

A group of skiers in a line on a snowy slope. The skiers are wearing various colored jackets and helmets, and are holding ski poles. The background is a vast, white, snow-covered mountain slope with visible ski tracks.

MitraStar

SUSTAINABILITY REPORT 2020

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About this Report

Since the MitraStar Technology was found in 2011, the company has published the MitraStar Technology Corporate Responsibility Report. It keeps our promise as mentioned in our first report that we publish the CSR 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 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.

Report Framework

UN Sustainable Development Goals (SDGs)

MitraStar supports the 17 Sustainable Development Goals (SDGs) established by the United Nations. In 2020, the MitraStar CSR Committee decided to focus on 7 SDGs as our directions and implement with sustainable approaches.

Meanwhile, The MitraStar CSR Committee discussed economic, social and environmental issues that are relevant to the company's stakeholders. The discussed issues are prioritized according to their importance and relevance to MitraStar and its stakeholders for the MitraStar management to shape its CSR strategies which also aligned with our SDGs directions.

GRI Sustainability Reporting Standards

This report is compiled based on the Global Reporting Initiative's (GRI) "GRI Sustainability Reporting Standards (2016)" framework. The materiality analysis results, disclosure, and feedback are described in the following chapters, and a table is also attached at the end of this report for readers' reference.

Report Period

The social, environmental and economic indicators presented in the report, for the period of 12 months from 1 Jan. 2020 to 31 Dec. 2020 and covering data on MitraStar's office and manufacturing activities.

The financial figure is reported in NT dollars.

External Assurance

Financial data was audited by the KPMG accounting firm and the monetary unit is the New Taiwan Dollar (NTD)

The following management systems of MitraStar have passed the verification and obtained the certificate: ISO 9001, QC080000, TL 9000, ISO 14001, ISO 45001, ISO 27001

Report Publication

The CSR Report is published annually by MitraStar.

Current version: Issued in 2021

Next version: To be issued in 2022

Contact Information

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This report is also available on MitraStar corporate website: www.mitrastar.com

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

Sustainable Key Performance

Economic Aspect

Awards



Ecovadis CSR rating – Silver Award

Annual Environmentally Friendly Enterprise in Hsinchu County

Excellent annual green procurement appraisal in Hsinchu County

Ethics education and training for employees

Establish professional ethics policies for employees; provide training, publicity activities and declarations, regular risk assessments, and internal control and audits.

98.6% of employees' occupational ethics education and training completion rate

Practice of UN Sustainable Development Goals (SDGs)

Based on MitraStar's six corporate sustainable development priorities: ethics and corporate governance, environmental protection, green products and supply chains, labor rights, human rights, and community public welfare, respond to the related **7** SDGs of the United Nations Sustainable Development Goals and integrate them. Listed as our ESG strategy and goal, the annual goal has been completed in 2020.

Supplier sustainability management

Implement supply chain management with the four process implementation policies of standardized management, risk assessment, audit confirmation, and continuous improvement.

86% of suppliers signed the "Supplier Corporate Social Responsibility Statement and Commitment" and the "Supplier Integrity Commitment"

Environmental Aspect

CDP Climate Change Platform Revealed

Follow the TCFD framework to identify the financial risks and opportunities of climate change, and follow the management framework to respond to management strategies and actions. Every year, the CDP platform discloses its practices in response to climate change, and **CDP** completed the disclosure in 2020.

Greenhouse gas emissions reduction

Achieve **79%** of the 5-year greenhouse gas reduction target of 2,000 tons from 2017 to 2020

Water consumption reduction

Water saving rate of **4%** in 2020, reaching the >3% water saving rate goal

Establish low-carbon indicators for high-carbon parts

Carry out product carbon emissions disclosure, and provide internal and external stakeholders for reference, and establish **5** low-carbon indicators for high-carbon parts.

Social Aspect

Epidemic prevention risk control

Facing the COVID-19 epidemic, the "**MitraStar Control and Epidemic Prevention Committee**" was established to adjust epidemic prevention measures in a timely manner in response to the epidemic, plan for employees to work in groups, divert internal lines of movement, and provide colleagues with epidemic prevention and protection measures in a timely manner to maintain the company's normal operations.

The general manager serves as the top commander of the daily epidemic meeting to give guidance on the epidemic, monitoring the development of the epidemic, discussing new policies and measures and response, tracking the health of colleagues, and confirming the adequacy of epidemic prevention materials and the appropriateness of measures to protect the health of colleagues.

The newly added "Measures for the Management of Employee Infectious Diseases" clearly defines the authorities responsible for epidemic prevention, epidemic investigations, epidemic prevention audits, and work environment disinfection.

No confirmed cases in the factory in 2020.

Sustainable Governance

- A. Sustainable Policy
- B. CSR Committee
- C. Stakeholder Communication
- D. Response to UN Sustainable Development Goals
- E. COVID-19 Epidemic Prevention Management



A. Sustainable Policy

MitraStar observes the 10 principles of the Global Compact publicized in the World Economic Forum by the United Nations, and upholds international labor and human rights standards including the Responsible Business Alliance Code of Conduct (RBA), the Universal Declaration of Human Rights, and the Guidelines for Multinational Enterprises given by the OECD (Organization for Economic Co-operation and Development) to follow all suitable business practice standards governed by law. 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.

Ethics & Corporate Government

- Maintain good corporate governance
- Comply with relevant laws and regulations
- Emphasize the principles of integrity, fully complying with business ethics
- Risk assessment and management
- No corruption, extortion, or embezzlement
- Disclosure of information
- Protection of intellectual property

Environment

- Products and business activities to comply with green regulations
- Promote the policy of green supply chain management
- Continue to develop eco-friendly and energy-saving products to reduce environmental impact
- Management of dangerous and harmful materials

Labor & Human Right

- Diversity of talent recruitment and development
- Non-discrimination
- Child labor avoidance
- Labor rights
- Employee communication
- Employee care
- Occupational health & safety

B. CSR Committee

The MitraStar Sustainability Committee includes representatives from every related department and operates under its associated principles to oversee the CSR issues within the Group.

