to be shipped	 Affordable energy  Responsible consumption and production

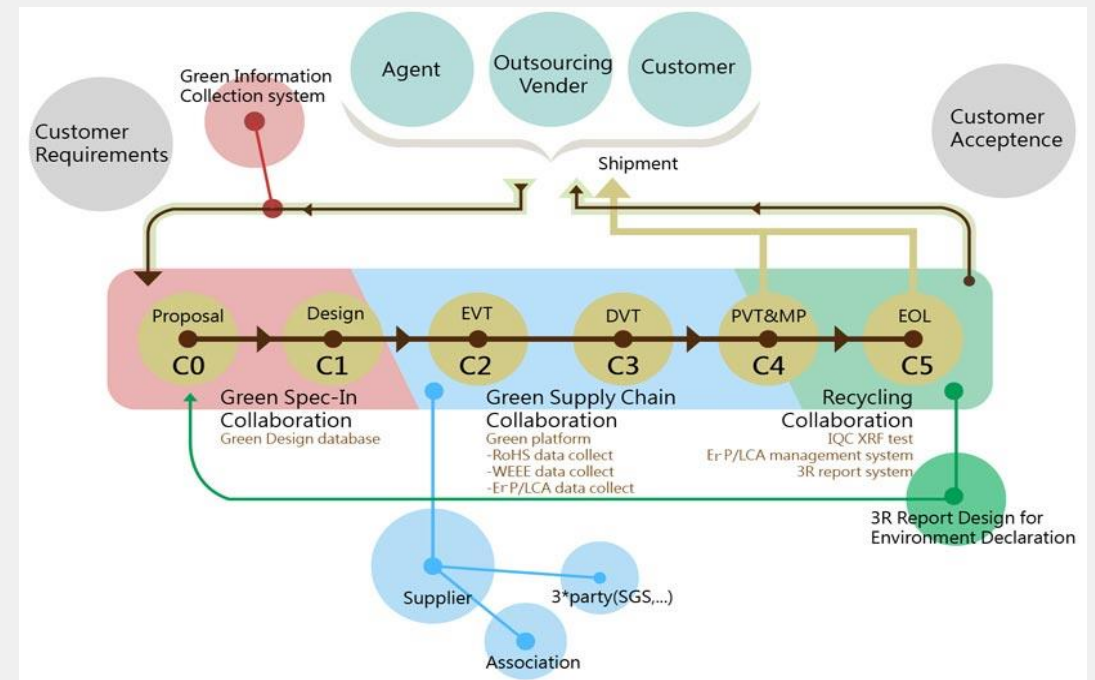
A. Green Collaboration System

MitraStar asks itself to be a strict compliance supplier concerning European Union environmental directives, "Waste Electrical and Electronic Equipment Directive (WEEE) ", "Restriction of Hazardous Substances Directive (RoHS) ", "Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) " and "Energy-Related Products Directive (ErP) " .

At the same time, in order to fully implement green business management, MitraStar has built a "green Collaboration information system" to control each stage from the suppliers of raw materials, production, manufacturing, transport, to usage and disposal to insure all meet green requirements in every aspect.

Through use of the " Collaboration Information System" including "Green Product Database", "Life Cycle Analysis System", "3R and disassembly Report Database" and "Restriction of Hazardous Substances Management System", MitraStar aggressively controls its environmental impact in the entire lifecycle of all of its products, in its commitment, and in its responsibility as a corporate citizen in developing a low-toxic, waste-reducing, easily recyclable and energy-efficient product.

With establishment of the "Information Management System for Green Product Collaborative Operations", MitraStar becomes the first in the industry to implement many green development initiatives.



B. Green Design

1. Lifecycle Environmental Impact in Design Consideration

MitraStar designs every product with the lifecycle and environmental impact in mind. The "Green Design Database" effectively helps the engineers to consider the impact, resource usage, pollution reduction and ecological balance in terms of material, design, manufacturing, package, transportation, consumption and disposal to prevent the environment from being negatively affected by the products. More specifically, they elaborate on such efforts as:

- **Material:** reduced usage, introduce recycled materials when possible, choose the best fit for the product.
- **Structure:** simplified, standardized and modularized.
- **Manufacturing:** low pollution, with less resource consumption and less impact to the environment.
- **Packaging:** use less material and adopt reused and recycled material as much as possible.
- **Transportation and Distribution:** by means of low pollution, low resource consumption methods.
- **Consumption:** high efficiency, low-energy consumption, low pollution and long product life are the keys to elevating consumer satisfaction.
- **Disposal:** disposed products are reused or recycled whenever possible for extended life and value that benefits future development.

2. Through use of the "Coordinated Information System" to control product lifecycle

Through the use of "Coordinated Information System", MitraStar aggressively controls the environmental impact in the entire lifecycle of all of its products by many management systems to develop a low-toxic, waste-reducing, easily recyclable and energy-efficient product at the beginning of product design.

Early stage of green product design:

- **Green Design Database:** By employing more energy-efficient, waste-reducing, lightweight materials that are toxin free and easily recyclable in product design and listed in compiled "Green Design databases".
- **ErP LCA Management System:** "Life Cycle Analysis" (LCA), in compliance with ErP requirements, is regularly carried out on all products.
- **Recycle Collaboration System:** During product design, ease in disassembly and distribution for the 3R (Re-use, Recycle and Recovery) is strongly taken into consideration.

3. Knowledge-based product organization design guidance system

The knowledge-based management agency designs the guiding process, which . It is a network-based system architecture that assists users to quickly complete the design work through software. The system can customize the mechanism of defining the process, modularize the design steps, and cooperate with the establishment of the organization database, so that the organization design of the product can be differentiated according to different product categories.

This system effectively stores and applies historical experience and product information to improve the quality of subsequent mold opening and molding of products. , effectively stores and applies historical experience and product information, and through the integration of information, it turns valuable knowledge into an important company asset of the company to enhance competitiveness, save manpower, conserve material resources, and eliminate excessive design waste.

C. Green Supply Chain

1. Green Supply Chain Development Stage

MitraStar green system includes four development stages,

First Stage: Regulations Compliance

Target- EU RoHS, REACH, WEEE, PPW & ErP

Second Stage: Regulations Exceed

Target - Green IT System, GPMS, IECQ QC080000

Third Stage: ECO-efficiency

Target - PCR, EPD (ISO 14025), GHG (ISO 14064)

Fourth Stage: Sustainable Development

Target - CSR, CFP (ISO 14067), Green Design (ISO 14062)

MitraStar is stepping the green system from stage 3 to stage 4.



2. Green Supply Chain

MitraStar has formulated the "Responsible Procurement Management Procedures" with corresponding audit standards and evaluation forms to require suppliers to conduct carbon inventory and carbon reduction. The auditing procedures provide a rating standard and form to categorize the suppliers according to the "Responsible Purchasing Management Procedure" and the audit compliance and audit results. Based on the audit status and frequency, the supply chain management orders are provided as a reference for supplier evaluation.

MitraStar also maintains a database which complies with the "Responsible Purchasing Management Procedures" to collect green related information about suppliers. MitraStar uses the database to manage our suppliers and help them become our green supply chain. We also use it to integrate with ERP and Data Management Systems to generate technical documents and ensure conformity to carbon emissions regulations.

3. Green Management Platform

To assist its suppliers in introducing the "Green Procedures of Management Operations", MitraStar demands that all parties communicate through an online platform in order to acquire information from inspection and testing reports. The platform becomes an important source of pollution and toxic-free components for procurement units to look for concerning qualified parts and their suppliers.

D. Green Product

MitraStar strictly controls the product quality. In addition to obtaining the ISO 9001 quality management system certificate, it also obtains the TL 9000 telecommunications industry quality management system certificate for the attributes of telecommunications products. High efficiency, energy saving, low pollution and prolonging product life are the principles.

As green issues gain more attention, we also excel in environmental protection and energy technology products. We have actively implemented relevant environmental regulations and have made industry-leading green enterprise management mechanisms. We ask ourselves to be a strict compliance supplier concerning European Union environmental directives, "Waste Electrical and Electronic Equipment Directive (WEEE)", "Restriction of Hazardous Substances Directive (RoHS)" and "Energy-Related Products Directive (ErP)".

E. Green Production, Package & Shipping

1. Green Production

As an ISO 14001:2015 及 ISO 45001:2018-certified enterprise, MitraStar holds annual meetings for internal auditing and assessment for effective environmental, safety and hygiene management that live up to ISO Standards. The companies also bring forward improvement plans for implementation and further assessments. Moreover, MitraStar has also obtained the IECQ QC080000:2017 Certification for hazardous material management to ensure all its products satisfy customer requests and local regulations on hazardous or restricted material. MitraStar always applies higher standards than the industry requires on their green products in terms of environmental care, safety and health.

2. Product Packaging

In terms of product packaging, our suppliers are required to comply with the EU's "Directive on Packaging and Packaging Waste" and follow the top guiding principles of "Reduction", "Reuse" and "Recycling".

Reduction

On the basis of protecting products, packages are designed with minimum materials to reduce the product package size and thereby achieve optimal designs. By doing so, we can not only cut the manufacturing and transportation costs, but also reduce the CO2 emissions for further environmental protection.

Reuse & Recycling

- Plastic-free packaging designs help reduce the environmental impacts caused by PE bags that are difficult to decompose naturally and recycle.
- Cartons and boxes use 100% recycled paper.
- FSC-certified paper packaging materials and suppliers are used.

3. Product Transportation

Pallet use and product loading are cores for transportation design. We aim to increase the loading rate to reduce our carbon emissions.

We standardize pallet specifications, reduce the package size, and design pallets in a way that they can be piled with a high loading rate so as to increase the loading capacity of the pallets and containers while reducing carbon emissions for environmental protection.

F. Green End of Life

During product design, ease in disassembly and distribution for the 3R (Re-use, Recycle and Recovery) is strongly taken into consideration. Disposed products are reused or recycled when possible for extended life and value that benefit resource savings and future developments.

Recycle Collaboration System

Through the use of "Green Collaboration System", we request our suppliers to report the materials information on the PECM (Product Environmental Compliance Management) system. Calculating the information by the 3R material database, the system generates "3R & Dismantling Reports".

G. Carbon Footprint Disclosure

Product Carbon Footprint Inventory Plan

When the carbon footprint of a product is checked, in addition to the initiator's own check, in order to meet the verification requirements, the supplier's check is also required. Due to the complex division of labor in the supply chain and involving many commercial activities and competition needs, in addition, due to the carbon footprint check and calculation requires the use of quite a lot of methodologies and commercial software, and external consultants are required for planning, counseling and calculation, and the willingness of suppliers to cooperate is not high, which makes the investigation more difficult.

To effectively perform the carbon footprint assessment process, Since 2015, MitraStar and its industry partners started the "Green Supply Chain Carbon Cloud" plan to establish a collaborative platform for defining carbon footprints of different networking products and materials used in manufacturing. The platform automatically decides assessment ranges and boundaries, while the initiator provides lifetime data such as usage, recycle and discard phase along with parameters (such as electric power consumed) for the platform system to calculate accordingly. Our EPON CPE, VDSL and GPON have received the carbon footprint certification by using the "Green Supply Chain Carbon Cloud" and certificated by 3rd party.

In 2021, MitraStar introduced a "product carbon footprint calculation module" into the PDM (product data management) Design and Development Management System, a "full life cycle characterization calculation module" is adopted. The system boundaries of both the module tools cover B2B (cradle to gate) and B2C (cradle to grave) and tightly encompass the whole product life cycle. This is to launch the "Product Carbon Footprint Inventory Plan" in order to be able to react quickly to assist the customers in early deployment and analyzing statistical data as soon as possible for the strategic planning of product specifications or marketing activities. Our customers and we can thereby quickly respond to environmental issues that the international community is highly concerned about, such as climate change, and net-zero carbon emissions.

Friendly Workplace

- A. Diversity and Inclusion Recruitment
- B. Human Capital Development
- C. Human Rights Management
- D. Workplace Health & Safety










Our employment policy :

Employees represent the most important asset for MitraStar's continuous growth, as well as to fostering the company's culture of innovation and versatility. The company offers a safe and healthy working environment and rewards benefits and compensations, as well as several approaches aimed at creating a desirable balance between career and personal life.

As "Innovation" is our core value, we have a team that is motivated and believes in independent thought and originality. Our employment policy is:

- Maintain a working environment that provides appropriate remuneration, development opportunities and meets international and local relevant labor laws, rules and regulations.
- Restrict any discrimination, harassment or persecution in the workplace. Forbid any discrimination regarding race, color, religion, national origin, gender, age, disability, sexual orientation, gender identity, pregnancy, political factions and marital status.
- Support and respect, within its sphere of influence, the protection of international human rights set out in the United Nation's Universal Declaration of Human Rights, the International Labor Organization's (ILO) fundamental conventions and the Global Compact. In particular, MitraStar supports the effective elimination of all forms of compulsory labor and child labor as defined in the ILO. It will make this a criterion in the management of its suppliers and sub-contractors.
- Provide a safe working environment and require extensive training and safe equipment. Employees must be committed to maintaining a safe and healthy work environment by employing all safety operation procedures and principles while conducting business.

Friendly Workplace Major Topics Strategy and Goals

Issue	Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Talent attraction and retention	Attraction and retention of outstanding employees can help boost operating performance	<ul style="list-style-type: none"> Gain a grasp of the current salary trends in the market to offer overall competitive remuneration Provide multiple and smooth communication channels 	<ul style="list-style-type: none"> Employee turnover rate Complaints made through the employee communication channels 	Indirect employee turnover rate: < 20%	Indirect employee turnover rate: < 20%	 Gender equality  Decent work and economic growth
Talent training and development	A wide range of talent training programs will attract outstanding employees to stay	Offer diverse talent training programs	<ul style="list-style-type: none"> Completion rate of personal development programs for potential talent Completion rate and satisfaction of professional skill training programs 	<ul style="list-style-type: none"> Completion rate of 80% for personal development programs for potential talent Potential talent retention rate of 90% Completion rate of 100% and a satisfaction score of 4 or higher for professional skill programs 	<ul style="list-style-type: none"> Completion rate of 90% for personal development programs for potential talent Potential talent retention rate of 90% Completion rate of 100% and a satisfaction score of 4.3 or higher for professional skill programs 	 Quality Education
Human rights management	Human rights can be maintained to create a sustainable workforce	<ul style="list-style-type: none"> Human Rights Protection Promote the concept of human rights 	<ul style="list-style-type: none"> No material regulatory violation Completion rate of human rights-related courses 	<ul style="list-style-type: none"> No material regulatory violation Achieve a completion rate of 100% for human rights-related training courses for new employees Maintain a completion rate of > 95% for courses on employee sexual harassment prevention 	<ul style="list-style-type: none"> No material regulatory violation Achieve a completion rate of 100% for human rights-related training courses for new employees Maintain a completion rate of > 97% for courses on employee sexual harassment prevention 	 Gender equality  Decent work and economic growth
Employee care	High-quality working environment and care can enhance staff centripetal force	<ul style="list-style-type: none"> Provide comprehensive staff facilities Provide a variety of employee activities 	<ul style="list-style-type: none"> Activity planning employee satisfaction % 	<ul style="list-style-type: none"> Activity implement in time Activity questionnaire return rate \geq 80% At least 4 points in the satisfaction survey \geq 90% 	<ul style="list-style-type: none"> Activity implement in time Activity questionnaire return rate \geq 80% At least 4 points in the satisfaction survey \geq 90% 	 Decent work and economic growth
Occupational safety and health	The Company can ensure continuous operations and steady growth in a work environment with safety as a priority	<ul style="list-style-type: none"> Promote an occupational safety culture Give safety awareness education Implement preventive management 	<ul style="list-style-type: none"> Occupational safety course coverage Number of occupational accidents Disabling injury frequency rate (FR) Disabling injury severity rate (SR) Management system verification 	<ul style="list-style-type: none"> Occupational safety course coverage > 95% Occupational accidents 0 Disabling injury incidence rate (FR) 0 Disabling injury severity rate (SR) = 0 Pass the ISO45001 certification process 	<ul style="list-style-type: none"> Occupational safety course coverage > 98% Occupational accidents = 0 Disabling injury incidence rate (FR) 0 Disabling injury severity rate (SR) 0 Pass the ISO45001 certification process every year 	 Decent work and economic growth

Near-term goals and achievements

Issue	Management guideline	2021 Goal	Achievement	2022 Goal
Talent Development	<ul style="list-style-type: none"> Management competency rate Strategic cultivation of potential talent Professional skills training 	<ul style="list-style-type: none"> 90% completed rate of Management Competency 80% completed rate of potential talent development plan 90% talent retention rate The completion rate of professional skills courses is 100% & satisfaction scores above 4 	<ul style="list-style-type: none"> Completed rate of Management Competency=100% Completed rate of potential talent development plan=100% Talent retention rate= 96% The completion rate of professional skills courses is 100% & satisfaction scores above 4.3 	<ul style="list-style-type: none"> 100% completed rate of Management Competency 90% completed rate of potential talent development plan 90% talent retention rate The completion rate of professional skills courses is 100% & satisfaction scores above 4.3
Human Right Protection	<ul style="list-style-type: none"> Material regulatory violation 	<ul style="list-style-type: none"> No material regulatory violation 	<ul style="list-style-type: none"> No material regulatory violation 	<ul style="list-style-type: none"> No material regulatory violation
Human rights advocacy	<ul style="list-style-type: none"> Human rights related pre-employment training for new recruits Provide online courses on sexual harassment prevention 	<ul style="list-style-type: none"> The completion rate of human rights related pre-employment training for new recruits is 100% The completion rate of online courses on sexual harassment prevention > 95% 	<ul style="list-style-type: none"> The completion rate of human rights related pre-employment training for new recruits = 100% The completion rate of online courses on sexual harassment prevention=99.5% 	<ul style="list-style-type: none"> The completion rate of human rights related pre-employment training for new recruits is 100% The completion rate of online courses on sexual harassment prevention > 97%
Work-life Balance	<ul style="list-style-type: none"> Activity planning employee satisfaction % 	<ul style="list-style-type: none"> Activity implement in time Activity questionnaire return rate \geq 80% At least 4 points in the satisfaction survey \geq 90% 	<ul style="list-style-type: none"> Family Day activity questionnaire return rate \geq 85% 4 points in the satisfaction survey for Family Day activity \geq 95% 	<ul style="list-style-type: none"> Activity implement in time Activity questionnaire return rate \geq 80% At least 4 points in the satisfaction survey \geq 90%
Verification of Management System	<ul style="list-style-type: none"> Management System certification 	<ul style="list-style-type: none"> Obtain Management System certificate ISO45001 	<ul style="list-style-type: none"> Obtain Management System certificate ISO45001 	<ul style="list-style-type: none"> Obtain Management System certificate ISO45001
Occupational Safety and Health Management	<ul style="list-style-type: none"> % of serious occupational injuries % of recordable occupational injuries (TRIR) Occurrence rate of near misses (NMFR) 	<ul style="list-style-type: none"> Case of incident < 1 Disabling Injuries Frequency Rate (FR)< 0.67 Disabling Severity Rate (SR) <1 	<ul style="list-style-type: none"> Case of incident 1 Disabling Injuries Frequency Rate (FR)=0.63 Disabling Severity Rate (SR)=3 	<ul style="list-style-type: none"> Case of incident=0 Percentage of recordable occupational injuries (TRIR)=0 Occurrence rate of near misses (NMFR)=0
Safety equipment management	<ul style="list-style-type: none"> Rate of fire equipment improvement 	<ul style="list-style-type: none"> Rate of fire equipment improvement 100% 	<ul style="list-style-type: none"> Rate of fire equipment improvement 100% 	<ul style="list-style-type: none"> Rate of fire equipment improvement 100%
Prevention of professional diseases	<ul style="list-style-type: none"> Cases of occupational disease 	<ul style="list-style-type: none"> Cases of occupational disease=0 	<ul style="list-style-type: none"> Cases of occupational disease=0 	<ul style="list-style-type: none"> Cases of occupational disease=0