1. Mission

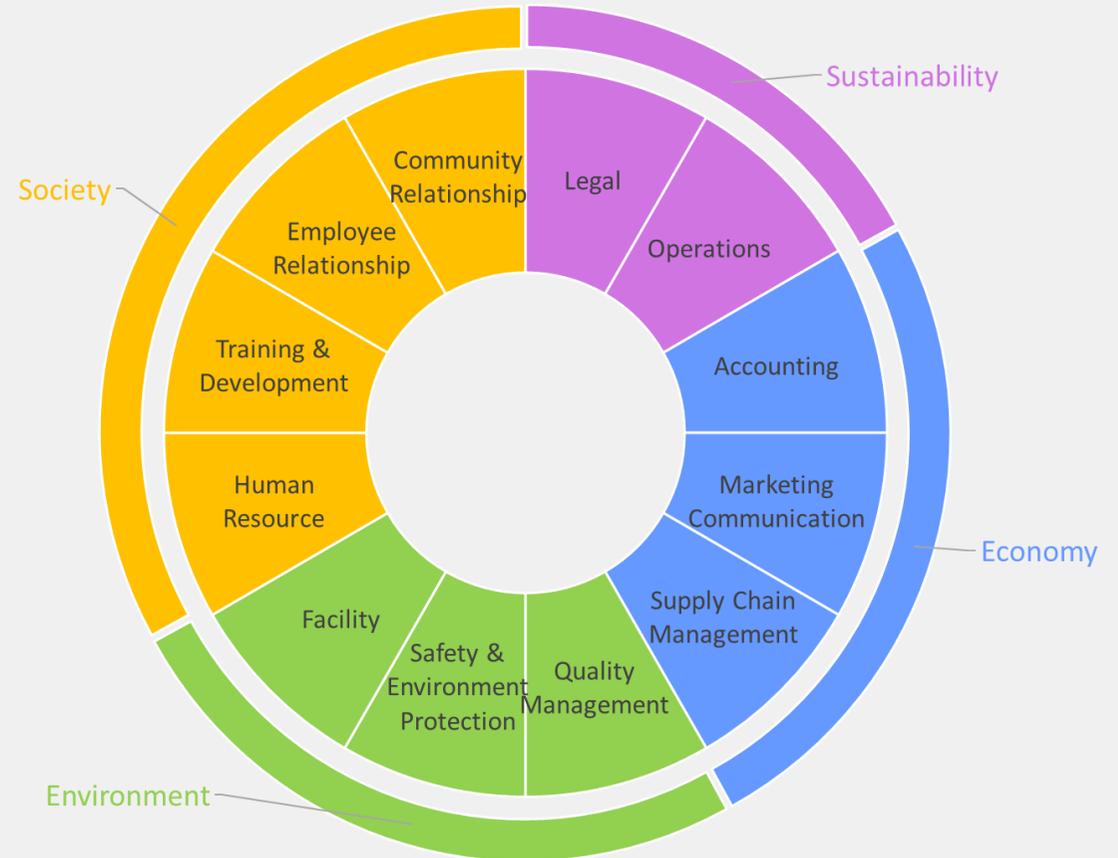
In addition to plotting the consensus of the company's future course, the MitraStar executives decided to found the MitraStar Corporate Responsibility Committee to carry out the company's vision and mission on realizing the responsibilities aggressively through activities, participations and contributions.

2. Objectives

The main objectives of MitraStar Sustainability Committee are laying down the MitraStar Technology's CSR strategies, implementing the related plans, setting goals, managing performance and resources to meet the company's CSR targets such as corporate governance, employee relationships, community care, environment protection and green product designs, among others.

3. Organization

Directly headed by MitraStar president, the MitraStar Sustainability Committee is operated by members from departments within the company. Backed by an effective organization and full support from the top executives, the Committee implements the related projects with participation from employees of all levels. The Committee calls for meetings every six months to update the CSR roadmap and review the progress of projects for possible improvements as well.



C. Stakeholder Communication

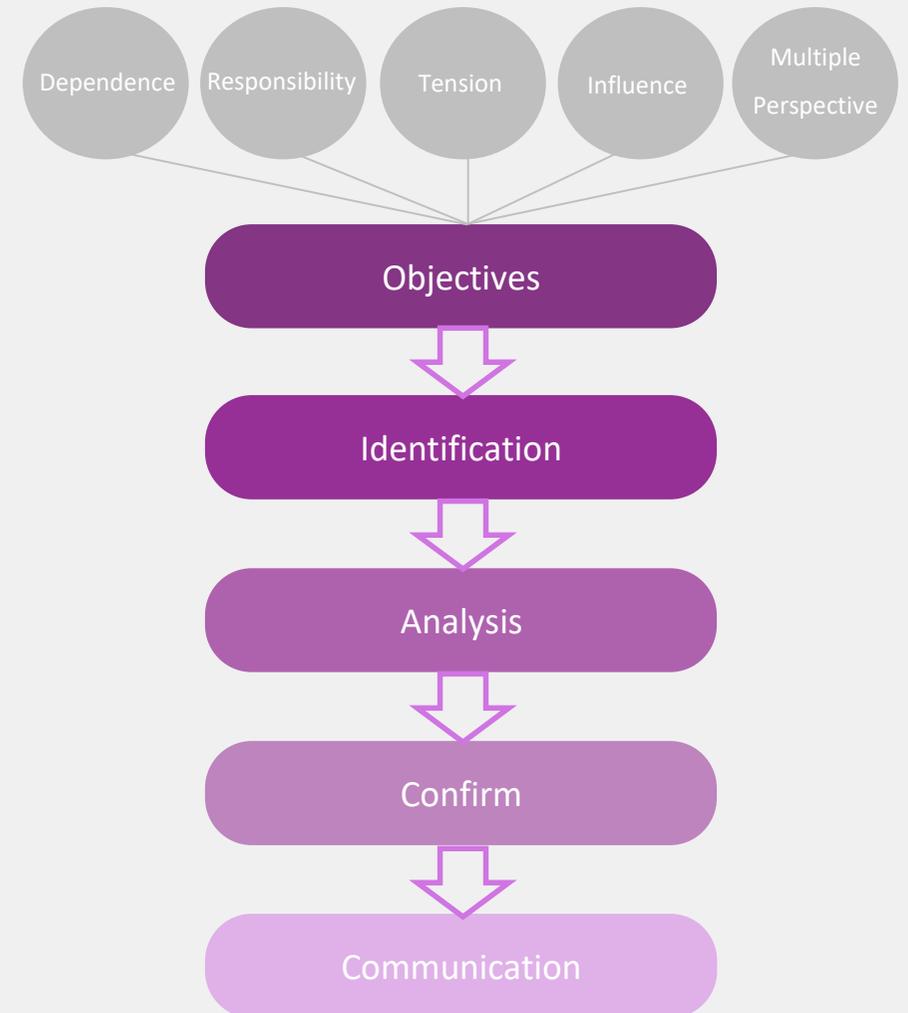
Active communication with stakeholders is an important part of achieving MitraStar's long-term goal of pursuing corporate sustainability. For the management of issues of concern to stakeholders, MitraStar sets implementation targets and operating procedures for stakeholders. The main stakeholders are determined through the identification of stakeholders and analysis of issues of concern, and then the stakeholder communication actions are planned. Based on stakeholders' feedback and opinions, MitraStar delivers information and takes action to respond to the expectations of the public, to improve relationships with stakeholders and taking of responsibility.

To identify key stakeholders in MitraStar for determining the main CSR objectives and contents, we assembled a CSR Committee which includes representatives from the stakeholder-related departments of finance, investor relations, marketing, HR, Legal, administration, MIS, Procurement, and vendor quality management and collected their responses.

The MitraStar CSR Committee complies with the [GRI Standards for Stakeholder Engagement](#) and adopted the five factors specified by the [AA1000 Stakeholder Engagement Standard \(AA1000 SES\)](#), dependence, responsibility, tension, influence, and multiple perspectives, and also heeds local and international trends in sustainable development as well as the needs of business operations to identify the stakeholders.

The stakeholder management of MitraStar assesses the impact on operations after determining the stakeholder, and it sets annual management goals and procedures, establishes communication channels, and plans to improve relations with stakeholders. We announce the annual results and communicate major issues of concern to these stakeholders.

The following actions disclose MitraStar's performance on stakeholder management:



1. Identification of Material Topics

Objectives

- Understand stakeholders' concerns
- Improve the relationship with stakeholders
- Demonstrate our social impact
- Respond to the expectations of the public
- Continue to communicate to improve CSR-related performance

Identification

MitraStar collects information from internal and external groups and individuals that have an impact or may be impacted by MitraStar. In accordance with the AA1000 Stakeholder Engagement Standard, we identified six major stakeholders including investors, employees, suppliers, customers, government, and communities.

To ensure we comprehensively address sustainability issues, we identified 15 sustainability issues as the basis for materiality analysis according to GRI Standards, UN Global Compacts, and the RBA Code of Conduct for stakeholder communication.

6 Categories of Stakeholders

Investors
Employees
Suppliers
Customers
Government
Communities

15 Issues

Financial Performance	Talent Retention
Comply with regulations	Employee Development
Governance Policy	Labor Rights
Ethics & Integrity	Employee Care
Information Security	Occupational Health & Safety
Supplier Management	Social Participant
Climate Change	
Energy Conservation	
Product Innovation & Quality	

2. Stakeholder Materiality Analysis

Analysis

MitraStar's "Corporate Social Responsibility Committee" holds regular meetings to discuss corporate governance, economic, social, and environmental issues relevant to the company's stakeholders. They prioritize the discussed issues according to their importance and relevance to the company and its stakeholders to help MitraStar management shape its CSR strategies.

52 Colleagues of CSR Committee

MitraStar 52 Colleagues of CSR Committee evaluated each of 15 issues by:

Level of Concern

Level of concern for each issue was assessed for each of the 6 stakeholder categories

Level of Impact

The potential impact of each issue on MitraStar's reputation, operation, sales and compliance as well as the external society, environment and economy is to be assessed by each of the six stakeholder categories.

4 Impact Operations

MitraStar identified the impact of each issue through four operational aspects:

Revenue

Customer Satisfaction

Employee Recognition

Risk

Impact Level

6 Economic Dimension

3 Environment Dimension

6 Society Dimension

Confirm

15 Major Issues

Through the materiality matrix diagram, MitraStar CSR teams have aligned 15 issues which are significant and material to us.

23 GRI Topics

The 15 major issues identified will be matched with the 23 of the GRI guidelines.

MitraStar will follow the GRI Standards to disclose information based on the reporting requirements and management approach dictated by GRI.

3. Stakeholder Communication Channel

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

4. Stakeholder Grievance Mechanism

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:

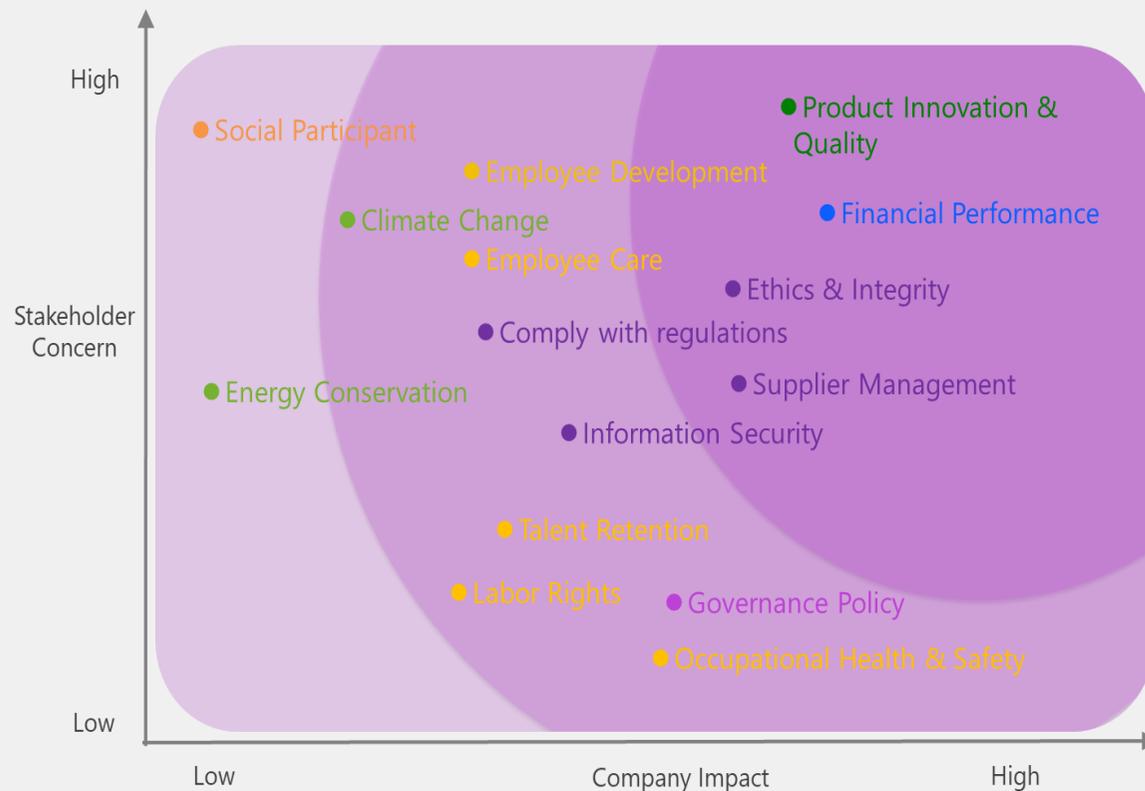
Audit Office

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.

Identification and Analysis Results of Key Issues

In 2020, the Corporate Sustainability Committee identified 15 major issues for MitraStar through a materiality matrix analysis, including: economic-oriented financial performance, ethical integrity, supplier management, laws and regulations compliance, information security, corporate governance policies, Environment-oriented product innovation and quality, climate change, energy management, social-oriented employee development, employee welfare, talent recruitment, labor rights, occupational health and safety, and social participation.



Economic Aspect

- Governance Policy
- Financial Performance
- Ethics & Integrity
- Comply with regulations
- Information Security
- Supplier Management

Environmental Aspect

- Climate Change
- Energy Conservation
- Product Innovation & Quality

Social Aspect

- Talent Retention
- Employee Development
- Labor Right
- Employee Care
- Occupational Health & Safety
- Social Participant

MitraStar's Material Issues for GRI Standards & Operational Impact

Aspect	Topic	Issue	GRI Standards	Operational Impact				
				Revenue	Customer Satisfaction	Employee Recognition	Risk	
Economic	Sustainable Management	Governance Policy	GRI 102: General Disclosures	●	●	●	●	
	Company Profile	Financial Performance	GRI 201: Economic Performance	●		●		
	Corporate Governance	Ethics & Integrity	Comply with regulations	GRI 205: Anti-corruption		●	●	●
				GRI 206: Anti-competitive Behavior		●	●	●
		Information Security	Supplier Management	GRI 419: Socioeconomic Compliance		●	●	●
				GRI 418: Customer Privacy	●	●		
		GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	●	●		●		
Environment	Environment Protection	Climate Change	GRI 305: Emissions				●	
		Energy Conservation	GRI 302: Energy		●		●	
	Green Product	Product Innovation & Quality	GRI 416: Customer Health and Safety	●	●		●	
Society	Labor & Human Rights	Talent Retention	GRI 401: Employment					
			GRI 405: Diversity and Equal Opportunity			●	●	
		Employee Development	GRI 404: Training and Education			●	●	
	Labor Rights		GRI 402: Labor/Management Relations					
			GRI 406: Non-discrimination					
			GRI 407: Freedom of Association and Collective Bargaining			●	●	
	Employee Care		GRI 408: Child Labor					
GRI 409: Forced or Compulsory Labor GRI 412: Human Rights Assessment								
Occupational Health & Safety		GRI 403: Occupational Health and Safety			●	●		
Community Contribution		Social Participant	GRI 203: Indirect Economic Impacts			●		