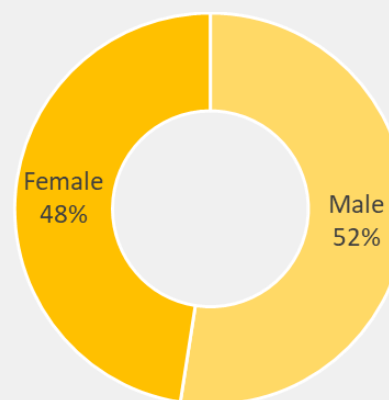
A. Diversity and Inclusion Recruitment

Human resource structure

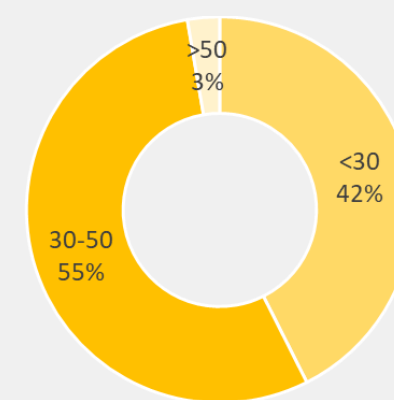
At the end of 2021, MitraStar had around 2,192 employees, with an average age of 31 to 50 years old and an average seniority of 4 years. The human resources structure helps the company to grow steadily. Male employees account for 52.5%, and female employees account for 47.5%. Due to the characteristics of the technology industry and job market factors the proportion of male employees is greater than that of women, but the overall gender ratio is still quite balanced. Managers account for 10.5%, professionals 35.5%, administrative staff 5.3%, and direct personnel 48.7%. 36.1% work at the headquarters in Taiwan and 63.9% at Wuxi subsidiaries in China.

Categories		Male	Female	Subtotal	%
Job	Manager	157	73	230	10.5%
	Professional	491	287	778	35.5%
	Administration	8	108	116	5.3%
	Direct Employee	494	574	1,068	48.7%
Working Location	Taiwan	385	406	791	36.1%
	China	765	636	1,401	63.9%
Age	<30	494	439	933	42.6%
	30-50	622	578	1,200	54.7%
	>50	34	25	59	2.7%
Employment Type	Full-time	1,150	1,041	2,191	100%
	Temp	0	1	1	0%
Subtotal		1,150	1,042	2,192	-
%		52.5	47.5	-	-
Average Job tenure		4	4	4	-

Employee by gender



Employee by age



1. Diversity and Inclusion

MitraStar has complied with the RBA Code of Conduct and local laws and regulations and formulated the "Management Procedures for Recruitment and Employment", "Code of Conduct for Employees", and "Regulations for Staff Employment" to strive to create a diverse and inclusive workplace with equal opportunities.

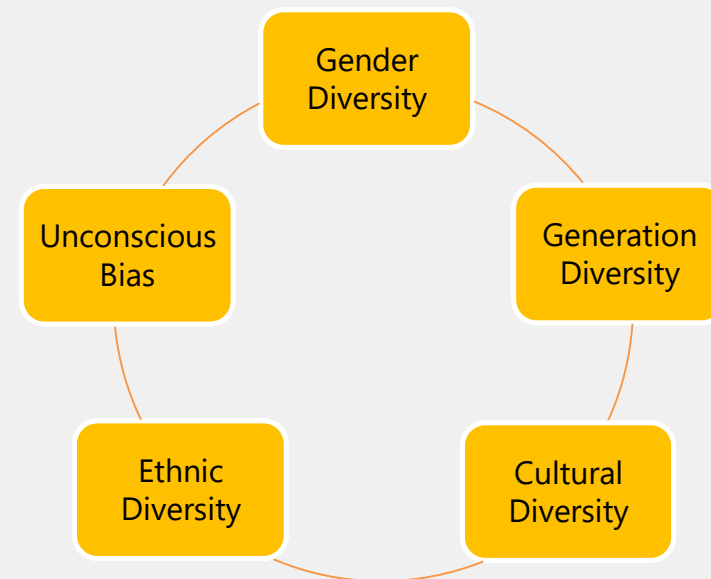
Diversity and Inclusion Policy

- Excellent talent is drawn in through a diverse range of channels in an open and fair manner.
- We offer a work environment of equality: All employees are treated equally without discrimination on the basis of race, skin color, religion, nationality, gender, age, disability, sexual orientation, pregnancy, political affiliation or marital status.
- We do not hire children
- Comprehensive interview training is provided for the recruitment personnel and hiring managers in order to select the right talent and ensure fair recruitment and talent quality.
- Our Regulations for Staff Employment specify and ensure that all our job applicants and employees receive reasonable treatment in terms of recruitment, employment, development, evaluation, and reward.

MitraStar provides a friendly workplace of gender equity, generational inclusion, and cultural diversity. Our employees with different cultures and experiences around the world learn from and communicate with each other to form collaborative cohesion and contribute to the Company in their own ways.

The "MitraStar Diversity and Inclusion Policy" has been established to implement relevant action plans. Different action plans in line with the policy aiming for diversity and inclusion are developed according to the definitions of diversity.

Diversity and Inclusion Policy Key Categories



2. Channels for Recruitment

In an effort to promote all-round talent solutions, the Company ensures a good work environment, increases corporate exposure, and improves the brand image by integrating the resources from industry, academia and the government for organizing various recruitment campaigns, developing online exposure, and engaging in interactions on social media.

Talent is recruited through physical channels, including employee reference programs, campus recruitment, campus internship programs, industry-academia cooperation, and R&D substitute services. Newsletters are used for internal marketing. We also run the Company's website, social media, Facebook page, LinkedIn page and YouTube channel to increase reach.

social media management FB: [link!](#) LINKEDIN : [link!](#)



Young Talent Cultivation

In order to cultivate young talent for the future, sharpen our competitiveness, and facilitate the development of network communication R&D technology, MitraStar trains talent from schools. In 2021, we trained talent for the network communication R&D technology through "internship programs" and "industry-academia cooperation" in a proactive manner.

Campus Recruitment: We dispatch our staff, which are HR personnel and engineers, to campus recruitment campaigns between March and April every year in the hope of giving a brief introduction of MitraStar and in-depth information on our expertise in network communication to the participants. Our staff interacts with the participants through different games, if appropriate, to give the public a stronger impression of MitraStar's corporate image in the network communication sector. In 2021, we scheduled five campus recruitment campaigns, of which three were canceled due to the pandemic.

Internship Program: Our university internship programs have face-to-face interviews with students and provide internships last from one semester to a year. We offer interns salaries that are higher than the statutory basic wage and lunch and designate the department staff to provide guidance. By doing so, the interns are able to not only know how our information service department works, but also apply what they have learned at school and thereby gain practical experience. Internships in our production line department are now available for students who wish to acquire hands-on experience in Hsinchu.

3. Diverse and Inclusive Workplace

MitraStar is an equal opportunity company that opens all positions to every talented individual within or outside the organization with fair, consistent standards. We follow local regulations and the RBA code of conduct, and do not hire employees based on race, color, creed, nationality, religion, gender, age, disability, sexual orientation, pregnancy, political affiliation, or marital status. We do not employ child labor or forced labor. We protect the rights and interests of vulnerable groups such as minorities, persons with disabilities, women, migrant workers, and contractors.

New recruits

In 2021, MitraStar had a total of 213 indirect employees: 116 in Taiwan and 97 in China. The total number of new direct employees was 1,373 in Taiwan and 1,286 in China. The distribution of gender and age is as follows:

IDL Employee

	Male	Female	%	Number of New recruits
Taiwan	22.2%	20.1%	21.5%	116
China	20.7%	18.9%	20.0%	97
Total	139	74	-	213

	Male	Female	%	Number of New recruits
≤30	42.5%	41.6%	42.2%	89
31-49	16.6%	14.3%	15.7%	116
≥50	11.3%	8.3%	10.4%	8
Total	139	74	-	213

DL Employee

	Male			Female			%	Number of New recruits
	≤30	31-49	≥50	≤30	31-49	≥50		
Taiwan	93.3%	60.0%	0.0%	33.3%	28.1%	46.2%	38.5%	87
China	163%	139%	0.0%	173%	92%	0.0%	147%	1,286
Total	515	242	0	427	183	6	-	1,373

Note: New recruit ratio = number of new recruit employees in the category at the end of the year / total number of employees in the category.

Employee Turnover Analysis and Mitigation

Turnover Analysis

MitraStar's indirect employee turnover in 2021 was 15% in Taiwan, 19% in China. After comparing the employee turnover in Taiwan to that of companies in the same industry, it was shown that the turnover rate analyzed was relatively stable, considering that the appropriate flow of talent is helpful to the health development of MitraStar's human capital. For the direct employees, the turnover in Taiwan and China was 29% and 121%, respectively. As analyzed, it was found that in addition to external economic and environmental factors, China was affected by drastic seasonal demand and capacity changes and relatively significant fluctuations in the local labor market, leading to relatively high employee turnover.

Turnover rate

IDL Employee

	Male	Female	%
Taiwan	14%	15%	15%
China	21%	16%	19%

	Male	Female	%
≤30	23%	17%	21%
31-49	16%	16%	16%
≥50	13%	3%	9%

DL Employee

	Male	Female	≤30	31-49	≥50	Total
Taiwan	41%	11%	32%	13%	13%	18%
China	122%	120%	137%	94%	0%	121%

Note: The total number of employees who left excludes employees "involuntarily separated": Operators who have been employed for less than three months.

Turnover Mitigation Strategies

We have always valued talent retention. Through the integration of the company's resources, MitraStar takes active actions to retain talent as much as possible, such as fixing our organizational weak spots, reinforcing our talent development and management mechanism, ensuring career development, and providing all kinds of benefits.

- **Talent Exit Interview Mechanism**: The manager and the HR personnel who is familiar with the organization host exit interviews to understand the situation and make a report to the organization in order to reduce turnover.
- **Key Talent Database**: Talent development is kept track of and evaluated on a regular basis to retain our key talent as much as possible. We may assess related risks first and implement control measures for employment termination to prevent the divulgence of our business secrets.
- **Internal Transfer Opportunities**: The individual employees' expertise is evaluated to adjust their jobs and work environments. Internal transfer opportunities may be provided to retain the employees.
- **Talent Rehiring**: The Human Resources Department works with the department heads to regularly review the list of employees whose employment was terminated and actively consider rehiring former employees who are willing to come back.

Mitigation of Direct Employee Turnover

As our direct employee turnover is on the high side, multiple mitigation plans have been launched to prevent MitraStar's demand for human resources from being affected. As analyzed, we found that the high direct employee turnover results from the employees' misperception of their work conditions and environments as well as internal communication. Therefore, our efforts to mitigate the direct employee turnover focus on two areas: "helping new hires better adapt to their jobs" and "improving the managers' communication skills". MitraStar carries out several mitigation programs, including "promoting the recruitment and employment procedures", "introducing new employees to their new roles and work environments", and "actively communicating with the production line managers". These programs involve "optimizing the job applicant interview process", "improving the employee onboarding process and work environment", and "providing expression skill courses" to mitigate the employee turnover through sufficient and effective communication.

Local Employment

Our overseas business and sales locations engage local talent. Most of the top management of our overseas subsidiaries are locals. We use the local talent to fully understand the local market situation and thereby adopt management approaches in line with local customs.

Recruit rate of local Management

	Number of Local Managers	Percentage of Local Managers
Taiwan	126	100%
China	89	89.9%

Note: Local employment refers to employing people with the nationality of the country where the business location is located.

Employment of People with Disabilities

In line with the principle of equal employment, the Company offers job opportunities to people with disabilities and provides accessible facilities such as wheelchair ramps, elevators and accessible toilets. In 2021, pursuant to Taiwan's laws and regulations for the employment of people with disabilities, we hired a total of 8 physically or mentally challenged people in Taiwan, accounting for 0.36% of the total employees.

Percentage of Local Employees with Disabilities

	Number	Percentage of Local Minority Employees
Taiwan	8	1.01%
China	10	0.71%

Employment of Minorities

We respect the unique cultures of minorities and do not hire talent on the basis of race or ethnicity. As the Company has respect for personal privacy, the information of our minority employees is not disclosed.

Percentage of Local Minority Employees

	Number	Percentage of Local Minority Employees
Taiwan	3	0.38%
China	10	0.71%

Note: Ethnic minorities in Taiwan refer to the indigenous peoples and new immigrants; ethnic minorities in China refer to non-Han ethnic groups.

Percentage of Female Employees

MitraStar ensures the right to work on the basis of gender equality and the employment, salary, and promotion of the employees are not affected due to their genders. As MitraStar is in a technology industry, males occupy most of the management and professional engineering positions and most of our female employees serve as administrative personnel and direct technicians. In 2021, our female employees constituted 47.5% of the total employees and the female employees holding managerial positions and serving as specialists accounted for 31.7% and 36.9%, respectively.

	Male	Female
Manager	68.3%	31.7%
Professional	63.1%	36.9%
Total	52.5%	47.5%

3. Talent Retention

Our employees are a valuable asset to us. To retain our employees for a long time, MitraStar creates a good work environment that attracts talent with well-developed management systems and incentive measures.

Compensation

We determine each individual MitraStar employee's compensation with the best interests of both stakeholders and employees in mind, and we have established "salary and allowance management procedures" to ensure that the company's salary and subsidy methods comply with legal regulations and effectively protect the interests of employees.

The starting salary of new employees is determined based on factors such as the employee's educational background, professional knowledge and skills, and professional years of experience.

In addition to the basic salary, the salary structure includes: job allowance, class allowance, overtime hours, and payment of expenses. In Taiwan, it complies with the local "Labor Standards Act". In order to have a competitive overall salary, in addition to providing a complete promotion system and meeting the requirements of local laws and regulations, every April, depending on price levels and operating results, the local base salary level of the factory area is reviewed and adjusted to ensure that the overall salary of employees is competitive in the market.

Employee salaries are not differentiated by factors such as gender, age, race, nationality, religion, political stance, or gender orientation, etc. An individual employee's salary fully reflects their work performance and achieves incentive effects according to the contribution of individual work, and strives to be fair and reasonable. We also fulfill the responsibility of personal information protection for employee compensation.

Comprehensive Talent Retention Program

Salaries and Bonuses

- Salary structure adjustment
- Performance bonus system
- Employee stock ownership
- rewards for creative and inventive proposals

Incentive and Praise

- Recognition programs for valued and excellent employees
- Praise for senior employees

Employee Welfare

- Employee care
- Off-work activities
- Employee welfare programs superior to what is required by the laws

Good Communication

- Various communication channels

Career Planning

- Internal job transfers
- Promotion policies
- Insurance and retirement systems

Competency Improvement

- New employee orientation
- Dual career path development
- Courses on professional and management skills

| Bonuses and Employee Rewards

Reward and incentive programs are in place to encourage employees and departments with excellent performance and share with our employees the Company's operating outcomes. These programs include festival bonuses, year-end bonuses, performance bonuses, bonuses for remarkable performance, and stock options for employees with outstanding performance.

Festival Bonus: Festival bonuses are given at Lunar New Year, Dragon Boat Festival, and Moon Festival every year

Performance Bonus: According to the "Performance Bonus Guidelines", quarterly bonuses, annual bonuses, and special bonuses are granted based on MitraStar's revenue achievement rate. We also give performance bonuses to our indirect and direct employees to share with them the MitraStar's earnings.

Employee Stock Ownership: The "Guidelines on the Issuance of Employee Stock Warrants and Stock Ownership" are established to offer employee stock ownership plans to employees with outstanding employees, thereby attracting excellent talent to stay in the Company for a long time, encouraging our employees, fostering cohesion among them, and boosting their sense of belonging to the Company.

Rewards for Creative and Inventive Proposals: With the aim of encouraging employees to be engaged in innovative R&D, MitraStar has developed the "Guidelines on Rewards for Creative and Inventive Proposals" to offer rewards for creative proposals, patent application proposals, and invention patents.

Incentive Projects: A wide range of incentive projects is provided to motivate our employees to give suggestions for job improvements and praise employees for their remarkable performance by posting their contributions on the internal website. In doing so, an incentive and a role model are provided for the employees. Cohesion

among the employees can thereby be improved to boost the corporate competitiveness.

Employees of the Year: Every year, department heads would recommend employees with exceptional performance as candidates for all employees to vote for the "Employees of the Year". MitraStar also offers rewards and acclamation to the winners to recognize their achievements.

Reward for Long Tenures: In the year-end company banquet, employees with long tenures will be rewarded and recognized for their long-time contribution to MitraStar.

| Parental Leave and Retention

MitraStar creates a work environment where employees are treated with care and respect. This allows employees to take care of their families while contributing their expertise at work.

When family members require personal attention, employees can apply for "Family Care Leave". In response to childcare and nursing issues encountered by employees in Taiwan, employees can apply for parental leave of up to 2 years. Before the expiration of the leave period, MitraStar will plan for their return. In addition, when personal factors require long-term leave, employees can also apply for unpaid leave.

Parental Leave and retention Numbers in 2021 (MitraStar Hsinchu site)

Number of employees applying for parental leave	7
Number of employees applying for parental leave and reinstatement	4
Return to work rate	57%
Retention rate	67%

Insurance & Pension

MitraStar provides employees with social insurance that is superior to what the law requires to enhance and protect the basic rights and benefits of employees. In addition to statutory labor insurance and national health insurance, it also provides free group insurance for employees and their spouses and children, including life insurance, accident insurance, critical illness insurance, hospitalization medical insurance, injury medical insurance, cancer medical insurance, and occupational accident insurance. The insurance company's on-site service was also provided: employees can directly conduct insurance consultation and application services inside the company.

The Committee of Employee Pension Reserve Administration has been established in accordance with the Labor Standards Law to supervise the deposit process of pension funds into the Central Trust Bureau. Employees who chose to adopt the new pension system would have 6% of their monthly salaries automatically transferred to their personal pension accounts at the Labor Insurance Bureau.

Benefits Superior to Statutory Regulation

Flexible working hours

We provide one hour of flexibility for the work day's starting and ending times to help colleagues deal with commuting.

Employee Benefits

The Welfare Committee holds events including family day, an annual dinner party, sports activities, art and cultural activities, and employee travel activities. They also provide a Dragon Boat Festival, Mid-Autumn Festival, and birthday welfare points program as well as emergency assistance, and EAP employee assistance programs.

Group Insurance: We provide group insurance for colleagues and their dependents.

Work environment facilities

The gymnasium includes a multi-sport court, rhythm classrooms, fitness center, and leisure room. We also provide a convenience store, staff canteen, staff dormitory, coffee bar, female breast pumping room, and free parking for colleagues

On-site services including travel agencies, banks, insurance services, telecom applications, and shopping card application services are also available.

Shuttle bus

Health improvement

Health inspection services are provided for general employees, supervisors, new employees, and high-risk employees. The inspection items and frequency exceed regulatory requirements. For employees who need medical treatment, MitraStar provides one-day medical leave and medical subsidies.

B. Human Capital Development

Cultivating talents and learning culture

Based on the strategy of cultivating qualified and potential employees, we provide diversified learning resources and programs to strengthen all employees' professional skills and knowledge. Also, through the principle of knowledge and experience sharing, we encourage our employees to expand their experience level and to accumulate intellectual assets.

Policy

- Consolidate human capital and improve the efficiency of core talent assets
- Cultivate corporate human resources and improve employee performance
- To meet the needs of organizational development, improve the company's productivity and competitiveness

Comprehensive Talent Retention Program

- Establish a training system for multi-career planning and development
- Provide customized learning consultation and multiple learning channels
- Form an expert network system to provide knowledge inheritance and skill teaching

Target & Achievement

Issue	Operational Influence	Management Approach	2021 KPI	2021 Achievement	2022 KPI	2025 Mid-term goal	SDGs
Talent development	A wide range of talent training programs will attract outstanding employees to stay	<ul style="list-style-type: none"> • Management competency rate • Strategic cultivation of potential talent • Professional skills training 	<ul style="list-style-type: none"> • 90% completed rate of Management Competency • 80% completed rate of potential talent development plan • 90% talent retention rate • The completion rate of professional skills courses is 100% & satisfaction scores above 4 	<ul style="list-style-type: none"> • Completed rate of Management Competency=100% • Completed rate of potential talent development plan=100% • Talent retention rate= 96% • The completion rate of professional skills courses is 100% & satisfaction scores above 4.3 	<ul style="list-style-type: none"> • 100% completed rate of Management Competency • 90% completed rate of potential talent development plan • 90% talent retention rate • The completion rate of professional skills courses is 100% & satisfaction scores above 4.3 	<ul style="list-style-type: none"> • 95% completed rate of Management Competency • 90% completed rate of potential talent development plan • 90% talent retention rate • The completion rate of professional skills courses is 100% & satisfaction scores above 4.5 	 Quality Education

Talent Development Policy

Talent Development Strategy I:

Create a training system for diverse career planning and development

Rich learning resources: With our systematic management and training plan, we have also expanded our courses through use of on-line e-School learning. Along with internal/external training, all employees have many opportunities to improve their professional skills and their interaction with others. The courses include: new employee training, management courses of all levels, industrial safety, environment protection, marketing, quality assurance, research and development as well as other general and advanced sessions.

In addition to regular training courses, MitraStar also helps employees developing themselves in terms of collaborative ability and personal specialties. The in-depth, all-aspect development projects in turn make it possible for MitraStar to benefit from the talents.

Corporate University

Founded in 2006 with the aim of training all types of required talent and fostering their core competitive edges. We develop a competency-based training system, offer customized learning consultations and a diverse range of learning channels, and form an expert network system enabling the internal lecturers and consultants to be trained to pass their knowledge on and teach skills.

Dual-Ladder Career Development: provide a dual-ladder career roadmap which consists of both management-level and professional-level career training.

Multiple Career Plans and Development:

Development Facet: Job rotation helps provide comprehensive training for MitraStar personnel.

Product Facet: MitraStar has a great variety of product lines and cross-product development.

Global Facet: Co-work with our subsidiaries and branch offices for a broad international point of view.

Categories Covered by the Education and Training System

Our education and training system covers five categories: competence training at all levels, competency training, general education training, on-the-job training (OJT), self-development (SD)



Education and Training Focuses

Key Talent Development

Select key talent for the organization to carry out training and development plans based on the needs and future development of the organization.

• Management Competency Training

Develop indicators for the leadership competencies required for the Group's management, utilize 360-degree competency assessment tools to identify deficiencies in their management competencies in an objective manner, and continuously enhance the competencies through training.

Professional Competency Training

Set up a department responsible for training and development to draw up a wide range of competency-based talent development programs and training blueprints comprehensively and systematically.

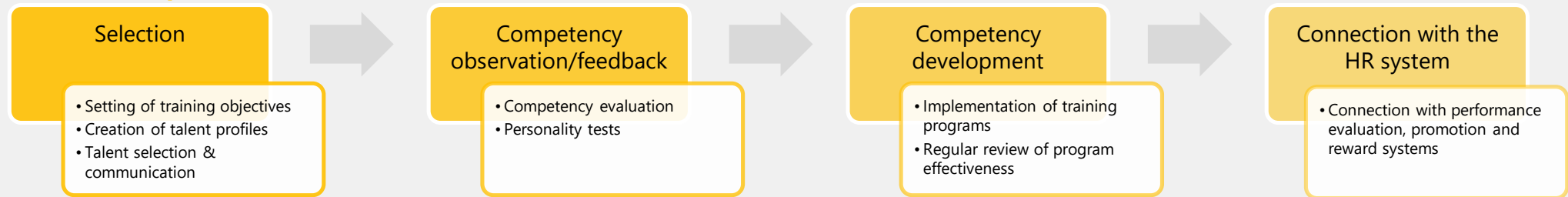
Education and Training System Blueprint

Job Position	Training by Job Level	Training by Competency	General Education and Training	OJT	SD
Strategic level	Leadership competency training for top management	Management strategy, market analysis, competitive edge, international management	Visions and values Core competency courses		Further education courses for self-development
Operating level	Training for new management Leadership competency training for entry-level and middle management	R&D positions: Innovative thinking, problem analysis and solving	Quality awareness Occupational safety awareness Information security awareness	Job instruction	
Management level		Sales positions: Customer orientation, project management	CSR awareness Customer satisfaction Service quality	Training programs	
Individual contributor	Basic job management and team communication training	Marketing positions: Project management Customer service positions: Customer orientation, problem analysis and solving	Interpersonal communication and coordination Microsoft Office utilization	Daily guidance	
New employee	New employee training	Education for new employees' transition to their departments	Knowledge on network communication products Employee health management Self-encouragement Stress/emotional management		

Key Talent Development

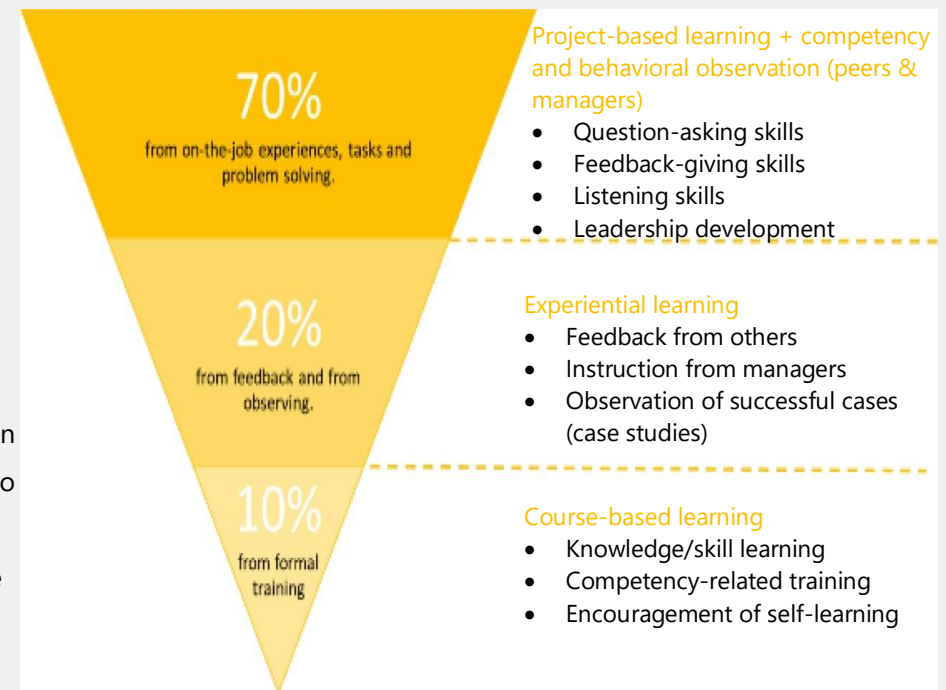
MitraStar always values talent training and development. As the industry advances and changes, we put our focus on the departments' needs for key talent development and transformation training and develop a comprehensive talent development process model. A diverse range of training programs is also formulated to ensure that the competencies of the key talent meet the organization's needs and thereby allow them to confront future challenges jointly with MitraStar.

Talent Development Process Model



Selection of R&D Talent for Transformational Development

The R&D of hardware requires collaboration between R&D, mechanism, and verification departments. To ensure quality and efficiency in meeting the needs of customers, the organization needs integrated leadership roles with technology backgrounds to effectively connect the lateral resources. Therefore, we initiate an HPL (H/W Project Leader) training and development program to follow the talent development process model involving creating a talent profile for a role, selecting key talent with a certain level of R&D experience, and formulating training plans based on the 70-20-10 rule. The hardware R&D engineers are thereby allowed to step out of their field of expertise to learn the competencies of project management professionals (PMPs) and gain knowledge and skills in project management. With the help of project-based and experiential learning, they can also enhance their eight competencies required for being an HPL and make corrections through actual practices during their gradual transition to an HPL. A total of 17 R&D engineers have participated in the training program in Taiwan and China.



Talent Development Strategy II:

Offer customized learning consultations and a diverse range of learning channels

Diverse learning channels

According to different job roles and development needs, we provide a variety of learning channels, combining a variety of the most suitable teaching methods, tools and activities, and design a diversified and systematic step-by-step development plan to help with different learning needs. We work to help employees grow their skills and abilities.

Internal training: internal e-school courses for professional skills, cultural and general knowledge along with management training.

External training: we provide subsidies for external training courses or conferences to offer employees with more opportunities to learn and to expand their professional knowledge.

Online learning: our online platform provides digital learning courses and experience sharing. Comprehensive learning resources are open anytime for employees anywhere.

Help from mentoring: each new employee has a mentor to help he or she understanding MitraStar's company culture as well as to offer advice.

International personnel cultivation: online English courses and international projects.

Campus	Academy	Program	Culture	Individual Center	Admin
校長致詞 使命與願景 組織與任務 企業大學組織章程	離創科技 合創科技	離創科技 合創科技	離創科技 合創科技	我的學習地圖 學習社群 外職 我的意向專區 我的申請專區 我的資訊	統計與報表 360度效能評鑑 課程與學習資源

最新課程	資源下載	好站連結
<ul style="list-style-type: none"> 2022/08/09 Unicyx Office 2016_Excel VBA課程 2022/07/26 Unicyx Office 2016_Excel VBA課程 2022/06/15 ZYXEL 2022 年中績效評核準備指南：一般員工 2022/06/15 ZYXEL 2022 年中績效評核準備指南：帶人主管 2022/06/15 Unicyx (行政-資訊) 資訊安全教育訓練-網路安全概論 2022/06/06 Unicyx (行政-資訊) 資訊安全教育訓練-網路安全概論 2022/11/20 Zyxel 2021 Year-end Performance Appraisal - People Manager 2021/11/30 ZYXEL 2022 年中績效評核準備指南：帶人主管 2021/10/04 MitraStar (HW-SIPI) Cadence System Analysis Signity SOP 2021/07/19 ZNet (通聯-新人訓練與學習) Get started with Office365 	<ul style="list-style-type: none"> eSchool實用功能操作說明 再觀eSchool實用功能操作 (ex.如何搜尋、外職申請、主管審核...) 請參考此手冊 交換線上課程的SunJava 如果您對線上課程無法順利觀看，請點選此連結，安裝sunjava 新e-learning課程製作軟體下載試用 	<ul style="list-style-type: none"> Microsoft Teams #新字包 #學的會 #快速上手 #學起來 Hey! ZNETers Welcome to Teams Microsoft 電子刊物【MitraStar Way】

eSchool Online Academy

Integrate various learning resources of MitraStar with e-learning and establish an online learning platform eSchool Online Academy, which provides employees with a platform for querying and recording all-round learning resources. In addition to searching for the courses they want to learn on the platform, employees can also search for the courses they want to learn on the platform. The platform clearly grasps the learning process.

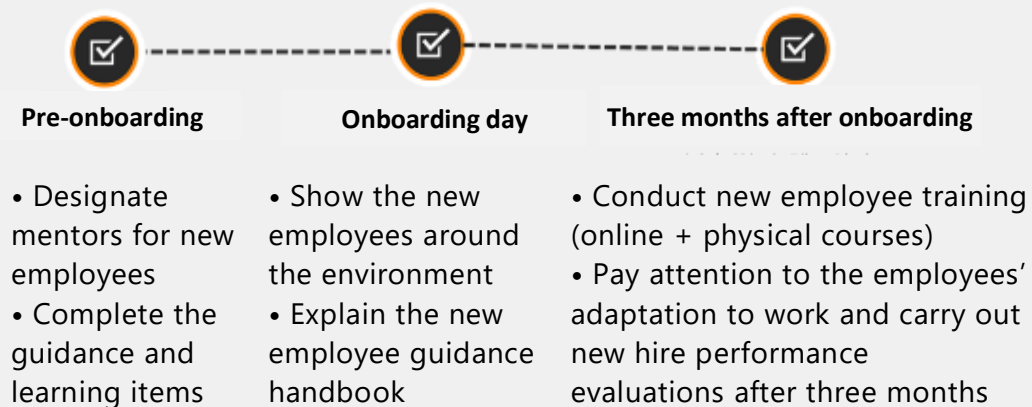
Talent Development Strategy III:

Form an expert network system for passing knowledge on and teaching skills

New Hire Camp

To help new employees quickly become accustomed to the organization and its culture, we develop individual guidance plans specifically for them before their on-boarding and designate mentors to assist the new hires. The system gives the new employees a helping hand to shorten their learning curve and smoothly complete the required basic job training. A series of training courses on general knowledge, covering both online learning courses and physical courses, are also designed for the employees in order for them to more understand the Company's related systems and fit in with the corporate culture.

New Hire Guidance Procedure

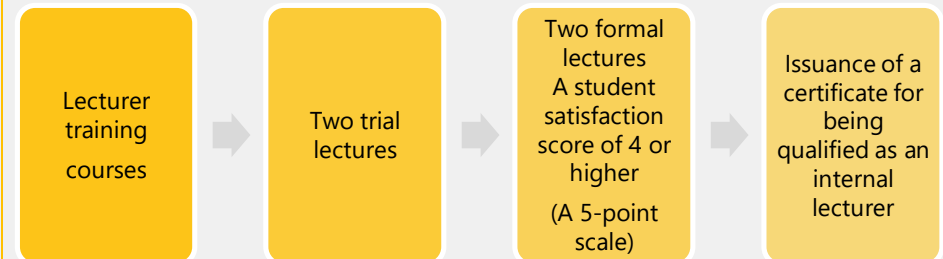


In 2021, 193 employees completed the online new employee training and only 121 employees completed the physical courses due to the pandemic.

Internal Lecturer Training

The internal lecturers and consultants are trained to pass their knowledge on and teach skills, which are two of the objectives of education and training. The Group has a well-developed internal lecturer training system to train talented trainee lecturers and accumulate our knowledge inheritance and training capacities.

Internal Lecturer Training System



As of 2021, 33 internal lecturers have been trained, with a total of 856.8 training hours

Training hours/cost

In addition to traditional “Classroom Training” and “On-the-Job Training”, MitraStar, including the Hsin-chu and Wuxi factories, also provides E-Learning Training Programs.

From 2020 to 2021, due to the impact of the COVID-19 epidemic, courses have been converted to online formats, and the number of classes has slightly increased compared with previous years, although the total number of participants has slightly decreased.