Actions & Communication Channels for Stakeholder Topics of Concern

Stakeholder	Topics of Concern	Actions	Communication Channels	Results
Investor	<ul style="list-style-type: none"> Governance Policy Financial Performance Ethics & Integrity Comply with regulations 	<ul style="list-style-type: none"> Holding company website: investor relations webpage Holding company annual report/sustainability report Holding company shareholders' meeting / Investor Conference 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 2020 is NT\$13,168 billion Identify operational climate risks and opportunities based on the TCFD framework Analyze the impact of major issues of stakeholders on operations
Employee	<ul style="list-style-type: none"> Talent Retention Employee Development Labor Rights Employee Care Occupational Health & Safety 	<ul style="list-style-type: none"> Internal staff website Welfare Committee website Company announcement Suggestion box Complaint mailbox Employee satisfaction survey Labor-management meeting General manager town meeting 	<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"> 90% completion rate of management function training Completion rate of human rights-related training courses for new recruits is 100% Human rights protection law compliance training courses cover 99% Sexual harassment prevention courses cover 99% Occupational safety education curriculum coverage rate is 98% No major violations of human rights Employee activity satisfaction: satisfied with 4 points or more $\geq 90\%$ Number of occupational accidents <1 17 labor-management meetings 384 questionnaires for employee opinion survey 10 town meetings with general manager

Stakeholder	Topics of Concern	Actions	Communication Channels	Results
Customer	<ul style="list-style-type: none"> Information Management Supplier Management Product Innovation & Quality Labor Rights 	<ul style="list-style-type: none"> Customer online service system Customer audits Quarterly business meetings 	<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% Continuously optimize the customer service online system
Supplier	<ul style="list-style-type: none"> Ethics & Integrity Supplier Management Product Innovation & Quality Labor Rights 	<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 80.7% 81.8% of suppliers signed the integrity commitment In 2020, MitraStar suspended supplier on-site audit due to COVID-19, and started the audit again in November, completing the audit of 5 suppliers Since 2015, MitraStar has investigated 130 parts suppliers with the "Metal Mineral Source Survey Form". MitraStar has established 5 low-carbon indicators for high-carbon parts

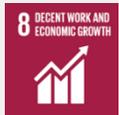
Stakeholder	Topics of Concern	Actions	Communication Channels	Results
Governments	<ul style="list-style-type: none"> Governance Policy Ethics & Integrity Comply with regulations Labor Rights Occupational Health & Safety 	<ul style="list-style-type: none"> Association of Science Park Industries Government 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
Communities	<ul style="list-style-type: none"> Social Participant 	<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 Sponsor innovative startup competitions 	<ul style="list-style-type: none"> Environmentally Friendly Enterprise in Hsinchu County in 2020 2020 Hsinchu County Green Procurement Appraisal is Excellent Approximately 200 students receive scholarships each year

D. Response to UN Sustainable Development Goals



In 2015, the United Nations passed its Sustainable Development Goals (SDGs) which set up 17 targets related to global sustainable development. Along with MitraStar's 5 CSR focuses: Ethics & Corporate Governance, Environment Protection, Green Products & Supply Chain, Employee Development & Care, and Community Contribution, MitraStar's CSR committee chose 7 SDGs as our key directions in response to the UN's Sustainable Development Goals. The content completed this year is as follows:

Ethics and Corporate Government



- 99% completion rate of employee training on ethics and compliance
- 0 major cases of violations of business ethics
- 80.7% of suppliers signed the CSR statement and commitment letter
- 81.8% of suppliers signed the integrity commitment letters



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

Environment Protection



- "Your Waste, My Gold" recycling processes
- Participated in events organized by the Hsinchu Science and Industrial Park in Taiwan



2017 ~2020: achieved 79% of the 2,000 tons of Carbon Reduction Five-year Plan

Green Products & Supply Chain



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



Facilitate sustainability for suppliers, our "Green Supplier Auditing Procedures" require suppliers to verify their carbon footprints.



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.



- Launch the "Green Supply Chain Cloud" plan to establish a collaborative platform to define the carbon footprint of different network products and materials used in manufacturing
- Establish 5 low-carbon indicators for high-carbon parts (printed circuit boards, power supplies, housings, optical fiber receivers, and wires)

Employee Development & Care



- 90% completion rate of management function training
- 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 satisfaction



- 100% completion rate of human rights-related new training courses
- 98.6% completion rate of employee sexual harassment prevention courses
- Disability damage frequency (FR) = 5.67
- Disability injury severity rate (SR)=34

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.

E. COVID-19 Epidemic Prevention Management

In 2020, the world faced a great threat of COVID-19. When the first confirmed case of COVID-19 appeared in Taiwan in January, the company immediately 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 2020.

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
	Guide epidemic prevention work	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
Health Executive Team Janitors			clean and disinfect regularly		

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

Economic Aspect

Goals & Achievement of Economic Key Issues

Issue	Management Guideline	2020 Goal	Achievement	2021 Goal
Corporate Governance	Establish an effective corporate governance structure and fulfill the responsibilities of corporate sustainable operation	Establish an effective corporate governance structure and fulfill the responsibilities of corporate sustainable operation	The results of the 2020 corporate governance evaluation are listed in the top 36%~50%	Continue to participate in corporate governance evaluations every year, improve measures as needed, and strengthen corporate governance strategies
Business Ethics	Completion rate of occupational ethics education and training	Completion rate of occupational ethics education and training >95%	Completion rate of occupational ethics education and training 98.6%	Completion rate of occupational ethics education and training >98%
	Number of major violations of professional ethics	Number of major violations of professional ethics <1	Number of major violations of professional ethics 0	Number of major violations of professional ethics <1
Regulatory Compliance	No major violations of the law	No major violations of the law	No major violations of the law	No major violations of the law
Information Management	Completion rate of online courses on business secret protection laws and regulations	Completion rate of online courses on business secret protection laws and regulations >95%	Completion rate of online courses on business secret protection laws and regulations 98.6%	Completion rate of online courses on business secret protection laws and regulations >98%

Issue	Management Guideline	2020 Goal	Achievement	2021 Goal
Supplier Management	Achievement rate of suppliers signing "Social Responsibility Statement and Commitment" and "Integrity Commitment Letter"	Achievement rate of suppliers signing "Social Responsibility Statement and Commitment" and "Integrity Commitment Letter">80%	"Social Responsibility Statement and Commitment" 80.7 % "Integrity Commitment Letter" 81.8 %	Achievement rate of suppliers signing "Social Responsibility Statement and Commitment" and "Integrity Commitment Letter">80%
	Supplier site audit completion rate	Supplier site audit completion rate	Due to the impact of the COVID-19 epidemic, on-site supplier audits have been suspended and the "Supplier Social Responsibility Assessment Questionnaire" is required to fill in.	Supplier site audit completion rate
Conflict Minerals Management	Supplier Conflict Mineral Material Management Investigation	Product survey coverage >90%	Supplier Conflict Mineral Material Management Investigation	Product survey coverage >90%

Company Profile



A. An Overview of MitraStar

D. Network Market Summary

G. Tax policy

B. Corporate Development

E. Financial Performance

H. Membership of Associations

C. Business Activities

F. Award & Recognition

A. An Overview of MitraStar

Established 2011	Headquarters Hsinchu Science Park, Taiwan	Capital 106M USD	2020 Revenue 446M USD	2020 Employees 2500
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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.