Training Hours: MitraStar Hsinchu Site

2019-2021 Training Hours					
Year	Class	Training Hours	Headcount	Total	Average Training Hours per Employee
2019	99	340	1205	3925.23	5.69
2020	126	441	5238	8957.89	7.89
2021	56.00	302.00	4,061.00	9,277.15	11.54
2019 - 2021	281.00	1,083.00	10,504.00	22,160.27	8.37

2019-2021 Training Hours – Managers		
Year	Total Training Hours	Average
2019	1277.63	9.53
2020	1373.99	9.96
2021	1,318.72	9.77
2019-2021	3,970.34	9.75

Training Hours: MitraStar Wuxi Site

2019-2021 Training Hours					
Year	Class	Training Hours	Headcount	Total Training Hours	Average Training Hours per Employee
2019	189	721.7	5597	92461.50	27.7
2020	185	573.2	7813	85885	27.2
2021	215	540.7	7,943	111,810.8	26.00
2019-2021	589	1,835.6	21,353	290,157.3	26.97

2019-2021 Training Hours – Managers		
Year	Total Training Hours	Average
2019	595.50	7.5
2020	393.4	4.70
2021	250.80	2.90
2019-2021	1,239.70	5.03

Average training cost of employees: MitraStar Hsinchu Site (only IDL)

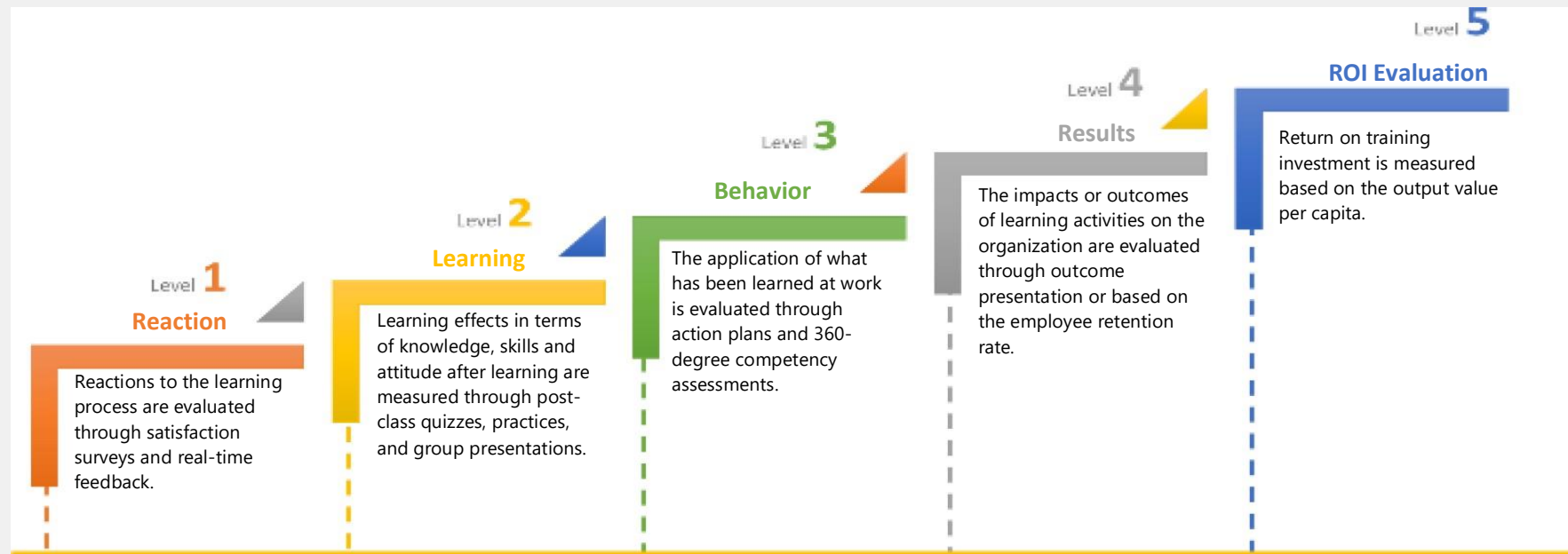
	2019	2020	2021
Training cost	764,443	555,633	524,503
Employee Number	690	1131	804
Average training cost	1108	491	652

Course Satisfaction

Course Satisfaction	2021	2020	2019
Total Number of Participants	404	384	285
Training Satisfaction Average Value (out of 5)	4.3	4.47	4.69

Training Effectiveness Evaluation

MitraStar adopts the Kirkpatrick Model for learning effectiveness evaluation in conjunction with Jack Phillips' ROI training evaluation model to conduct training effectiveness evaluations with the aim of ensuring effective training as well as talent development and retention.

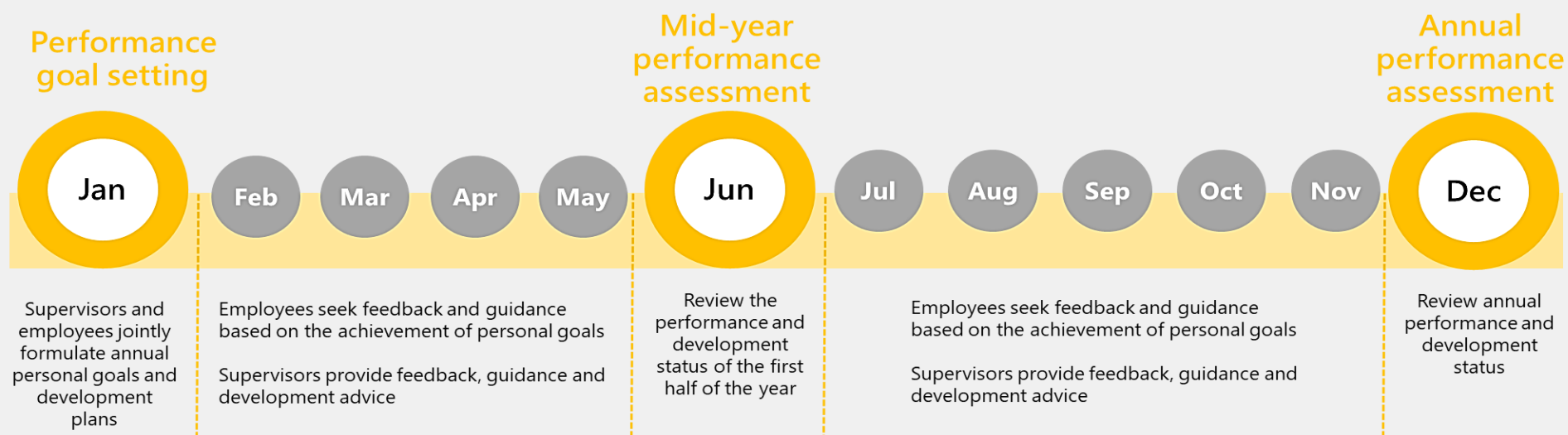


Performance Management and Employee Development

In order to fairly evaluate performance of employees, then reward them properly with job transfer, promotion, salary raise or training courses and to recognize the core competence and career path of every employee, MitraStar has created the "Performance evaluation guideline" to coordinate targets and plans. The guideline will ensure that PDCA is implemented effectively for MitraStar to align with the business roadmaps.

The new recruits will receive their first evaluation as soon as they are hired, while current employees are evaluated in the mid-year period and by the end of the year. Managers and their associates will discuss the progress of annual plans, confirm needs for additional trainings and draft new objectives and plans for the upcoming year.

Employee Performance Management Process



Percentage of employees receiving performance reviews (MitraStar Hsinchu site)

Job	Employees who have completed performance reviews (A)		Total number of people to be examined (B)	(A)/(B) %
	Female	Male		
Administration	38	3	41	100%
Direct Employee	172	34	206	100%
Professional	98	243	341	100%
Manager	58	74	133	99.2%

C. Human Rights Management

1. Human rights policy

MitraStar respects the human rights of stakeholders such as customers, employees, suppliers, communities, and investors. To safeguard the rights of employees, we align our management policies with relevant international standards and enforce our human rights policy in accordance with the United Nation's Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Organization's (ILO) fundamental conventions. MitraStar also implements our human rights policy in accordance with the Responsible Business Alliance Code of Conduct (RBA), and has formulated the Supplier Code of Conduct to jointly implement human rights protection norms with supplier partners.

Implementation Guidelines



- | | |
|--|---|
| • Freedom of employment and equal job opportunities. | Provision of a work environment of safety, health, and zero harassment. |
| • Protection of the right to work of disadvantaged groups, e.g., minorities, people with disabilities, females, migrant workers, and contracted personnel. | Assistance to the employees in maintaining their physical and mental health.
Continuous communication and respect for the employees' opinions. |
| • Legal and reasonable working hours and wages. | Provision of anonymous reporting channels for the employees, suppliers and other stakeholders. |
| • Prohibition of child labor. | Support for the employees' freedom of and right to assembly and association. |
| • Interdiction of forced labor | Regular review and evaluation of implementation effectiveness. |
| • Zero tolerance for harassment and bullying in any form. | Commitment to responsible mineral sourcing. |
| • Elimination of illegal discrimination | |

Implementation Results

In 2021, no incidents involving forced labor, human trafficking or other human rights violations occurred within the Group and no human rights-related complaints were received, handled and solved via the formal reporting mechanism.

A completion rate of **100%** for human rights-related training courses for new employees was achieved

Major Issues Strategy and Goals

Issue	Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Human rights management	Human rights can be maintained to create a sustainable workforce	<ul style="list-style-type: none"> Human Rights Protection Promote the concept of human rights 	<ul style="list-style-type: none"> No material regulatory violation Completion rate of human rights-related courses 	<ul style="list-style-type: none"> No material regulatory violation Achieve a completion rate of 100% for human rights-related training courses for new employees Maintain a completion rate of > 95% for courses on employee sexual harassment prevention 	<ul style="list-style-type: none"> No material regulatory violation Achieve a completion rate of 100% for human rights-related training courses for new employees Maintain a completion rate of > 97% for courses on employee sexual harassment prevention 	 Gender equality  Decent work and economic growth

Near-term goals and achievements

Issue	Management guideline	2021 Goal	Achievement	2022 Goal
Human Right Protection	<ul style="list-style-type: none"> Material regulatory violation 	<ul style="list-style-type: none"> No material regulatory violation 	<ul style="list-style-type: none"> No material regulatory violation 	<ul style="list-style-type: none"> No material regulatory violation
Human rights advocacy	<ul style="list-style-type: none"> Human rights related pre-employment training for new recruits Provide online courses on sexual harassment prevention 	<ul style="list-style-type: none"> The completion rate of human rights related pre-employment training for new recruits is 100% The completion rate of online courses on sexual harassment prevention > 95% 	<ul style="list-style-type: none"> The completion rate of human rights related pre-employment training for new recruits = 100% The completion rate of online courses on sexual harassment prevention=99.5% 	<ul style="list-style-type: none"> The completion rate of human rights related pre-employment training for new recruits is 100% The completion rate of online courses on sexual harassment prevention > 97%

2. Human Rights Management Procedure

We draw up human rights management policies and conduct risk identification for the human rights issues encountered during the operations based on the implementation guidelines of the policies to identify the parties exposed to and the issues related to human rights risks. For the parties exposed to the risks, MitraStar establishes preventive procedures and conducts risk assessments using different approaches to assess the level of human rights risks. Human rights violations can thus be prevented by performing mitigation measures and offering reporting channels. Also, follow-ups and improvements are implemented on a continuous basis.



MitraStar conducts internal and external stakeholder surveys by sending questionnaires by email and posting the questionnaires on the official website to gain a grasp of the issues of the stakeholders' concern, thereby identifying the parties exposed to high human rights risks, including the employees and suppliers. The issues and parties are then used as indicators for assessing the level of human rights risks and managing the risks.

Establishment of Preventive Procedures

For Employees: In addition to the "Work Rules", "Employee Handbook", and "Regulations for Staff Employment" specifying requirements for human rights protection, the "Regulations for Sexual Harassment Prevention Measures, Reporting and Punishment", "Management Procedure for Anti-forced Labor", "Procedure for Protection of Child and Underage Labor", "Management Procedure for Prohibition of Mental and Physical Abuse", "Anti-discrimination Management Procedure", "Religion and Belief Management Procedure", and other internal management regulations have been developed to explicitly affirm that we protect the rights of our employees and ensure they have access to appropriate care.

For Suppliers: To further ensure the human rights of all personnel in the supply chain, the "Code of Conduct for Suppliers" has also been instituted to, jointly with the suppliers, protect and take care of their employees.

Identification of Issues and Parties at Risk

Risk assessment is conducted using different approaches for the employees and suppliers with high human rights risks. High-risk human rights issues are identified according to the probability of risk occurrence and severity to set objectives and strategies for mitigation actions.

Employees:

- **“Labor Risk Factor Identification and Assessment Form”**: The “MitraStar Risk Management Team” conducts a human rights risk survey for the employees using the “Labor Risk Factor Identification and Assessment Form” every year. The survey covers human rights topics such as “child labor”, “forced and compulsory labor”, “disciplinary measures and discrimination”, “working hours”, and “remuneration and compensation” and gives scores for the probability and frequency of occurrence and severity of the risk issues concerning the topics based on their descriptions. The risk level is then calculated using the hazard level assessment method to identify high-risk issues and a “high-risk item assessment result report” is issued. The report describes the control measures and the high-risk issues and rectifications made for the high-risk issues and records the reviews verified subsequently.
- **Internal Audit**: Our subsidiaries carry out internal audits based on the RBA Code of Conduct. Document audits focusing on “child and underage labor”, “forced labor”, “discrimination and discipline”, “freedom of association and communication”, “working hours and wages”, and other human rights issues are executed. An audit report is then issued based on the audit result. The subsidiaries determine the required improvements and the deadline according to the level of the deficiencies and implement subsequent follow-ups while performing further on-site audits.

Suppliers:

With the “Supplier Social Responsibility Evaluation Questionnaire” designed in accordance with the RBA Standards and “on-site audits”, the suppliers are audited for human rights issues such as “child and underage labor”, “forced labor”, “discrimination and discipline”, “freedom of association and communication”, “working hours and wages” and an audit report is issued to identify the human rights risks that may occur to the suppliers.

| Human rights issue Management

Restrict any discrimination, harassment or persecuting in the workplace

MitraStar's "Employee Code of Conduct" expressly states that no discrimination, harassment, or persecution of any kind shall be tolerated in the work environment. We expressly forbid discrimination against employees based on race, color, creed, national origin, religion, gender, age, disability, sexual orientation, pregnancy, political affiliation, or differences in their marital status, etc. The "Anti-Discrimination Management Procedures" also regulate the management procedures and methods for preventing and combatting any form of discrimination.

Elimination of Forced or Compulsory Labor and Child Labor

Support and respect, within its sphere of influence, the protection of international human rights set out in the United Nation's Universal Declaration of Human Rights, the International Labor Organization's (ILO) fundamental conventions and the Global Compact. In particular, MitraStar supports the effective elimination of all forms of compulsory labor and child labor as defined in the ILO. It will make this a criterion in the management of its suppliers and sub-contractors.

Gender Equity

MitraStar has "Sexual Harassment Prevention Methods" to prevent sexual harassment in the workplace and maintain equal job opportunities for both genders. MitraStar also has a sexual harassment complaint channel, and the complainant can make a complaint orally, by telephone, fax, letter, email, etc. We have also formed a Sexual Harassment Complaint Appraisal Committee which is jointly formed by the company and colleagues to deal with sexual harassment complaints and the punishment of confirmed cases. The company considers protecting employees from sexual harassment as a basic responsibility.

Human Rights of and Care for Foreign Employees

There are 140 production line employees at the MitraStar Hsinchu site, most of which are foreign migrant workers. 80% of them are Filipino and 20% are Vietnamese.

Zero Payment from Migrant Workers:

In compliance with the RBA Trafficked and Forced Labor – Definition of Fees, MitraStar ensures responsible employment and recruitment that prevent the employees from being exploited while being employed. MitraStar protects their labor rights by making sure that they do not pay any expenses for application, recruitment, employment and placement and do not bear any processing fees to enable its foreign employees to work in Taiwan without worry. MitraStar Technology pays in full the expenses and placement fees required for its direct foreign employees to work when they are hired and requests the recruitment agencies not to charge the employees any fees.

Care for Foreign Employees:

Life: In the dormitories, there is a convenience store offering foreign employees snacks from their countries/groceries to meet their needs.

Health: Brand-new en-suite dormitories are provided for the employees to ensure their health.

Mentality: During the pandemic, MitraStar has provided grocery buying assistance, offered special meals and organized festival activities to advice the employees against going out and enriching their life in the dormitories.

Privacy and Personal Data Protection

Regulations: MitraStar takes the employees' privacy and personal data protection seriously. Thus, the "Personal Data Protection Regulations" have been established to require our employees and suppliers to comply with Taiwan's "Personal Data Protection Act" and "Regulations for the Maintenance of the Safety of Personal Data and Files", the EU's "General Data Protection Regulation (GDPR)", and the laws and regulations concerning personal data protection of the countries where we operate in so as to regulate the protection, management, maintenance and treatment of personal data. We specify that personal data must be used in a legal and reasonable manner by personnel with particular permission to secure the storage and transmission of the data.

Dissemination and Education: Dissemination, education and training on the protection of personal data are implemented. All our employees are required to complete our CSR courses every year. These courses to the employees to respect any individual's private information during data processing. The Internal Auditing Office conducts irregular audits for personal data protection and management to ensure a thorough human rights-based management approach to privacy and personal data protection.

Supplier Management: MitraStar also audits the suppliers for their privacy and personal data protection and requires them to abide by the related laws and regulations to respect privacy and protect personal data together with them.

Freedom of Religion

We respect the right to religion and belief of our employees of different nationalities and organize regular gatherings for employees with the same religion and belief to help them seek spiritual comfort through religion, e.g., circles for guided Bible-reading in English.

Mitigation Measures

In addition to the identified high-risk issues, we develop goals and strategies for the human rights issues of significant concern. The Company executes mitigation measures and actions and establishes a mechanism for continuing follow-ups and improvements to monitoring the implementation effectiveness. Our measures for mitigating the impact of the human rights issues focusing on **diverse communication channels**, **dissemination campaigns**, **education and training** to achieve the goals set according to the implementation guidelines under MitraStar's human rights policy.

Multiple communication channels

MitraStar not only have legitimate and competitive wages, working hours, benefits, vacation and retirement offerings, but also provide adequate channels for employees to communicate their thoughts and ideas with the management and to receive positive feedback through constructive interactions. We strive to keep these communication channels open between employees and the management. Such conduits include meetings, suggestion boxes, bulletin boards, internal documents and e-mails for work groups. Managers are also given the opportunity to talk to their colleagues directly, in face-to-face affairs like "Free to Speak", "Groups of Honor" and "Town Meetings". In these events, employees can freely express their opinions or doubts about company policies, followed up on by responsible managers.

Internal communication channels



The number of cases reported through the communication channel

Labor management meeting (Hsinchu site)	13
Employee opinion survey (Hsinchu site)	404
President's Town Meeting (Hsinchu & Wuxi site)	22
Employee congress (Wuxi site)	19

Campaigns

Town Meeting with the President



Employee Newsletter



Labor-Management Committee

The "Labor-Management Committee," where the labor and management representatives are appointed by election, has been formed. Labor-management meetings are also held periodically. With the aim of reaching a consensus on the practices for different issues and building a harmonious relationship, the labor representatives give advice on labor-related matters and measures proposed by the management.

Minimum Notice Period Regarding Material Operational Changes

In accordance with Article 16 of the Labor Standards Act, where MitraStar terminates a labor contract pursuant to Article 11 or the provisions of Article 13, the provisions set forth below shall govern the minimum notice period:

- Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
- Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
- Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

Human Rights Protection Training

MitraStar provides e-Learning courses to promote regulatory compliance, sexual harassment prevention and comprehensive occupational safety training in new employee orientation.

Human Rights Protection Training	Taiwan Office			Wuxi Office		
	Trainees	Training Hours	Coverage %	Trainees	Training Hours	Coverage %
Human rights protection training	857	429	99%	5,346	2,673	100%
Provide sexual harassment prevention course	857	429	99%	5,346	2,673	100%
Occupational Safety Training	286	930	100%	5,346	2,673	100%

Management Practices and Objectives for Human Rights Issues

Human Rights Issue	Target	Regulation and Practice	Risk Assessment	Mitigation Measures	Follow-up and Improvement	Planned Goal
Reasonable working hours and wages	All employees	Salary policies	Labor Risk Factor Identification and Assessment Form Internal audits based on the RBA Standards	Ensure a minimum salary level higher than the basic statutory wage for the employees Flexible commuting system.	Create an overwork management and tracking mechanism where taking one day off is required for every seven days of work.	Comply with the regulations for legal and reasonable working hours and wages
Interdiction of forced labor	All employees	Management Procedure for Anti-forced Labor Management Procedure for Prohibition of Mental and Physical Abuse	Labor Risk Factor Identification and Assessment Form Internal audits based on the RBA Standards	Provide multiple communication channels	Offer education and training on human rights protection	Ensure zero material violation of the laws
Zero tolerance of harassment and bullying	All employees	Regulations for Sexual Harassment Prevention Measures, Reporting and Punishment Written Declaration on Workplace Violence Prevention	Two risk assessments for identifying violations of laws every year Labor Risk Factor Identification and Assessment Form	Implement a "program for the prevention of unlawful infringements in the execution of duties" annually Provide multiple communication channels	Have the "Committee for the Prevention of Unlawful Workplace Infringements" convene every three months and prepare meeting minutes Offer education and training on human rights protection	Ensure no sexual harassment complaints are received
Non-discrimination	Female employees Foreign workers	The Company's regulations for employment Anti-discrimination Management Procedure	Labor Risk Factor Identification and Assessment Form Internal audits based on the RBA Standards	Provide communication and reporting channels	Offer education and training on human rights protection Anti-sexual harassment courses	Ensure no discrimination complaints are received
Physical/mental health and work balance	All employees	Regular labor-management meetings	Employee activity participation rate	Provide wide-ranging employee facilities Offer various clubs and employee activities	Employee activity satisfaction surveys	Receive a satisfaction score of 4 or higher for $\geq 90\%$ of the activities
A work environment of safety and health	All employees	Environmental safety and health policies	Identification and assessment of employees at high risk for abnormal workload Annual medical check-ups	Ask the employees to follow the "Management Procedure for the Identification and Assessment of Safety and Health Hazards"	Pass the certification audit for the ISO45001 Conduct regular follow-ups on groups with potential health risks	Ensure zero occupational accidents Make sure no occupational diseases occur
Human rights protection by suppliers	Suppliers	Code of Conduct for Suppliers	Supplier Social Responsibility Evaluation Questionnaire On-site supplier audits	Conduct annual audits for the suppliers to prevent human rights risks from occurring to them	Require the suppliers to perform improvement measures for their human rights risks Develop a "Code of Conduct for Suppliers"	Ensure 100% dissemination
Responsible mineral sourcing	Suppliers	Declaration on the Prohibition of the Use of Conflict Minerals	Carry out surveys on the prohibition of the use of conflict minerals	Disclose the "Declaration on the Prohibition of the Use of Conflict Minerals"	Ask the suppliers to complete the "Survey on the Source of Metal Minerals"	MitraStar Technology: Complete the survey at the customers' request

D. Workplace Health and Safety

Our employees are our most important asset as well as the foundation of corporate sustainable development. MitraStar promises to offer the employees a workplace of **well-being, health** and **safety**. Through a diverse range of welfare measures and activities, every employee receives proper care. The physical and mental health of our employees are maintained with comprehensive health management and care in order for them to achieve work-life balance. In accordance with the ISO 45001 Occupational Health and Safety Management System, we provide our employees with a safe work environment and maintain the rights and interests as well as safety of the contractors, thereby building a workplace of well-being, health, and safety.

Commitments

Workplace of Well-being

- Activities for happiness
- Work environments and facilities
- Heartwarming benefits
- Female-friendly workplace
- Freedom of association

Work-life Balance

Healthy Workplace

- Health management
- Health promotion
- Medical services
- Health care services
- Pandemic prevention measures


Health Care for

Safe Workplace

- Environmental safety and health policies
- Management system verification
- Safety and Health Risk Management
- Safety and Health Management for Contractors

Workplace Safety and Health

Major Issues Strategy and Goals

Issue	Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Occupational safety and health	The Company can ensure continuous operations and steady growth in a work environment with safety as a priority	<ul style="list-style-type: none"> Promote an occupational safety culture Give safety awareness education Implement preventive management 	<ul style="list-style-type: none"> Occupational safety course coverage Number of occupational accidents Disabling injury frequency rate (FR) Disabling injury severity rate (SR) Management system verification 	<ul style="list-style-type: none"> Occupational safety course coverage > 95% Occupational accidents 0 Disabling injury incidence rate (FR) 0 Disabling injury severity rate (SR) = 0 Pass the ISO45001 certification process 	<ul style="list-style-type: none"> Occupational safety course coverage > 98% Occupational accidents = 0 Disabling injury incidence rate (FR) 0 Disabling injury severity rate (SR) 0 Pass the ISO45001 certification process every year 	 Decent work and economic growth

Near-term goals and achievements

Issue	Management guideline	2021 Goal	Achievement	2022 Goal
Work-life Balance	<ul style="list-style-type: none"> Activity planning employee satisfaction % 	<ul style="list-style-type: none"> Activity implement in time Activity questionnaire return rate $\geq 80\%$ At least 4 points in the satisfaction survey $\geq 90\%$ 	<ul style="list-style-type: none"> Family Day activity questionnaire return rate $\geq 85\%$ 4 points in the satisfaction survey for Family Day activity $\geq 95\%$ 	<ul style="list-style-type: none"> Activity implement in time Activity questionnaire return rate $\geq 80\%$ At least 4 points in the satisfaction survey $\geq 90\%$
Verification of Management System	<ul style="list-style-type: none"> Management System certification 	<ul style="list-style-type: none"> Obtain Management System certificate ISO45001 	<ul style="list-style-type: none"> Obtain Management System certificate ISO45001 	<ul style="list-style-type: none"> Obtain Management System certificate ISO45001
Occupational Safety and Health Management	<ul style="list-style-type: none"> Case of incident Disabling Injuries Frequency Rate (FR) Disabling Severity Rate (SR) 	<ul style="list-style-type: none"> Case of incident < 1 Disabling Injuries Frequency Rate (FR) < 0.67 Disabling Severity Rate (SR) < 1 	<ul style="list-style-type: none"> Case of incident 1 Disabling Injuries Frequency Rate (FR) = 0.63 Disabling Severity Rate (SR) = 3 	<ul style="list-style-type: none"> Case of incident = 0 Disabling Injuries Frequency Rate (FR) = 0 Disabling Severity Rate (SR) = 0
Safety equipment management	<ul style="list-style-type: none"> Rate of fire equipment improvement 	<ul style="list-style-type: none"> Rate of fire equipment improvement 100% 	<ul style="list-style-type: none"> Rate of fire equipment improvement 100% 	<ul style="list-style-type: none"> Rate of fire equipment improvement 100%
Prevention of professional diseases	<ul style="list-style-type: none"> Cases of occupational disease 	<ul style="list-style-type: none"> Cases of occupational disease = 0 	<ul style="list-style-type: none"> Cases of occupational disease = 0 	<ul style="list-style-type: none"> Cases of occupational disease = 0

1. Workplace of Well-being: Work-Life Balance

LOHAS Diverse Activities and Facilities

The welfare committee embraces the mission of creating the best working environment possible for everyone, including MitraStar employee. It helps colleagues to better play their roles in both the office and home. The Committee regularly organizes or subsidizes the following activities:

- **Company-wide events:** Family Day and annual evening banquets etc. Over 4,000 employees and their family participated these events.
- **Sports:** In 2021, due to the COVID-19 epidemic, internal ball games were suspended, ball clubs participated in external cups, with a total of more than 164 attendances.
- **Art :** Music concert, installation art
- **Clubs:** over 17 clubs such as ball sports, yoga, belly dancing, illustration and oil painting, etc. and have over 10,000 attendances.
- **Travel :** sponsorship for employee travel groups and activities
- **Discounts in designated shops:** Corporate agreements with stores all over Taiwan for colleagues to enjoy discounts for food, clothing, housing and travel.
- **Others:** subsidies for holiday/birthday, assistance for emergency and EAP (Employee Assistant Program)

Unizyx group Employee Welfare Committee Website



Hiking



Christmas decoration

Working place

Lounges, karaoke rooms, convenience stores, restaurants, cafeterias, breast-feeding rooms, as well as on-campus travel agencies, banks, insurance services, telecom application, shopping card application service are also available.

Gymnasium with badminton, volleyball, basketball, billiards, table tennis, aerobics and weight training rooms allow employees to enjoy their favorite sports for better physical and mental health. In 2021, 20,000 people used the Gymnasium.

Employee Welfare

- **Dining Delights:** The company cafeteria offers six buffet lanes and two cafeterias with nearly 100 cuisines for employees to choose from.
- **Dormitory:** Visiting employees can reside in the dorm until they find a more suitable place to stay in the future.
- **Parking Space:** All employees who commute by car or motorcycle can enjoy free, parking spaces. Aside from the motorcycle parking lot, a four-level, underground car park is also provided. Special parking space for pregnant, injure and honor employees.
- **Group Insurance:** Provide group insurance for colleagues and dependents, and arrange insurance company personnel to provide insurance consulting and claim application services for colleagues.

Cafe



Yoga room



Gymnasium



Sport court



Female-friendly Workplace

MitraStar cares about the relationship between the employees and their children as well as the female workers' needs at work and values gender equality at work. Therefore, a work environment offering diversely comprehensive protection and assistance in terms of systems/regulations, welfare measures, and employee facilities is provided.

Discrimination and Harassment Management Standards and Regulations: The "Code of Conduct for Employees" stipulates that the employees must not be discriminated against, harassed or persecuted on the basis of gender, sexual orientation, pregnancy or marital status. The "Regulations for Sexual Harassment Prevention Measures, Reporting and Punishment" specify that the complaints made through the sexual harassment reporting channels and sexual harassment investigations shall be kept under wraps to protect the right to privacy and personality rights of the persons involved.

Flexitime making juggling family and work possible: This system allows the employees to arrive or leave one hour early or late to meet their needs for picking up their young children, taking care of their families, or dealing with personal matters.

Unpaid Parental Leave and Resumption of Work: The employees may apply for "family leave" when they need to take care of their family members. If the employees have a need to take care of their newborn family members, they may apply for "unpaid parental leave" in accordance with the laws. We make plans for their resumption of work on our own initiative before the end of their unpaid parental leave.

Health Protection of Female Workers: Follow-ups are conducted using the "Maternal Health Protection Survey" to assist the Company and the employees in jointly assessing hazardous health risk factors and relevant protection measures.

Various Benefits for Female Workers: We set up breastfeeding rooms equipped with heartwarming amenities and facilities and provide car and motorcycle parking spaces for expectant mothers to create a work environment friendly to female workers.

Employee Organizations

All employees are free to establish clubs or groups of common interest within MitraStar and we will even subsidize such activities organized by these groups. Currently, there are over 20 active clubs/groups in the company including:

- **Ball Games:** basketball, volleyball, badminton, table tennis, golf, softball
- **Outside Activities:** swimming
- **Dancing:** belly dance, dance club
- **Exercise:** yoga, Chinese shadow boxing, physical training, Aerobic exercise
- **Art:** oil painting, table game
- **Public service:** charity
- **Music:** Folk pop guitar

Formed by employees from all levels, Employee Welfare Committee organized the ball games.

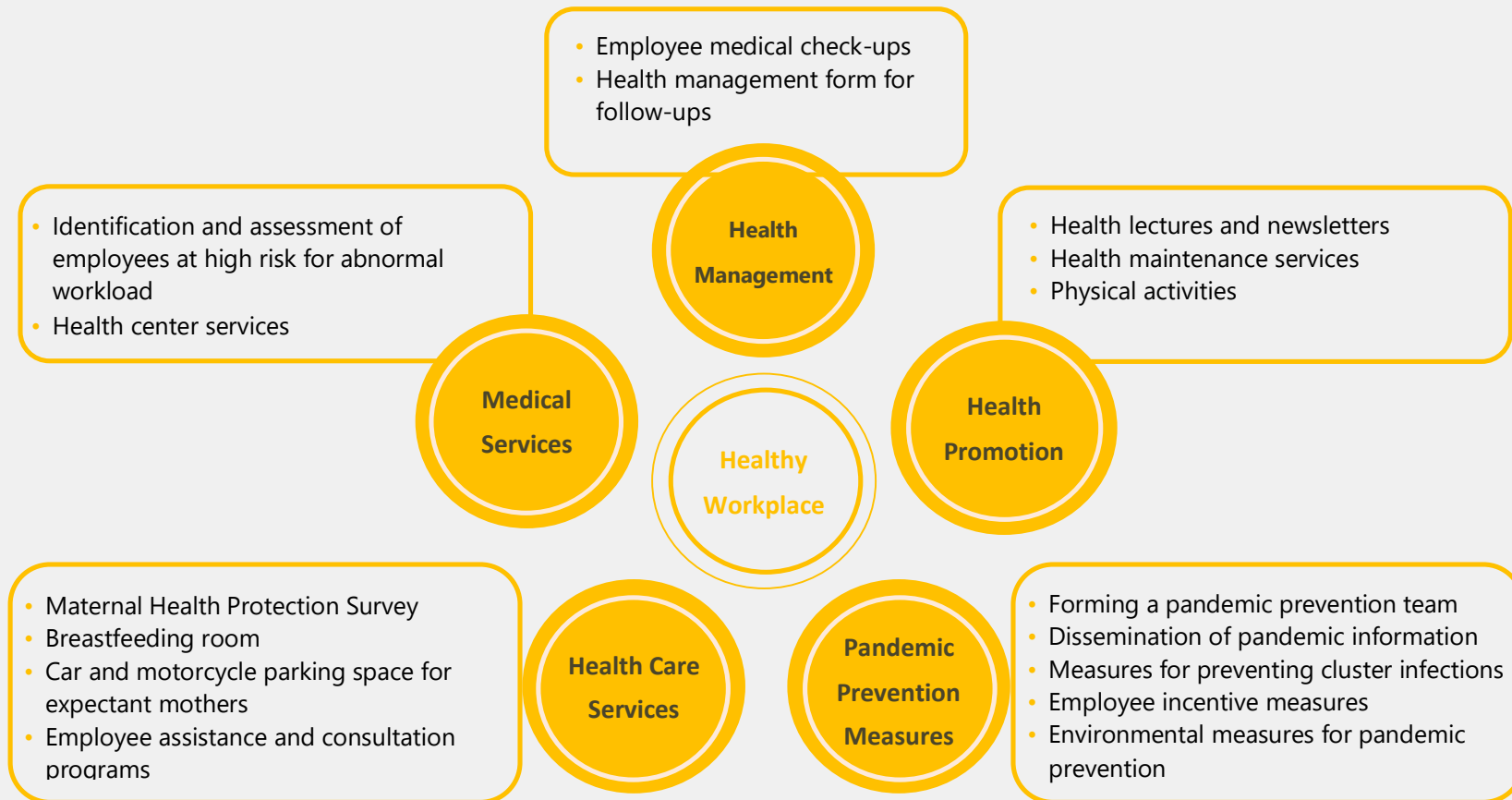
Also, we encourage our employees to interact with employees from other companies to have activities together like as ball game and join other activities or exhibitions.

We create the best working environment possible for everyone, and it helps colleagues to better play their roles in both the office and home.

2. Healthy Workplace: Health Care for Employees

MitraStar cares about the physical and mental health of the employees and aims to boost their performance in all fields and promote their health. In addition to driving the employees' productivity at work, we hope that they can have a better quality of life and achieve work-life balance.

Thanks to our efforts, we were certified as a "Sports Enterprise" in 2021 and received the "Workplace Health Promotion Certificate" from the government, stiffening our positive stance on the importance of health management for the employees.



Health Management

For general employees, management, and new employees, medical check-ups superior to those required by the laws in terms of examination items and frequency are provided every year. Medical check-ups involving advanced health management and examination items are also available for the management. The production line employees at high risk receive lead ion and ionizing radiation tests and all the examination expenses are paid by MitraStar.

Employee health check-ups

Every year, MitraStar Hsinchu site provides regular employee health check-ups that exceed government standards. Physical checkups: according to the result of checkups, follow-up targets are categorized into different levels for the highest level of employee wellbeing - A: Normal, B: recommended to improve with healthy diet and exercise, C: recommended for further physician evaluation. And D: Abnormal, recommended for further treatment. Except for the arrangement for C and D for further treatment consultation, MitraStar also provide one- day sick off and medical subsidy.

Health Management Information Dissemination

We post health-related information on the bulletin board and offer scales and blood pressure monitors for the employees to understand their health status at any time.

Health check hierarchical management results

Number of people to check	A	B	C	D
603	13%	44%	29%	14%



Multiple health promotion activities

In addition, MitraStar also works government agencies to hold health promotion activities such as stress-relieving massages, weight loss activities, cancer prevention seminars, blood -pressure checking, blood donations and vaccination service. The activities effectively help employees to become more conscious about their health. We also open the AED training classes from 2013 to create a health working environment for employees.

Health Promotion Activities

Activity Type	Main Activity
Physical activities	<ul style="list-style-type: none"> Body-moving activities Fast-walking activities
Health maintenance	<ul style="list-style-type: none"> Massages for stress relief Cancer prevention activities Smoking cessation Blood pressure measurement activities Vaccination services Health promotion activities at Mother's Day (measurement of calcaneal bone density/eye pressure/BMI)
Health resources	<ul style="list-style-type: none"> Health lectures AED training courses Health information dissemination COVID-19 pandemic prevention newsletters

In 2021, MitraStar participated in the National Health Agency's selection campaign and "Workplace Creative Gold Point - National Excellence Award".



Abnormal Workload

Every year, processing the high risk group identification and evaluation, keep tracking the abnormal working load employees and provide them with the health education.

According to the advice of our occupational medicine physician, we conduct follow-ups on and take care of the employees who are identified as having abnormal workload classified as Level 2 or higher, have medium risk of cardiovascular comorbidity, and are under Level D health management according to the "Workload Scale".