B. 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

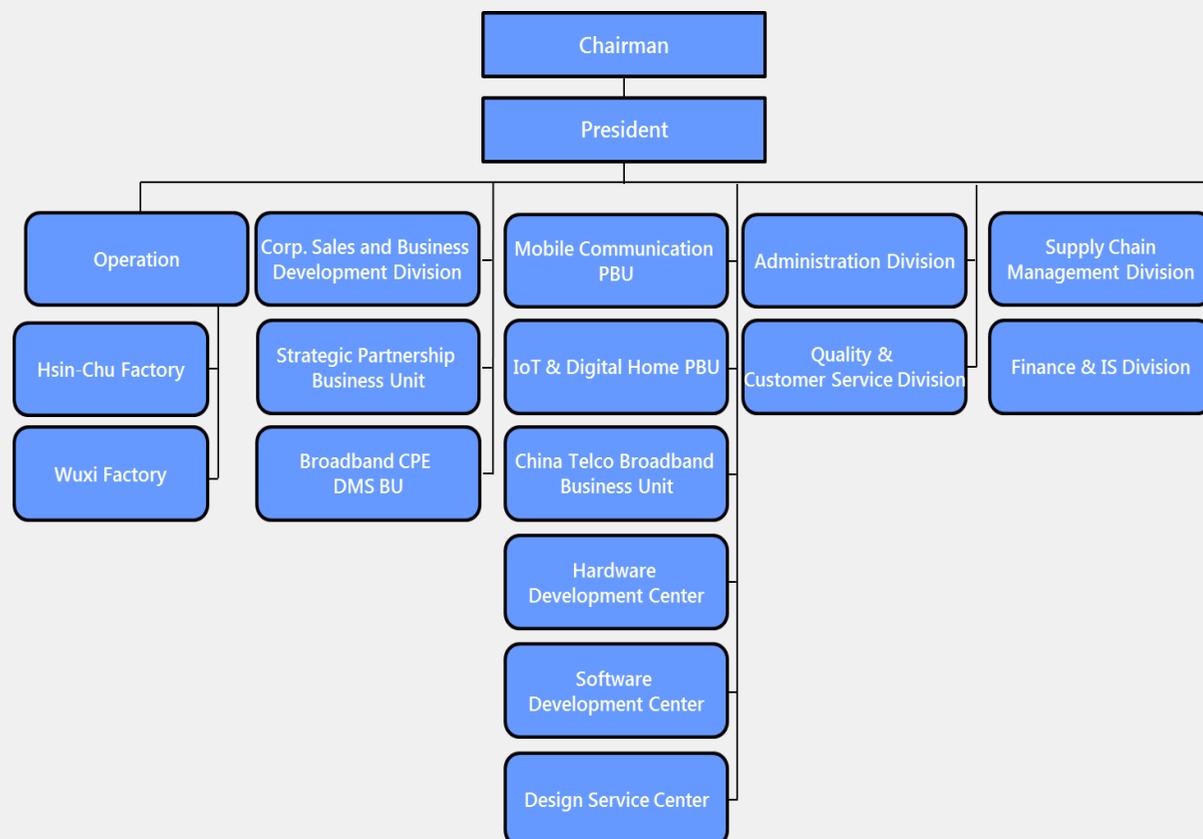
WuXi Genezys Technology Corp.

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 group of 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 Organization

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.



C. Business Activities

The business scope of MitraStar Design, Manufacturing and Service includes product ODM, Hardware ODM and OEM. According to customers' requests, we provide Wireless Broadband CPE, Wired broadband CPE, Fiber CPE, Digital Home and Multimedia Application products, and next generation (internet/M2M) total solutions. The communication technology coverage is DSL, PON, WiFi and LTE...etc. Networking technology covers Routing, Switching, QoS, Security, Network Management...etc. and multimedia related technology such as multimedia storage, processing and broadcasting. MitraStar also has advanced M2M and IOT innovative products. Our solid R&D, reliable production capabilities enable us to provide above value in price products and services with speed, flexible, and tailor-made services to meet customers' need.

In the future, based on MitraStar's existing broadband access technologies, we will continue cultivating in high speed switching, and wireless broadband R&D to integrate different broadband applications and services to keep our worldwide leading position. Be a cross product line solution provider and enlarge our capabilities from networking to application.

D. Network Market Summary

With corporate resource effectively utilized through the stockholding organization, MitraStar has successfully increased its revenue and competitive edge.

1. Competitive Advantages

MitraStar invests a considerable amount of resources on its two global research centers every year for future product developments. The company had obtained not only the coveted ISO 9001 and TL9000 R 5.0 certifications for the quality of its communication products, but also countless awards from professional publications all over the world in recognition of its newly announced products every year.

2. Technology Research and Development Overview

In our wired/wireless networking and multimedia lines, deployment flexibility is meticulously enhanced while stringent protection is offered on the network security products; and the VoIP, IP TV, Ethernet switch, router, network storage and smart home gateway products provide integrated application services. We feature product ranges for fundamental telecom deployments, enterprise-class solutions and integrated home media applications to seize the great opportunity of future growth in every aspect. As business opportunities emerge with ubiquitous IP services, fiber optics, mobile and media applications on the Internet, MitraStar's role in the networking/telecom industry will be more important than before for its comprehensive product range and development capability.

3. Business Plan

MitraStar emphasizes on customer-oriented product and application design; this core value has been extended into products and services from every affiliated companies. We focus on better competitive advantage as a whole to contribute to the advancement of communication technology, which in turn fulfills the needs of the evolving Internet and its demanding users. This not only differentiates us from the rest of the pack, but also fosters higher momentum of the Group on the market.

E. Financial Performance

MitraStar consolidated financial status and operating results

(Unit: NT\$ thousands)

1. Financial status and operating results

Accounting Title	2020	2019
Sales	13,168,592	14,981,223
Gross profit	1,546,218	2,188,039
Operating income	389,017	964,478
Income before income tax	538,820	1,011,697
Consolidated net income	433,596	876,156

2. Profitability Analysis

Item	2020	2019
Rate of return on assets (%)	5.40	11.22
Rate of return on stock equity (%)	13.33	33.43
Operating income to capital (%)	12.28	30.44
Income before tax to capital (%)	17.01	31.93
Net income to sales (%)	3.29	5.85
Earnings per share (NTD.)	1.37	2.77

F. Award & Recognition

2020

Ecovadis CSR rating – Silver Award

Annual Environmentally Friendly Enterprise in Hsinchu County

Excellent annual green procurement appraisal in Hsinchu County

2019

Environmental Friendly Enterprise

Top 10 of the "Health Golden Point Award"

Taiwan i Sports

2018

Talent Development Quality Management System (TTQS) Bronze Award

Excellence for the "Health Golden Point Award"

Excellence for the Company in the Occupational Safety and Health

Ecovadis CSR rating – bronze Award



G. Membership of Associations

MitraStar actively participates in a variety of industry associations and non-profit organizations such as industry development, technology innovation, corporate sustainability.