Workload Evaluation Indicators :

Annual workplace health scale	Overwork score	Work type
Personal overwork score	Monthly overtime hours	-

Health Protection of Female Workers

Various Benefits for Female Workers

MitraStar cares about the relationship between employees and their children and values gender equality at work. Breastfeeding rooms equipped with heartwarming amenities and facilities, including breast milk bags, nursing pads, and emergency hotline phones, are set up and serve as comfortable spaces for our female employees. The employees are provided with satisfaction questionnaires to get their feedback and opinions. Multiple welfare measures for female employees are also implemented, such as car and motorcycle parking spaces for expectant mothers, to offer a friendly and quality work environment.



Electronic Maternal Health Protection Survey

To effectively enhance the efficiency of health management for our female workers, we, through an online cloud management system, develop a "Female Worker Health Management Assessment Form" for follow-ups to manage the health of the workers in a real-time manner. The occupational health and safety personnel and medical personnel are then conduct job suitability assessments and classification management to smoothly assist the Company and the workers in jointly assessing hazardous health risk factors and relevant protection measures in accordance with the "Regulations of the Maternity Health Protection at the Workplace".

In 2021, all our female workers were under Level 1 risk management (meaning that their jobs or health issues did not cause harm to them as mothers and their fetuses or babies).

Assessment Procedure:

Starts		Generate a "Maternal Health Protection Assessment Form" through the online information system
Stage 1	Female worker	Fills in the form with the basic information, perceived job limits, and identified risks at work
Stage 2	Unit head	Conducts an assessment to see if work adjustments are required
Stage 3	Occupational health nurse	Issues a health check-up report
Stage 4	OSH personnel	Conducts an assessment to determine if the work continuations are to be changed or if control and management measures are to be adopted
Stage 5	Occupational medicine physician	Assigns a health management level based on the assessment result, gives comprehensive advice on job suitability, and sets a time for the next follow-up
Stage 6	Female worker	Checks the assessment result with the physician

Health care center

We have the nurse and doctor to provide the health consultation. Invite the blind masseuse to provide the stress relieving service for employee, and also taken care of disadvantaged people. In 2021, over 370 people use this free service and the satisfaction percentage is 95%.

The service including:

medical professionals' consultation service	Medical transfer service
Prevention of professional diseases	Cooperate with the government's four major guidelines for management
Provide employee the consultation service in service hours.	



24-hour Toll-free Hotlines

An expert team consisting of lawyers and consultants in psychology, financial and health fields provide a round-the-clock counseling service under the Employee Assistant Program (EAP).

These experts help employees to overcome physical and mental health issues, legal issues, marriage, education, career management, insurance, tax and finance difficulties. All personal information and records are under strict protection and supervision.

Following the program, In 2021, various seminars are including tax and living issues are provided.



COVID-19 Epidemic Prevention Management

Facing a great threat of COVID-19, MitraStar established an epidemic prevention team, with the general manager of each subsidiary as the commander, continued to grasp the latest epidemic information, and fully cooperated with government policies. We continue providing colleagues with the best epidemic prevention and protection measures in a timely manner to fight the epidemic together with the world.

While there was a mask shortage, employees were provided with masks in response to the epidemic. When the government opened up the administration of vaccines, leading the industry, MitraStar provided employees with the vaccination subsidy projects to encourage the vaccination. In the face of sudden changes in the epidemic, the epidemic prevention team meets regularly every day to monitor the development of the epidemic in the surrounding counties and cities, discuss new policies and countermeasures,

track the daily health of colleagues, confirm the adequacy of epidemic prevention materials, control personnel entry and exit, and strengthen the cleanliness of the environment disinfection, division of employees to go to work, online meetings, etc., to respond to management and control in a rolling manner.

At the same time, in the face of the impact of the epidemic on the business, in addition to explaining about the epidemic situation to customers, it also actively tracks the supply of materials in the supply chain to reduce the impact of the epidemic on the company's operations.

In addition, the newly added "Management Measures for Employee Infectious Diseases" clearly defines the authorities responsible for epidemic prevention, epidemic investigations, epidemic prevention audits, and work environment disinfection. There were no confirmed cases in the factory in 2021.

Epidemic Prevention Team

Commander President	Coordination Team Head of Administration	Anti-epidemic work feedback and coordination	MIS Team MIS Department	Use electronic forms to conduct epidemic prevention investigations and update in time
	Executive Planning Team Head of Factory Head of Environmental Safety Dept.	Overall plans for epidemic prevention measures, collect info and report to the commander	Epidemic Prevention Information and Equipment Team Workplace nurse	Collect info, purchase anti-epidemic materials, and conduct psychological consultations of colleagues
	Plant Personnel Management Team HR Supervisor & plant Manager	Manage foreign workers under the premise of respecting human rights. Load reduction of dormitory personnel to reduce group gatherings.	Protection Control Team Guards & heads of each area	Replenish epidemic prevention materials, implement entry and exit control, and measure body temperatures
Guide epidemic prevention work			Health Executive Team Janitors	clean and disinfect regularly

1. Key Epidemic Measures

Epidemic info collection and promotion

- Notification of immediate epidemic and epidemic prevention regulations
- Fill in the self-health management form daily
- Daily temperature measurement report
- Regularly investigate the situation of employees' vaccination
- Providing employees with epidemic prevention information

Continuous operations planning

- Proactively communicate with customers the company's situation and response measures affected by the epidemic
- Understand the situation of customers and suppliers affected by the epidemic
- Coordination of orders and shipments with customers
- Track the supply chain of the material supply status
- Measures to respond to material shortages

Measures to avoid group infection

- Restaurant seat adjustment
- Individual dining seats
- Elevator maximum capacity limit
- Visitors prohibited from entering the factory
- A temporary open meeting area is provided
- Cluster venues (e.g. gymnasiums) are closed
- Group activities suspended
- Commuter colleagues work from home (WFH)
- Work diversion mechanism, WFH supporting measures started simultaneously
- Online or phone meetings
- Entrance and exit are controlled by time zone
- Reduce domestic travel; prohibit foreign travel



Incentives

- The project to subsidize colleagues to receive vaccines
- Provide vaccination leave and recuperation leave
- Adjust personnel attendance regulations for epidemic prevention
- Initiation of epidemic prevention and care leave for families with children under 12 years old, authorized supervisor WFH to implement flexible implementation

Personnel epidemic prevention measures

- Mandatory wearing of masks in public areas
- Free masks are provided regularly every week
- Body temperature measurement requested before entering the factory
- Provide body temperature measurement cards

Environmental facilities and cleanliness

- Increase the frequency of disinfection in public spaces
- Regular disinfection of the whole workplace every week
- Install sensor faucets
- Epidemic prevention materials and cleaning supplies ready

3. Safe Workplace: Workplace Safety and Health

3.1 Environmental, Safety & Health Policy

By way of defining and publicizing the environment and safety-related policies, MitraStar Technology expresses its intention to take environment and safety issues into consideration in every aspect. It requires all employees to comply with the terms listed in the environment and HSF manual.

Protecting the health of its employees and the environment is MitraStar Technology's genuine commitment. It observes all government regulations and enforcing policies relevant to the environment, HSF and safety.

Safety and Health Committee

Labor and management jointly form a formal safety and health committee, which meets once a quarter according to "QA2901_Organizational Responsibilities and Management Procedures", and the general manager reviews the content of the meeting.

The committee members include: occupational safety and health personnel, supervisors, supervisors, and command personnel of various departments, engineering and technical personnel related to occupational safety and health, medical personnel engaged in labor health services, and labor

representatives.

MitraStar

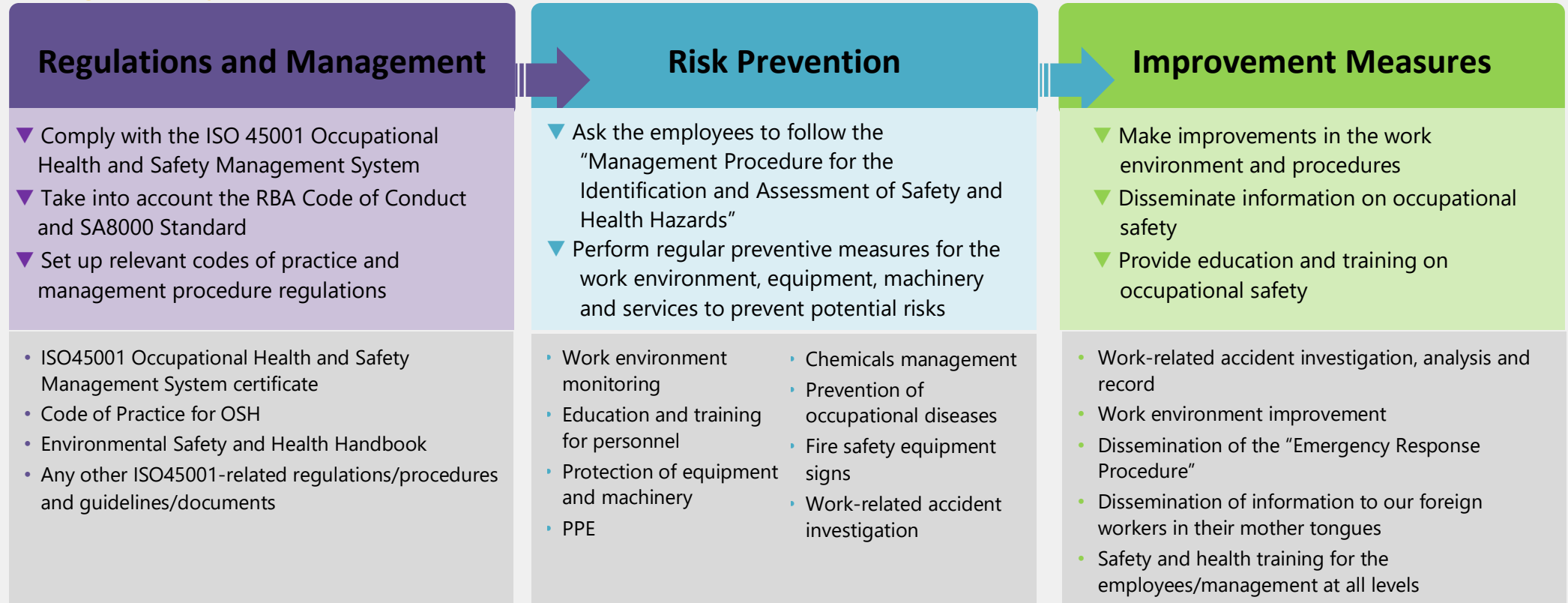
Environment, Safety, Health & HSF Policy

 <p>Meeting environmental, safety and healthy regulations and standards</p>	 <p>Establish environmental, safety and healthy cultures</p>
 <p>Build safe, healthy workplaces to prevent occupational diseases and protect employees' health</p>	 <p>Control greenhouse gas emissions and consumption of energy resources to mitigate climate change</p>
 <p>Develop and produce green products that comply with the international standards, including Hazardous Substance Free(HSF), and clients' requirement to environmental protection</p>	 <p>Introduce energy-efficient products and equipment while improving product design for better energy performance</p>

3.2 Safety and Health Management Procedure

MitraStar implements environmental safety management in accordance with the "ISO 45001 Occupational Health and Safety Management System", with the RBA Code of Conduct as well as the SA8000 Standard taken into account. Three sequential implementation guidelines, namely regulations and management, risk assessment, improvement and guidance, are developed to ensure the safety of our employees and contractors in the work environment and achieve the goal of zero incidents.

Management System Verification



Step 1: Regulations and Management

MitraStar passed the certification audit for the ISO45001 Occupational Health and Safety Management System. We continue to actively ensure their compliance with the latest standard in the country to sharpen their competitive edges.

Step2: Risk Prevention

Environment, Safety, and Health Risk Management

In terms of the manufacturing processes, preventive guidelines, such as the safety design of machinery, operating procedures, training, automatic inspection, safety auditing, management of chemicals, environmental assessment, employee health check and management, protective gears and management of high-precision operations are taken on a daily basis to ensure a comfortable, safe and worry-free working environment for employees.

Working environment inspection

The kinds and quantity of chemicals used in the factory are inspected every six months to evaluate the actual quantity required for production, while the personnel and environment are also inspected in terms of the following elements for formal records:

- Physical environment factor: noise, illumination.
- Chemical environment factors: carbon dioxide, organic solvents and lead metal



Machines risk protection

- All machines and equipment with higher personnel risk (e.g. forklifts and high-pressure gas controllers) are inspected every year to ensure safety, and warning signs are clearly posted on such machines to remind the operators.
- All departments operating the high-risk machines must plan for regular inspections and maintenance. For instance, forklifts must be checked before any operation of the day begins.

- The factory operators also inspect high-risk and general machineries on the target parts automatically; any found anomaly will be recorded on a checklist, and vendors will be contacted to provide the necessary service. The safety and environment unit will perform re-inspection to ensure that the conditions have been properly addressed.

Personal protection

Any employee who may have contact with hazardous material is required to use personal protection gears to minimize the risk of exposure. Protection gears designed for different working conditions are prepared and stored in clearly labeled cabinets, and improperly used protection gears must be replaced immediately. Guidelines and regulation of gear usage are communicated with all related employees to ensure the best protection possible.



Temperature and humidity, noise and vibration control

- MitraStar's working environment has no temperature and humidity issues.
- MitraStar entrusts a qualified testing agency to visit the factory to monitor the operating environment every six months. For the noise-producing areas such as air-conditioning equipment rooms, laboratory testing areas, and gluing areas, on-site operators will issue earmuffs or disposable earplugs for hearing protection to people working in these areas.

Management of dangerous and harmful materials

- The electronic files of the latest Chemical Material Safety Datasheet, renewed every year, are provided for download. The list of dangerous materials is also updated annually.
- The "Management Procedures and Communications of Dangerous Materials" is enacted and updated annually for employees to follow during the storage, handling and disposal process of dangerous materials.
- Operating the CCB (Chemical Control Banding) management. Report the classification of the dangerous and harmful materials and evaluate them periodically every year to eliminate the harmful effort to employees.

Prevention of occupational diseases

- Every year, MitraStar regularly offers health checks to employees for the best balance between their health and working conditions as well as to protect them from occupational diseases. In addition to regular, standard checking items, special inspections on lead material, and radiation influences are performed and tracked as well. No records related to occupational diseases have yet been found.
- We conduct repetitive musculoskeletal injury surveys for employees in accordance with local laws and regulations. Occupational safety and health management personnel and labor health services medical staff conduct high-risk group assessments and suggestions for improvement.

- In response to the global COVID-19 epidemic, the "MitraStar Epidemic Control and Prevention Committee" was established to ensure the effective control of the epidemic, thereby protecting the health of workers and maintaining the company's normal operation and production. There were no confirmed cases in the factory in 2021.

Firefighting equipment and signs

- The firefighting equipment is installed and labeled properly as required by the law.
- Firefighting equipment and signs, such as evacuation lights, fire extinguishers and indoor/outdoor hydrants, are inspected quarterly; evacuation maps and emergency lightings are placed at appropriate locations such as safety ladder exits. In addition, backup power generators will provide the electricity for necessary lighting in emergency conditions.
- External inspectors are commissioned to perform annual equipment checks for guaranteed functionality.

Step3: Improvement Measure

Investigation, analysis and record of professional accidents

Should any undesired accident happen to our employees or contractors, internal first-aid unit will be dispatched to control the situation while the security unit investigates the possible causes. All department heads will assign engineers to assist the investigation in hope for future prevention and improvement guidelines. On the other hand, even false alarms should be elevated monthly through managers, seed personnel in departments and the security unit for the unit to generate reports and to prevent future occurrence. MitraStar generates monthly statistics of cases, types and causes of employee injury to report on the web for analysis and thus prevention guidelines of frequent accidents; fortunately, there's no case of dispute, penalty or indemnification in recent years. As required by the law, MitraStar reveals its monthly report on professional accidents.

Statistical analysis of disability and injury

Statistics on occupational hazards are calculated according to the definitions of occupational hazards in the Occupational Safety and Health Law and the key disability and injury statistical data indicators published by the Global Sustainability Reporting Institute (GRI).

Number of fatalities as a result of work-related injury	0
Number of high-consequence work-related injuries (excluding fatalities)	1
Number of recordable work-related injuries	1
Number of false alarm accidents	0
Rate of fatalities as a result of work-related injury	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.13
Rate of recordable work-related injuries	0.13
Occurrence rate of near misses	0

Improvement of working environments

- Proactively implement the "6S" principles in the factories.
- The airflow in factories along with the entire environment conditions is inspected and recorded every six months; all anomalies will be corrected immediately.
- All materials on the production line or in the warehouse are delivered with automatic transportation systems or forklifts.
- The warehouses are kept bright and spacious and materials are stored in proper order. The speed of forklifts is limited to under 10km/h, and critical points on the assigned paths have anti-shock pads installed.

- In order to maintain the health of employees we changed the operation of the gluing area from a manual method to an automatic one. This improved on-site ventilation which reduces the risk of occupational diseases and also improved the operation's production efficiency.

Emergency Responses

- The "Safety and Hygiene Appraisal, Assessment and Management Procedures" and "Emergency Response Procedures" are updated annually, and all employees are required to exercise.
- Local fire extinguishing, emergency reporting and personnel evacuation drills are performed every six months, while full-scale fire and chemical leakage drills are performed annually.



- Emergency response teams:** Six functional groups such as Operation Center, Reporting, Fire Extinguishing, Evacuation Assistance, Safety Assurance and First Aid and total are 35 people

Dissemination of Information to Foreign Workers in Their Mother Tongues and Education and Training

For our migrant workers, we design occupational health and safety slogans and posters in their mother tongues and provide education and training on the work environment and procedures.



Safety and Health Education Training for Employees and Management at All Levels

- Safety and health education and training is required for our employees and management at all levels. According to the regulations, every employee must spend at least three hours for on-the-job in-plant safety and health education and training courses every three years.
- New and transferred employees are required to take a series of pre-service training on environmental safety as well as the ISO45001 management system. For the new employees, the training helps them understand all the systems, regulations, and skills required at work. For the employees transferred to new positions, they may perform tasks only after undergoing relevant training.

3.3. Contractor Management

MitraStar's health and safety policy also covers the activities of contractors in the company. All contractors are required to observe our "Regulations for Security, Environment, and Hygiene of Contractors". Contractors must apply before entering the MitraStar campus for commissioned jobs and all operations must comply with our listed regulations.

Regulations for contractors

- Contractor personnel must receive courses on environment, safety and hygiene topics.
- All on-site operations must be applied first, and contractors will be informed of the possible hazards before entering the work site.
- Supervisors will stay on-site and perform inspections before, during and after the working sessions.
- Application forms must be returned to the safety unit to confirm the completion of jobs.
- Any contractor violating the factory regulations will be penalized and ordered to stop until the condition is corrected.



Contractor training on safety and hygiene issues

Supervisors will inform contractors of safety and hygiene issues, and confirm the application of personal safety gears before potentially dangerous operations can begin. The results will be reported to the safety unit upon confirmation.

Trainings for the security staff

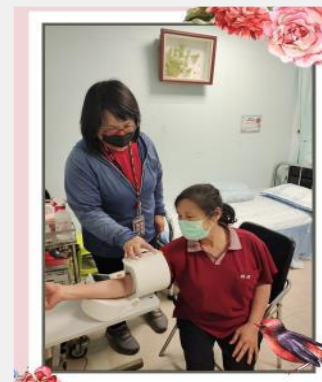
The security staff consists of well-trained, certified professional personnel from security firms capable of carrying out the jobs. The training given to the staff emphasizes especially on compliance of the human right-related regulations.

Health Follow-ups for Subcontractors

We review our subcontractors' health reports on an annual basis and keep track of and care about the contractors' health status. During the pandemic, our subcontractors and employees have been asked to complete a health management form for daily health management. Multiple food options ranging from healthy meals to vegetarian meals are also available to the subcontractors.

Health and Safety Follow-ups for Subcontractors

Item	2020	2021
Occupational Disease Rate (ODR)	0	0
Total Work-related Fatalities	0	0





Community Contribution

- A. Cultivation of Talent
- B. Care for the Community
- C. Environmental Protection



Strategies and Goals

Topic	Operational Influence	Promotion Strategy	Management Approach	2025 Medium-term Goal	2030 Long-term Goal	SDGs
Social welfare expenditure conforming to the core elements of talent training	Social welfare activities help enterprises build good relationships with local communities and enhance their corporate images	Provision of scholarships, investment in industry-academia cooperation, and organization and sponsorship of activities related to talent training	Long-term continuity	Support talent training programs with social welfare donations every year	Support talent training programs with social welfare donations every year	 Quality education
Social welfare activities in line with MitraStar's long-term net-zero goal		Organization and sponsorship of social welfare activities related to environmental protection or carbon reduction in the Company or community	Number of participants in the activities	Have over 2000 people in the Company and community participate in carbon reduction and environmental protection campaigns or lectures hosted by the Company every year by 2025	Have over 5000 people in the Company and community participate in carbon reduction and environmental protection campaigns or lectures hosted by the Company every year by 2030	 Climate action

Near-term Goals and Achievements

Topic	Management Approach	Target KPI in 2021	Achievement in 2021	Target KPI in 2022
Scholarship donations	Ongoing for each year	Make ongoing scholarship donations every year	366 students benefited from the donated scholarships amounting to NT\$ 8.3 million	Make ongoing scholarship donations every year
Talent training activities			We sponsored a total of 3 activities 1,650 students participated in the activities	Sponsor or jointly organize relevant activities on an ongoing basis every year
Social care campaigns	<ul style="list-style-type: none"> Ongoing for each year Number of participants 	Sponsor or organize relevant activities on an ongoing basis every year	"Bring Love with Shoe Boxes at Christmas" Social Welfare Campaign A total of 118 boxes of shoes were donated and 100 employees took part in the campaign	
Environmental protection activities			"Walk From Heart" Charity Brisk Walking and Step-counting Campaign The campaign reached a total of 147,807,869 steps, reducing 18,476 kg CO ₂ e. All the campaign earnings were donated to two social welfare organizations: Hsinchu Branch of Taiwan Fund for Children and Families, Hsinchu Branch of Children Are Us Foundation	

The Company understands the needs of the schools, institutions, groups and relevant organizations in the area where the headquarters is located by getting into direct contact with them. After conducting internal capacity assessments and formulating plans, we started to engage in community care and aim for long-term delivery.

MitraStar's "Corporate Social Responsibility Best Practice Principles" explicitly state that the Company shall fulfill social responsibility:

Philosophies

In terms of giving to society, we uphold the following philosophies:

The Company shall assess the impacts of the operations on the community and hire manpower in the area where the Company operates, if appropriate, to boost community recognition.

To facilitate community development, the Company shall participate in the activities organized by civil organizations, charity and social welfare groups, and local government agencies, which are engaged in community development and education, through commercial activities, physical donations, corporate volunteer services or other social welfare professional services.

A. Cultivation of Talent

MitraStar reserves a high percentage of its revenue to invest on research and development. It's not only for future Internet life of better quality, but also for fostering the potential talents and the community.

The Progressive Foundation of Education

Different from non-benefit organizations and foundations carrying corporate names for publicity, the "Progressive Foundation of Education" and "Shun-I Chu and Zyxel Scholarship" were founded privately by Dr. Shun-I Chu, chairman of Unizyx ' holding company in 1999 for public benefits.

The objectives of Progressive Foundation of Education are public policy research, facilitation of community improvement and equal education opportunities. Based upon on the groundwork, the Foundation clearly defines its tasks and therefore the plans to sponsor the development of talented people.

In 1998, Dr. Shun-I Chu donated ten million NT Dollars to the Chiao Tung University to establish the Network & Telecommunication Development Fund, and he later donated five million shares stock (100 million NT Dollars of worth) in June 2011 to maximize the effectiveness of the Fund in facilitating research and education of telecom technologies as well as the knowledge exchange between the industry and institutions.

The Network & Telecommunication Development Fund is utilized mostly on academic seminars, telecom technology labs and scholarships.

2. Shun-I Chu Unizyx Scholarship

Founded in 1999, the “Shun-I Chu Unizyx Scholarship” has supported students for 23 years as of 2021. About 50 students with outstanding academic performances from National Tsing Hua University, National Yang Ming Chiao Tung University, and National Central University benefit from the scholarships every year. It is estimated that the high school scholarships provided for National Chutung Senior High School, National Chunan Senior High School, National Hsinchu Girl’s Senior High School, and National Hsinchu Senior High School benefit around 300 students a year.

Since its foundation, the “Shun-I Chu Unizyx Scholarship” has awarded over NT\$145 million of scholarships to nearly 5,200 people. In 2021, a total of about NT\$8.3 million of scholarships were awarded to 366 people.

Dr. Shun-I Chu has supported and made a scholarship donation of NT\$200,000 in sponsorship to the Rising Sun Program of National Tsing Hua University since 2016.



3. Sponsorship of arts and cultural facilities

• Sponsorship of a Tsing Hua University Auditorium

Dr. Shun-I Chu sponsored the restoration of an auditorium in Tsing Hua University for the facility to become a multi-purpose space for performance and other cultural activities. Over 100 events such as lectures, chamber music, drama, dance, movies, university club and art exhibitions take place in the auditorium every year, and they are open for the campus and the community to enjoy and participate.

• Sponsorship of a National Yang Ming Chiao Tung University Auditorium

Dr. Shun-I Chu donated NT\$15 million for the renovation of the International Conference Hall and the surrounding public space in the Fourth Hall of the National Chiao Tung University Project.

This lecture hall is designed to increase the use of space in the public areas by students and provide students with a better and better learning environment. It is hoped that students will make good use of this space and stimulate more creative thinking and research results.



B. Care for the Community

1. Engagement in Social Welfare Activities

In order to give back to society, the Company hosts and supports internal and external social welfare activities and encourages the employees to participate.

Organizing A Christmas Social Welfare Campaign, "Bring Love with Shoe Boxes at Christmas"

Employees participate in the social welfare shoe box campaign at Christmas to raise brand-new and practical stationery, books, daily necessities, sports equipment, and educational toys in order to deliver warm



blessings and encouragements to the children from Yushan Elementary School in Hsinchu County, Gang Kou Elementary School in Hualien County, Shangwu Elementary School in Taitung County, and the Yong Kang After-school Care Center of Tainan Olive Garden Care Association. A total of 118 boxes of shoes were donated and 100 employees from Unizyx took part in the campaign.



Hosting Charity Sales in Support of Social Welfare Groups

We set up charity stands in the Company's events every spring and work with in-plant 711 MitraStar Technology in purchasing bread from social welfare groups to allow our employees to help the groups by donating invoices or small change.

2. Local Care

Employee activities have been organized to offer fresh homegrown vegetables and fruit sourced from the farmers in Hsinchu, Taiwan, where our headquarters is located. By doing so, we can use these activities as channels for selling agricultural products and allow our employees to enjoy the freshest vegetables while giving a helping hand to farmers in remote and local areas.

Sponsorship to Hsinchu Branch, the Society of Wilderness - You Luo Tian Program

With the aim of protecting the environment and ensuring sustainable development, we support and sponsor the You Luo Tian Organic Farming Program of the Hsinchu Branch of the Society of Wilderness. Experiential activities about organic farming are also provided to give people opportunities to gain hands-on experience.

3. Volunteer Service Club

The Company's employees formed the "Unizyx Volunteer Service Club" on their initiatives. Over many years, the club has participated in social welfare or community events in Hsinchu, Taiwan, where the Company is based. As one of our employee clubs, the "Volunteer Service Club", has been engaged in the following community care activities for a long period of time:

- Participation in the activities organized by Genesis Social Welfare Foundation to help patients in a vegetative state
- Participation in the bazaars hosted by Taiwan Fund for Children and Families for fundraising
- Participation in the bazaars held by Saint Joseph Social Welfare Foundation for fundraising
- Encouragement of the employees to donate invoices to organizations in need of help
- Provision of venues for social welfare groups to hold direct charity sales in the plants

However, due to the COVID-19 pandemic in 2021, all activities involving close contact were suspended. Static activities such as invoice donation, stall sponsorship, the purchase of the creations of the children from Saint Joseph Social Welfare Foundation, etc., have continued.



C. Environmental Protection

To raise the awareness of environmental protection, Unizyx frequently makes donations to or supports social groups and works with government agencies in organizing campaigns focusing on the conservation of natural ecosystems, afforestation, recycling, and so forth to serve as a role model for other companies and fulfill corporate social responsibility.

1. Organization of Eco-friendly Activities

“Walk From Heart” Charity Brisk Walking and Step-counting Campaign

A brisk charity walking and step-counting campaign that lasted eight weeks was organized to encourage our employees to make exercising a habit and instill the concept of low-carbon living in their daily life. To call for the participation of Unizyx's employees, Zyxel Foundation supported the campaign by donating NT\$3 for every 8,000 steps taken during the campaign. The campaign reached a total of 147,807,869 steps and all the donations were donated to two social welfare organizations: NT\$30,000 for the Hsinchu Branch of Taiwan Fund for Children and Families; NT\$30,000 for the Hsinchu Branch of Children Are Us Foundation. If converted to distance driven by family cars, the total steps accumulated in the campaign could contribute to a reduction of

18,476 kg CO₂e, equivalent to those absorbed by 1,539 trees for a year!

Participation in IC Broadcasting's Micro-knowledge Project -- Knowledge about Climate Change and Information Security Tips

Looking forward to bringing the concept of environmental protection and sustainability into daily life and contributing to environmental sustainability, Zyxel Foundation took part in the Micro-knowledge Project of IC Broadcasting, a radio station in Hsinchu, to share climate change knowledge with the public through radio. The foundation also provided the audience with approachable information on information security to raise their self-protection awareness and build information security vigilance in daily life.

Green DIY Activities

We have held green DIY activities in order for people to become aware of and understand the importance of ecological sustainability. During the process of shaping and touching soil and green plants with their own hands, the participants can feel the positive energy brought by the environment and land to their life. We use plants to help purify the air and protect the environment in our life, improve people's awareness of and engagement in environmental protection, and

build a green world, which is our wish and expectation.



2. Industrial Safety and Environmental Protection Month events

Battery Recycling

Since 2009, the Company has implemented waste battery recycling programs in support of the “Convention on Life Cycle Management for Waste Dry Cells” promoted by the Hsinchu County Environmental Protection Bureau to enable employees to understand the impact of improperly throwing away batteries on the environment.

Regular Motorcycle Check

Since 2008, in order to reduce air pollution caused by commuters on motorcycles, we have worked with the Department of Environmental Protection of Hsinchu County to perform periodical exhaust checks on these vehicles. Also in 2020 and 2021, we are recognized on "Mobile pollution sources Control Award" in Shin-chu county.



Month of Working Safety and Environmental Care

Since 2006, we have participated in events organized by the Hsinchu Science and Industrial Park in Taiwan that sponsor positive activities such as painting competition, health promotion and green activities.



MitraStar Park

The establishment of park - a 5140 square meter green space that provides employees with a



peaceful and natural place to take a break and relax. The versatile planting not only offsets its CO2 emission but also promotes biological diversity to meet the requirement of Convention on Biological Diversity.

3. Process and resource recycling

Your Waste, My Gold

MitraStar perpetually benefits both the environment and its own operations with ever-improving manufacturing and recycling processes. All waste materials are meticulously separated, categorized and reported according to government regulations and all the work of the waste processing, service providers is under stringent supervision.

Index of GRI Standard Indicators

The structure of this report follows the Global Reporting Initiative's (GRI) "GRI Sustainability Reporting Standards (2016)", GRI 303 (2018), GRI 306 (2020) and GRI 403 (2018).

Indicator	Indicator Description	Majority Issue	Chapter	Page	Explanatory Notes
Universal Standards 100 series					
GRI 102: General Disclosures (2016)					
1. Organization profile					
102-1	Name of the organization		An Overview of MitraStar	6	
102-2	Activities, brands, products, and services		An Overview of MitraStar	6	
102-3	Location of headquarters		An Overview of MitraStar	6	
102-4	Location of operations		An Overview of MitraStar	6	MitraStar global sites
102-5	Ownership and legal form		An Overview of MitraStar	6	For details, please refer to the holding company Unizyx's 2021 annual report
102-6	Markets served		An Overview of MitraStar	6	
102-7	Scale of the organization		An Overview of MitraStar	6	For details, please refer to the holding company Unizyx's 2021 annual report
102-8	Information on employees and other workers		Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
102-9	Supply chain		Value Chain: B. Value Chain	51	
102-10	Significant changes to the organization and its supply chain				No significant changes to the organization and its supply chain
102-11	Precautionary Principle or Approach		Corporate Governance: D. Risk Management	36	
102-12	External initiatives		Sustainable Management: C. Response to UN Sustainable Development Goals	19	Practice the UN Sustainable Development Goals
			Environment Protection: A. Climate Change	70	Exposing the TCFD Climate Change Financial Impact
			Environment Protection: B. Energy Management	81	Participate in the SBTi science-based carbon reduction target initiative
102-13	Membership of associations		Corporate Governance: B. Financial Performance	31	
2. Strategy					
102-14	Statement from senior decision-maker		Message from the President	5	
3. Ethics and Integrity					
102-16	Values, principles, standards, and norms of behavior		Sustainable Management: C. Response to UN Sustainable Development Goals	19	
			Environment Protection: A. Climate Change	70	
			Environment Protection: B. Energy Management	81	
4. Governance					
102-18	Governance structure		Sustainable Management: B. Sustainability Committee	17	
			Corporate Governance: A. Governance Structure	30	

Index of GRI Standard Indicators

Indicator	Indicator Description	Majority Issue	Chapter	Page	Explanatory Notes
5. Stakeholder engagement					
102-40	List of stakeholder groups		Sustainable Management: D. Stakeholder Communication	20	
102-41	Collective bargaining agreements		-	-	The relationship between the company and labor is harmonious, and there is no need to organize a labor union, but the company attaches great importance to labor rights and holds regular labor-management meetings
102-42	Identifying and selecting stakeholders		Sustainable Management: D. Stakeholder Communication	20	
102-43	Approach to stakeholder engagement		Sustainable Management: D. Stakeholder Communication	20	
102-44	Key topics and concerns raised		Sustainable Management: D. Stakeholder Communication	20	
6. Reporting practice					
102-45	Entities included in the consolidated financial statements		About this Report Corporate Governance: B. Financial Performance	3 20	
102-46	Defining report content and topic Boundaries		Sustainable Management: D. Stakeholder Communication	20	
102-47	List of material topics		Sustainable Management: D. Stakeholder Communication	20	
102-48	Restatements of information		An Overview of MitraStar	6	No restatements of information
102-49	Changes in reporting		Sustainable Management: D. Stakeholder Communication	20	Major issues changes for 2021
102-50	Reporting period		About this Report	3	2021/1/1~2021/12/31
102-51	Date of most recent report		About this Report	3	2021
102-52	Reporting cycle		About this Report	3	Every year
102-53	Contact point for questions regarding the report		About this Report	3	Feedback
102-54	Claims of reporting in accordance with the GRI Standards		About this Report	3	
102-55	GRI content index		Appendix: GRI Standard Index	152	
102-56	External assurance		About this Report Appendix: Third Party Assurance Statement	3 163	
GRI 103: Management Approach					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components		Sustainable Management: A. Sustainability Management Framework	12	Refer to the contents of each disclosed chapter for details
103-3	Evaluation of the management approach		Sustainable Management: A. Sustainability Management Framework	12	Refer to the contents of each disclosed chapter for details
Topic-specific Standards					
200 series : Economic topics					
GRI 201: Economic Performance					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	

Index of GRI Standard Indicators

Indicator	Indicator Description	Majority Issue	Chapter	Page	Explanatory Notes
103-2	The management approach and its components		Sustainable Management: A. Sustainability Management Framework	12	Refer to the contents of each disclosed chapter for details
103-3	Evaluation of the management approach		Sustainable Management: A. Sustainability Management Framework	12	Refer to the contents of each disclosed chapter for details
201-1	Direct economic value generated and distributed	Corporate governance Talent attraction & retention	Corporate Governance: B. Financial Performance	31	
			Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
201-2	Financial implications and other risks and opportunities due to climate change	Climate Strategy	Environment Protection: A. Climate Change Appendix: TCFD Index	70 162	
201-3	Defined benefit plan obligations and other retirement plans	Talent attraction & retention	Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
GRI 203 : Indirect Economic Impacts					
203-1	Infrastructure investments and services supported	Social Participation	Community Contribution: A. Cultivation of Talent	146	
203-2	Significant indirect economic impacts	Social Participation	-	-	No significant indirect economic impacts
GRI 204: Procurement Practices					
204-1	Proportion of spending on local suppliers		-	-	The data is being collected continuously, and will be disclosed after the collection is completed.
GRI 205 : Anti-corruption					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Business ethics	Corporate Governance: C. Business Ethics	32	
103-3	Evaluation of the management approach	Business ethics	Corporate Governance: C. Business Ethics	32	
205-1	Operations assessed for risks related to corruption	Business ethics	Corporate Governance: C. Business Ethics	32	
205-2	Communication and training about anti-corruption policies and procedures	Business ethics	Corporate Governance: C. Business Ethics	32	
205-3	Confirmed incidents of corruption and actions taken	Business ethics	Corporate Governance: C. Business Ethics	32	No corruption incident reported this year
GRI 206 : Anti-competitive Behavior					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Business ethics	Corporate Governance: C. Business Ethics	32	
103-3	Evaluation of the management approach	Business ethics	Corporate Governance: C. Business Ethics	32	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business ethics	Corporate Governance: C. Business Ethics	32	MitraStar do not have the actions of anti-Competitive, anti-Trust, and monopoly practices
Specific Standards					
300 series: Environmental topic					
GRI 302 : Energy					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	