In related industry associations and their activities, MitraStar acquires the most up-to-date industry and technology-related information and maintain good relations with corporations and organizations in related fields.

The organizations in which MitraStar participated in 2020 include:

Industry Development

- Taiwan Electrical and Electronic Manufacturers Association
- The Allied Association for Science Park Industries
- Taiwan Association of Information and Communication Standards
- Asian Silicon Valley-Major League IoT
- Greater China Internet of Things

Technology Innovation

- The Broadband Forum
- Wi-Fi Alliance (WFA)
- CBRS Alliance
- HomePlug Powerline Alliance

Corporate Sustainability

- The Business Council for Sustainable Development of Taiwan
- Chinese Professional Management Association of Hsinchu

Corporate Governance

A. Governance Structure

B. Business Ethics

C. Risk Management

D. Information Security Management

E. Supplier Sustainability Management



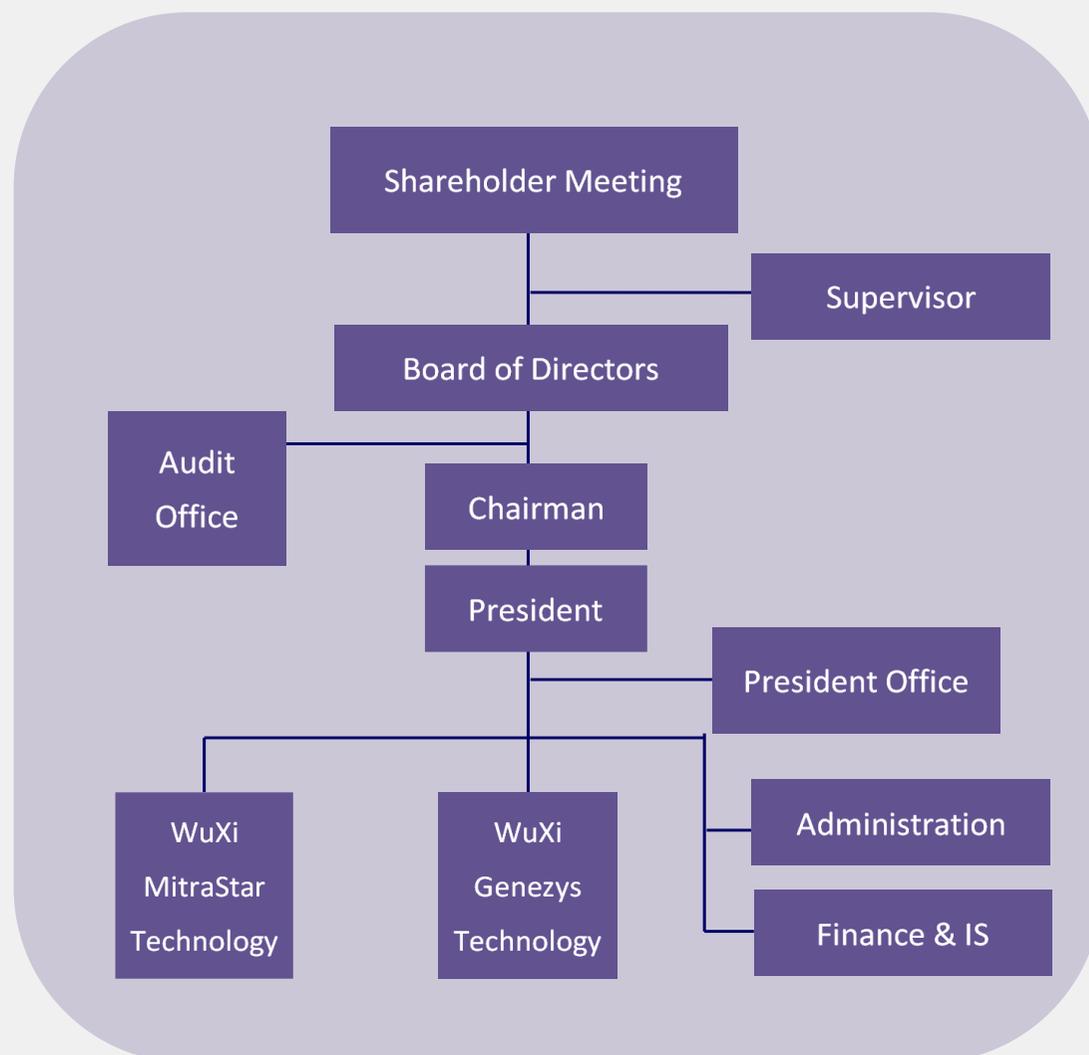
With integrity as part of its core values, Unizyx and its subsidiaries strongly observe this principle to abide legislations and business ethics. We believe that good Corporate Governance allows us to have a firm foundation for growth and to maintain the best interest for all stakeholders.

A. Governance Structure

As a responsible corporate citizen, it is our obligation to serve the community and the people relying on us. We have an internal audit office and Audit Committee to ensure proper reporting and adequate internal controls.

In addition, a Compensation Committee has been established as well. Other measures to safeguard shareholders' interests include the Company's effective board of directors and the prompt disclosure of relevant information to shareholders. The Unizyx board delegates various responsibilities and authority to two Board Committees, Audit Committee and Compensation Committee to supervise the company effectively.

To all measures towards safeguarding shareholders' interests, we disclose relevant information to stakeholders and investors in a timely, transparent manner. Unizyx reveals its financial status information such as annual reports and financial reports on the company website and an official spokesperson is always assigned to respond to queries and issues from rightful concerned parties.



Board of Directors

The MitraStar Board of Directors currently consists of three directors who are assigned by Unizyx holding corporation. Dr. Shun- I Chu is the chairman of MitraStar Technology. All MitraStar Board members are 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.

Compensation Committee

MitraStar's holding company, Unizyx, established a Compensation Committee on August 9, 2011 to assess the performance and compensation of directors and supervisors of the board on a regular basis.

The Committee consists of three directors, in which three are independent directors. Mr. KC Shih, an independent director, is the convener of the Committee. The Committee meets no more than every six months to evaluate and amend the policies on performance and compensation assessment of Unizyx directors, supervisors and managers. The compensations for directors and supervisors in recent years are provided according to Unizyx's corporate guidelines and have been approved by the board of directors and stockholders; and the compensations for the President and Vice Presidents are offered reasonably with reference to similar positions in the industry as well as their job description and actual contribution.

Audit Committee

To strengthen corporate governance and solidify the supervisory functions of the Board, MitraStar's holding company, Unizyx established Audit Committee on June 12, 2019, provides professional, independent insights to support the Board's decision-making process.

Members of the Committee shall include all independent directors and shall not be fewer than three persons. In which one shall be the convener and at least one shall have expertise in accounting or finance. The independent directors of the Committee shall serve a three-year term and may be re-elected to serve further terms. According to the regulations, the committee shall convene at least once quarterly and shall communicate with the Company's internal auditors and CPA on a regular basis.

Primary duties of the Audit Committee: Audit the Company's internal control systems, financial reports, major acquisitions or disposals of assets, derivatives trading, loans of funds and endorsements or guarantees made on behalf of others. The hiring, dismissal and compensation of a CPA as well as appointment and dismissal of finance, accounting or internal auditing officers.

Shareholder Rights

Unizyx holding company is the only one corporate shareholder of MitraStar Technology. The ways Unizyx protects its shareholders are:

1. Protection to Rights

Daily stock-related businesses and transactions of Unizyx are handled by Mega Securities, and a team is assigned to settle stockholder suggestions or disputes. Activities of major stockholders and related parties are overseen by professional agents and publicly revealed on Web sites designated by government authorities. Through these measures, corporate risks are under strict control and potential financial frauds from illegitimate loans and endorsements can be completely avoided.

2. Open Information

- Open information on corporate operations and an inquiry/answer mechanism are provided to investors on the company Web site.
- Unizyx has designated a staff to collect and reveal corporate information and a spokesperson to provide the information on the company Web site for investors to inspect.

The screenshot displays the 'Investor Relations' section of a website. It features three main content areas:

- IR News:** A list of recent news items with dates and brief descriptions, including 'Zyxel announces new VP of Global Sales and Marketing' and 'Strength in security sees Zyxel achieve multiple accolades at the Taiwan Excellence Awards'.
- Monthly Revenue:** A section highlighting net revenues for August 2020, July 2020, and June 2020.
- Financial Statement:** A section listing financial statements for 2020 Q2, 2020 Q1, and 2019 Q4.

Internal Audit

MitraStar establishes an internal audit unit under the board of directors. In accordance with the company's scale, business conditions, management needs and other relevant laws and regulations, MitraStar has deployed several qualified and appropriate full-time internal auditors and deputies.

Duties of Internal Auditor:

- MitraStar carries out internal audits to assist the board of directors and managers in inspecting and reviewing defects in the internal control systems as well as measuring operational effectiveness and efficiency, and makes timely recommendations for improvements to ensure the sustained operating effectiveness of the systems and to provide a basis for review and correction.
- The internal audit unit considers the laws and regulations, establish internal audit procedures, and audit the integrity and compliance of MitraStar's internal control to ensure the effective operation of the system.
- The internal departments and subsidiaries of MitraStar conduct self-assessments once a year in accordance with regulations, have its internal audit unit reviews the self-inspection reports prepared by all departments and subsidiaries, and submit the self-assessment reports, together with the reports on the correction of defects and irregularities of internal control systems discovered by its internal audit unit, to serve as the primary basis for the board of directors and the audit committee to evaluate the overall efficacy of all internal control systems and to produce Internal Control System Statements.

B. Business Ethics

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.

1. Policies and Specifications

MitraStar defines its work ethics and company values in the “Ethics Code of Conduct”. It provides general guidance to all employees and assists us in carrying out our daily activities according to the principles of ethical business practices and the letter and the spirit of applicable laws and our values.

This is a global Code, and the employees, business partners, and suppliers shall respect and adhere to the same standards in the operation of their work and business and ensure that we deal in all fairness with customers, suppliers, and competitors.

Corporate Compliance

- Every behavior should comply with integrity and ethics, for “Integrity” is the core value every employee should strictly adhere to.
- Every employee should comply with local laws, rules, and regulations while conducting business. Our business partners must follow the regulations.

- Improve the service level and provide products that fulfill customers’ needs to gain business rather than providing improper incentives to customers.
- Act in accordance with fair business, marketing, and advertising practices when dealing with consumers and take all reasonable steps to ensure the safety and quality of the goods or services we provide. A standard of fair trade, commercial advertisements, and competition should be established.

Anti-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.
- Uphold a fair, open, and honest business attitude when dealing with customers, suppliers, and other external individuals or groups.
- Improve the service level and provide products that fulfill customers’ needs to gain business rather than providing improper incentives to customers.
- 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.

MitraStar’s Ethical Related Regulations

- Code of Business Conduct and Ethics
- Corporate Governance Best Practice Principles
- Corporate Social Responsibility Best Practice Principles
- Ethical Corporate Management Best Practice Principles
- Procedure for Ethical Management and Guidelines for Conduct
- Fair competition Management Procedures
- Stakeholder Appeal and Prosecution Guidance

2. 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.



3. Assessment & Reporting

The CSA (Control Self-Assessment) performs a business ethics risk assessment and reports the results to the Board and management annually.

Internal and external whistleblower mechanisms have been established to combat corruption. 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

The whistleblower email address: audit@unizyx.com.tw 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 will be kept strictly confidential. MitraStar will take all necessary steps to protect the informant and personnel participating in the investigation from retaliation or unfair treatment.

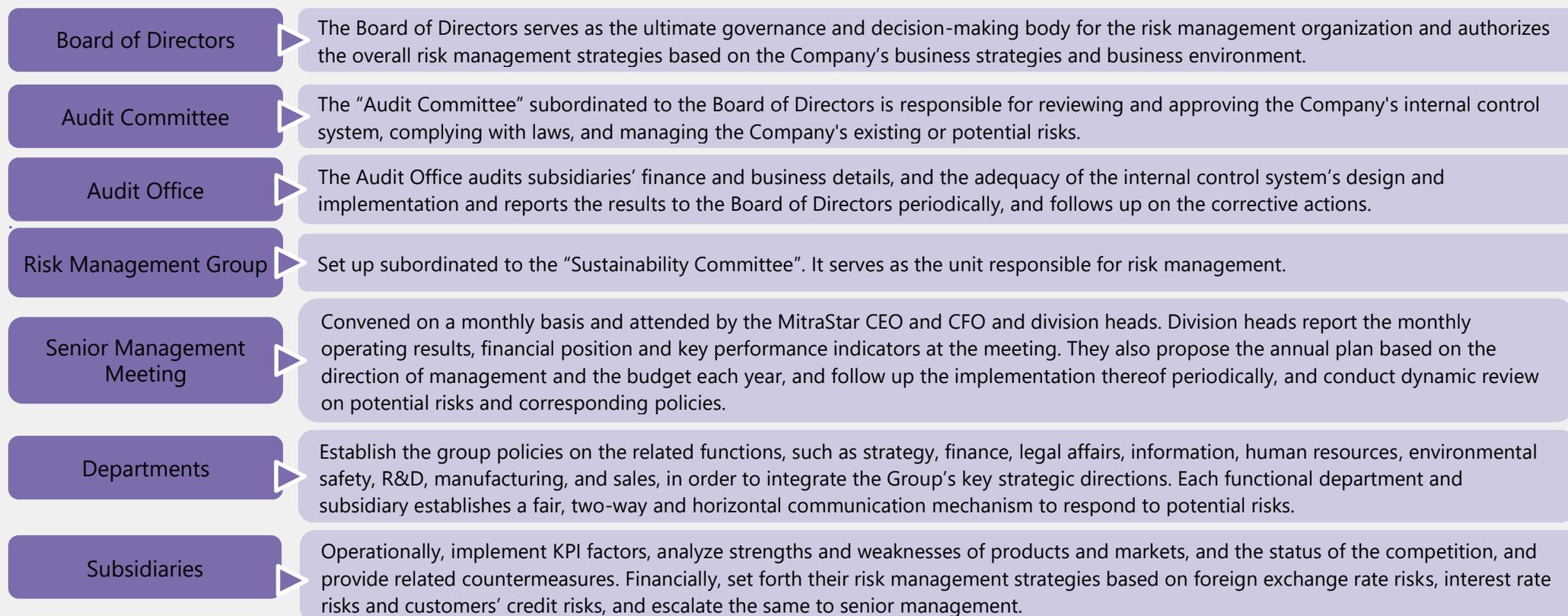
Completion rate of ethics and regulatory compliance training to employees	98.6%
Material regulatory violation case	0
Incidents reported through the whistleblower system	0

C. Risk Management

MitraStar includes the risk management in its 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.