Index of GRI Standard Indicators

Indicator	Indicator Description	Majority Issue	Chapter	Page	Explanatory Notes
103-2	The management approach and its components	Energy Management	Sustainable Management: A. Sustainability Management Framework	12	
			Environment Protection: A. Climate Change	70	
			Environment Protection: B. Energy Management	81	
103-3	Evaluation of the management approach	Energy Management	Environment Protection: A. Climate Change	70	
			Environment Protection: B. Energy Management	81	
302-1	Energy consumption within the organization	Energy Management	Environment Protection: B. Energy Management	81	This year, MitraStar site does not use renewable energy, so the consumption of renewable energy is not disclosed
302-3	Energy intensity	Energy Management	Environment Protection: B. Energy Management	81	
302-4	Reduction of energy consumption	Energy Management	Environment Protection: B. Energy Management	81	
GRI 303 : Water (2018)					
303-3	Water withdrawal		Environment Protection: C. Water Management	83	
303-4	Water discharge		Environment Protection: C. Water Management	83	
303-5	Water Consumption		Environment Protection: C. Water Management	83	
GRI 305 : Emissions					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Climate Strategy	Environment Protection: A. Climate Change	70	
103-3	Evaluation of the management approach	Climate Strategy	Environment Protection: A. Climate Change	70	
305-1	Direct (Scope 1) GHG emissions	Climate Strategy	Environment Protection: A. Climate Change	70	
305-2	Energy indirect (Scope 2) GHG emissions	Climate Strategy	Environment Protection: A. Climate Change	70	
305-3	Other indirect (Scope 3) GHG emissions	Climate Strategy	Environment Protection: A. Climate Change	70	
305-4	GHG emissions intensity	Climate Strategy	Environment Protection: A. Climate Change	70	
305-6	Emissions of ozone-depleting substances (ODS)		Environment Protection: E. Air Pollution Prevention	87	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Environment Protection: E. Air Pollution Prevention	87	
GRI 306 : Waste (2020)					
306-1	Waste generation and significant waste-related impacts		Environment Protection: D. Waste Management	85	
306-2	Management of significant waste-related impacts		Environment Protection: D. Waste Management	85	
306-3	Waste generated		Environment Protection: D. Waste Management	85	
GRI 307 : Environmental Compliance					
307-1	Non-compliance with environmental laws and regulations		Environment Protection: Near-term goals and achievements	69	No violation of environmental regulations this year.
GRI 308 : Supplier Environmental Assessment					

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Indicator	Indicator Description	Majority Issue	Chapter	Page	Explanatory Notes
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Sustainable supplier	Value Chain B. Supplier Sustainability Management	51	
103-3	Evaluation of the management approach	Sustainable supplier	Value Chain B. Supplier Sustainability Management	51	
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable supplier	Value Chain B. Supplier Sustainability Management	51	
Specific Standards					
400 series: Social topics					
GRI 401 : Employment					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Talent attraction & retention	Friendly Workplace: Strategy and Goals	97	
			Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
103-3	Evaluation of the management approach	Talent attraction & retention	Friendly Workplace: Near-term goals and achievements	98	
			Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
401-1	New employee hires and employee turnover	Talent attraction & retention	Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent attraction & retention	Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
			Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126
401-3	Parental leave	Talent attraction & retention	Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
GRI 402 : Labor/Management Relations					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Human rights management	Friendly Workplace: Strategy and Goals	97	
			Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
103-3	Evaluation of the management approach	Human rights management	Friendly Workplace: Near-term goals and achievements	98	
			Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
402-1	Minimum notice periods regarding operational changes	Human rights management	Friendly Workplace: C. Human Rights Management	117	
GRI 403 : Occupational Health and Safety					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Occupational Safety & Health	Friendly Workplace: Strategy and Goals	97	
			Friendly Workplace: D. Workplace Health & Safety	126	
103-3	Evaluation of the management approach	Occupational Safety & Health	Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
			Friendly Workplace: D. Workplace Health & Safety	126	
403-1	Occupational health and safety management system	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	

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403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
403-3	Occupational health services	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
403-5	Worker training on occupational health and safety	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
403-6	Promotion of worker health	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
403-8	Workers covered by an occupational health and safety management system	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
403-9	Work-related injuries	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
403-10	Work-related ill health	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
GRI 404 : Training and Education					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Talent cultivation & development	Friendly Workplace: Strategy and Goals Friendly Workplace: B. Human Capital Development	97 108	
103-3	Evaluation of the management approach	Talent cultivation & development	Friendly Workplace: A. Diversity and Inclusion Recruitment Friendly Workplace: B. Human Capital Development	99 108	
404-1	Average hours of training per year per employee	Talent cultivation & development	Friendly Workplace: B. Human Capital Development	108	
404-2	Programs for upgrading employee skills and transition assistance programs	Talent cultivation & development	Friendly Workplace: B. Human Capital Development	108	
404-3	Percentage of employees receiving regular performance and career development reviews	Talent cultivation & development	Friendly Workplace: B. Human Capital Development	108	
GRI 405 : Diversity and Equal Opportunity					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Talent cultivation & development	Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
103-3	Evaluation of the management approach	Talent cultivation & development	Friendly Workplace: A. Diversity and Inclusion Recruitment	99	
405-1	Diversity of governance bodies and employees	Corporate Governance Talent cultivation & development	Corporate: A. Governance Structure Friendly Workplace: A. Diversity and Inclusion Recruitment	30 99	

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Indicator	Indicator Description	Majority Issue	Chapter	Page	Explanatory Notes
GRI 406 : Non-discrimination					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Human rights management	Friendly Workplace: C. Human Rights Management	117	
103-3	Evaluation of the management approach	Human rights management	Friendly Workplace: C. Human Rights Management	117	
406-1	Incidents of discrimination and corrective actions taken	Human rights management	Friendly Workplace: C. Human Rights Management	117	No discrimination incident occurred this year
GRI 407 : Freedom of Association and Collective Bargaining					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Human rights management	Friendly Workplace: C. Human Rights Management	117	
103-3	Evaluation of the management approach	Human rights management	Friendly Workplace: C. Human Rights Management	117	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human rights management	Friendly Workplace: C. Human Rights Management	117	
GRI 408 : Child Labor					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Human rights management	Friendly Workplace: C. Human Rights Management	117	
103-3	Evaluation of the management approach	Human rights management	Friendly Workplace: C. Human Rights Management	117	
408-1	Operations and suppliers at significant risk for incidents of child labor	Sustainable supplier Human rights management	Value Chain B. Supplier Sustainability Management Friendly Workplace: C. Human Rights Management	51 117	This year, MitraStar has no major risks of using child labor or young workers at its operating locations and suppliers.
GRI 409 : Forced or Compulsory Labor					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Human rights management	Value Chain B. Supplier Sustainability Management Friendly Workplace: C. Human Rights Management	51 117	
103-3	Evaluation of the management approach	Human rights management	Value Chain B. Supplier Sustainability Management Friendly Workplace: C. Human Rights Management	51 117	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human rights management	Value Chain B. Supplier Sustainability Management Friendly Workplace: C. Human Rights Management	51 117	No major incidents of forced and compulsory labor occurred at the operating bases and suppliers during the year
GRI 410: Security Practices					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	

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Indicator	Indicator Description	Majority Issue	Chapter	Page	Explanatory Notes
103-3	Evaluation of the management approach	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	149	
410-1	Security personnel trained in human rights policies or procedures	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	149	
GRI 412 : Human Rights Assessment					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Human rights management	Friendly Workplace: Strategy and Goals Friendly Workplace: C. Human Rights Management	97 117	
103-3	Evaluation of the management approach	Human rights management	Friendly Workplace: Near-term goals and achievements Friendly Workplace: C. Human Rights Management	98 117	
412-1	Operations that have been subject to human rights reviews or impact assessments	Human rights management	Friendly Workplace: C. Human Rights Management	117	
412-2	Employee training on human rights policies or procedures	Human rights management	Friendly Workplace: C. Human Rights Management	117	
GRI 414 : Supplier Social Assessment					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Sustainable supplier	Value Chain B. Supplier Sustainability Management	51	
103-3	Evaluation of the management approach	Sustainable supplier	Value Chain B. Supplier Sustainability Management	51	
414-2	Negative social impacts in the supply chain and actions taken	Sustainable supplier	Value Chain B. Supplier Sustainability Management	51	There is no negative social impacts in the supply chain and actions taken this year
GRI 415: Public Policy					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
415-1	Political contributions	Corporate governance	-	-	MitraStar remained politically neutral, and prevented from making political contributions.
GRI 416 : Customer Health and Safety					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Green Products:	Green Products: D. Green Products Green Products: E. Green Production, Package & Shipping	93 93	
103-3	Evaluation of the management approach	Green Products:	Green Products: D. Green Products Green Products: E. Green Production, Package & Shipping	93 93	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Green Products:	-	-	This year, MitraStar did not have any violations of health and safety regulations related to products and services
GRI 418 : Customer Privacy					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Information Security Customer relationship management	Corporate Governance: E. Information Security Management Value Chain: A. Customer Relations	40 49	

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Indicator	Indicator Description	Majority Issue	Chapter	Page	Explanatory Notes
103-3	Evaluation of the management approach	Information Security	Corporate Governance: E. Information Security Management	40	
		Customer relationship management	Value Chain: A. Customer Relations	49	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security Customer relationship management	Corporate Governance: E. Information Security Management Value Chain: A. Customer Relations	40 49	No complaints about invasion of customer privacy or loss of customer information this year
GRI 419 : Socioeconomic Compliance					
103-1	Explanation of the material topic and its Boundary		Sustainable Management: D. Stakeholder Communication	20	
103-2	The management approach and its components	Business ethics	Corporate Governance: C. Business Ethics	32	
103-3	Evaluation of the management approach	Business ethics	Corporate Governance: C. Business Ethics	32	
419-1	Non-compliance with laws and regulations in the social and economic area	Business ethics	Corporate Governance: C. Business Ethics	-	No violation of laws and regulations in the social and economic fields this year

SASB Index Electronic Manufacturing Services Original Design Manufacturing Standard 2018

Topic/Code	Accounting Metric	Category	Major Issue	Chapter	Page	Summary
Accounting Metrics						
Water Management						
TC-ES140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative		Environment Protection: C. Water Management	83	According to the assessment of the Water Aqueduct developed by the World Resources Institute (WRI), MitraStar is located in a low pressure area (<10%).
Waste Management						
TC-ES150a.1	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative		Environment protection D. Waste Management	85	
Labor Practices						
TC-ES310a.1	(1) Number of work stoppages and (2) total days idle	Quantitative	Human rights management	-	-	In 2021, MitraStar did not cause any shutdowns
Labor Conditions						
TC-ES-320a.1	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Occupational Safety & Health	Friendly Workplace: D. Workplace Health & Safety	126	
TC-ES-320a.2	Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	Occupational Safety & Health	-	-	Survey to be conducted in 2023
TC-ES-320a.3	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other nonconformance, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	Quantitative	Occupational Safety & Health	-	-	Survey to be conducted in 2023
Product Lifecycle Management						
TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	Green product	-	-	Not applicable, MitraStar products belong to ODM, product recycling is handled by customers, so it is no statistical data
Materials Sourcing						
TC-ES440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Sustainable supplier	Value Chain: B. Supplier Sustainability Management	51	Because MitraStar is a ODM manufacturer, the materials used are mainly based on customer requirements, and the substances that will be used cannot be confirmed, so it is impossible to fully define and manage our key substances.
Activity Metrics						
TC-ES-000.A	Number of manufacturing facilities	Quantitative		An Overview of MitraStar	6	There are two manufacturing sites, one is Hsinchu factory in Taiwan and the other is Wuxi factory in China.
TC-ES-000.B	Area of manufacturing facilities	Quantitative		-	-	Hsinchu: 8,950 square meters, Wuxi: 37,196 square meters
TC-ES-000.C	Number of employees	Quantitative		An Overview of MitraStar	6	2,192 employees

TCFD Index

Aspect/Disclosures	Major issue	Chapter	Page
Governance			
The board's oversight of climate-related risks and opportunities	Corporate Governance	Corporate Governance: A. Governance Structure	30
	Climate Strategy	Environment Protection: A. Climate Change	70
Management's role in assessing and managing climate-related risks and opportunities	Corporate Governance Climate Strategy	Sustainable Management: D. Stakeholder Communication	20
		Corporate Governance: D. Risk Management	36
		Environment Protection: A. Climate Change	70
Strategy			
The climate-related risks and opportunities the organization has identified over the short, medium, and long term	Climate Strategy	Corporate Governance: D. Risk Management	36
		Environment Protection: A. Climate Change	70
The impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Strategy	Corporate Governance: D. Risk Management	36
		Environment Protection: A. Climate Change	70
The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Strategy	Corporate Governance: D. Risk Management	36
		Environment Protection: A. Climate Change	70
Risk Management			
The organization's processes for identifying and assessing climate-related risks.	Climate Strategy	Corporate Governance: D. Risk Management	36
		Environment Protection: A. Climate Change	70
The organization's processes for managing climate-related risks.	Climate Strategy	Corporate Governance: D. Risk Management	36
		Environment Protection: A. Climate Change	70
How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Climate Strategy	Corporate Governance: D. Risk Management	36
		Environment Protection: A. Climate Change	70
Metrics and Targets			
Metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Climate Strategy	Environment Protection: A. Climate Change	70
		Environment Protection: A. Climate Change	70
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Climate Strategy Energy Management	Environment Protection: B. Energy Management	81
		Environment Protection: B. Energy Management	81
Targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Climate Strategy Energy Management	Environment Protection: B. Energy Management	81
		Environment Protection: B. Energy Management	81

Third Party Assurance Statement

GRI Standards & AA1000, SASB,TCFD Standard



Independent Assurance Statement

Scope and Approach

MitraStar Technology Corporation ("MitraStar" or "the Company") commissioned **DNV Business Assurance Co., Ltd.** ("DNV" or "we") to undertake independent assurance over the 2021 Sustainability Report ("the Report") for the year ended 31 December 2021.

We performed our work using DNV's assurance methodology VeriSustain™¹, which is based on our professional experience and international assurance best practices, including International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

The Report also incorporated disclosures with reference to relevant sustainability reporting guidelines, such as the Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standard for the Electronic Manufacturing Services & Original Design Manufacturing Industry (version 2018-10) and the Recommendations of the Task Force on Climate-related Financial Disclosures.

We understand that the reported financial data and information are based on the data from the Company's Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing the evaluation of reporting principles with a Moderate level of assurance, according to the DNV VeriSustain™ Protocol.

Responsibilities of the Directors of MitraStar and of the Assurance Providers

The Directors of MitraStar have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of MitraStar; however, our statement represents our independent opinion and is intended to inform all of MitraStar's stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV has provided further services to the Company, none of which constitutes a conflict of interest with the current assurance engagement.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of Our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at MitraStar's Headquarters in Hsinchu County and the site level. We undertook the following activities:

- Review of the current sustainability issues that could affect MitraStar and are of interest to stakeholders.
- Review of MitraStar's stakeholder engagement approach and recent outputs.
- Review of information provided to us by MitraStar on its reporting and management processes relating to the Principles.
- Interviews with selected senior managers responsible for the management of sustainability issues and review of selected evidence to support the issues discussed.
- Site visits to MitraStar's Headquarters in Hsinchu County and data checks on the selected production sites in Wuxi, China, to review processes and systems for preparing site-level sustainability data and the implementation of sustainability strategies.
- Review of supporting evidence for key claims and 2021 data in the Report, as reported information beyond 2021 is not within the scope of the current engagement. Our checking processes were prioritised according to materiality, and we based our prioritisation on the materiality of issues at the consolidated corporate level.
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. Where data of financial performance and of greenhouse gas emissions had been checked by another third party, we tested the transposition from these sources to the Report.
- An independent assessment of MitraStar's reporting according to the Core option of Global Reporting Initiative (GRI) Sustainability Reporting Standards.

¹ The VeriSustain™ Protocol is available on dnv.com



- The verification was conducted based only on the English version Report. However, the translational consistency of specific terms throughout the Report is not within our scope of work.

Opinion

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe MitraStar's adherence to the Principles. In terms of reliability of the performance data, in accordance with Moderate level assurance requirements, nothing came to our attention to suggest that these data have not been properly collated from the information reported at the operational level nor that the assumptions used were inappropriate.

Observations

Without affecting our assurance opinion, we also provide the following observations.

- The continual development of a more dedicated and characteristic procedure for the collection of the Company's sustainability topics and the decision on material topics are recommended.
- The continual advancement of disclosures on management approaches organised specifically by and for the Company is recommended to accentuate the Company's sustainability performance.
- The harmonisation of data collection and management rules is encouraged to support comparability and reliability at the consolidated level.
- The Company is encouraged to measure its sustainability performance in a more sensible and comparable manner.

Stakeholder Inclusiveness

The Company has identified the expectations of stakeholders through internal mechanisms in dialogue with different groups of stakeholders. The stakeholder concerns are well identified and documented. The significant sustainability issues identified through this process are reflected in the Report.

Sustainability Context

The Report provides an accurate and fair representation of the level of implementation of related corporate sustainability policies and meets the content requirements of the GRI Standards.

Materiality

The process developed internally has not missed out any significant, known material issues, and these issues are fairly covered in the Report. A methodology has been developed to evaluate the priority of these issues.

Completeness

The Report covers performance data against the GRI Standards core indicators that are material within the Company's reporting boundary. The information in the Report includes the Company's most significant initiatives or events that occurred in the reporting period.

Accuracy and Reliability

The Company has developed the data flow for capturing and reporting its sustainability performance. In accordance with Moderate level assurance requirements, we conclude that no systematic errors were detected which causes us to believe that the specified sustainability data and information presented in the Report are not reliable.

For and on behalf of DNV Taiwan

Date: 19 December, 2022

Yu Chung Chen
Lead Verifier
Business Assurance
DNV Taiwan

Statement Number: C573939-2021-AG-TWN-DNV

David Hsieh
District Manager,
Business Assurance
DNV Taiwan

MitraStar