MitraStar's ultimate risk management policy is scheduled to be passed in 2021. Meanwhile, we have set up a risk management policy group subordinated to the "MitraStar 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.

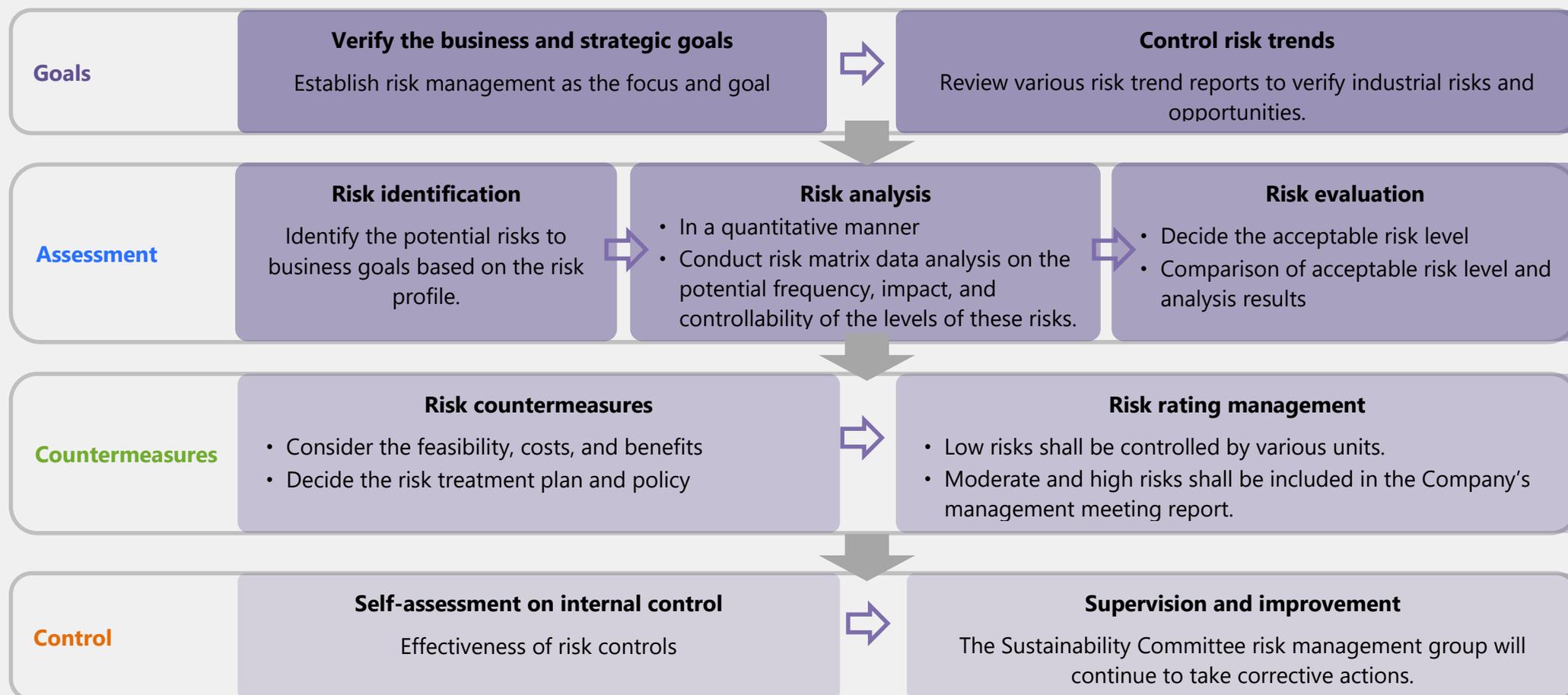
1. Risk Management Organization



2. 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.



3. Risk Assessment and Strategies

MitraStar's departments conduct 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's departments conduct 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 MitraStar 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.

Risk Assessment and Strategies

Dimension	Risk type	Risk impact	Mitigation policy	Corresponding chapters and sections herein
Corporate governance	Operational risk	Achievement of business goals	<ul style="list-style-type: none"> • Management reports strategic issues to 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.	Annual report 2020: 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: D. Information Security Management
Economic dimension	Supply chain 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 	Corporate governance: E. Supplier Management

Dimension	Risk type	Risk impact	Mitigation policy	Corresponding chapters and sections herein
	IT 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. 	Annual report 2020: 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. 	Annual report 2020: VII. Review and Analysis of Financial Conditions and Operating Results, and Risk Management
Environmental dimension	Disaster 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. 	Business sustainability E. COVID-19 epidemic prevention
	Climate change 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	<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. 	Labor & Human Right: A. Employment of talent, B. Employee development

D. Information Security Management

1. Intellectual Property Protection

With the evolution of network technology and the growth of market demand, MitraStar actively develops various network technology and other products. In order to maintain MitraStar'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

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

Patent Protection

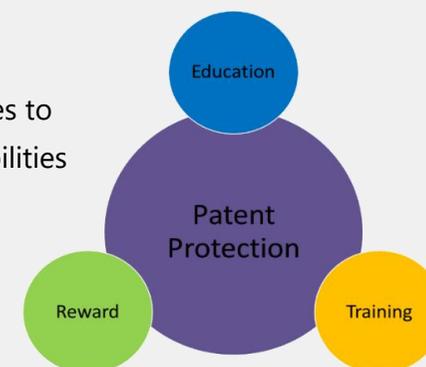
MitraStar attaches great importance to the development of various types of patents, and enhances MitraStar's competitiveness in intellectual property through the strategies of education, a rewards system, and a talent training management system.

Education: To strengthen MitraStar's R&D capability, MitraStar requires new colleagues to take an intellectual property protection course. The course content includes the introduction of the patent system and the prevention of infringement. Through the implementation of intellectual property management

training, MitraStar partners with employees to advocate the related duties and responsibilities and adopt non-disclosure agreements to protect intellectual property.

Reward: MitraStar 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 MitraStar's patent proposal application process and improve the quality of patents



Intellectual property protection training	Headcount	Training Hours	Coverage %
	486	807	73.63%

2. Confidential Information Protection

To protect the interests of all stakeholders, MitraStar attaches great importance to the protection and control of confidential business information. Our "Guidelines for Classified Management of Confidential Documents" are formulated to standardize appropriate storage methods and related protection Guidelines for confidential documents, and assist in the management of company business secrets and internal confidential documents.

3. Information Security Management

Information Security Organization

MitraStar has a full-time information security chief to coordinate MitraStar's information security strategic planning. In 2014, a full-time Information Security Team was established, led by the chief information security officer. It is responsible for drafting information security strategies and objectives, monitoring information security incidents, executing various information security tasks and projects, and holding information security promotions and training.

At the same time, the implementation status of information security work is regularly reviewed every year, and management review meetings are held to continuously promote and improve the information security management system.

The Information Security Team reports the information security implementation plan and implementation status to the board of directors at least once a year to ensure the continuous and effective operation of the internal information security management mechanism.

Information Security Policy

MitraStar information security policy was completed and its implementation announced in 2011. It sets information security management regulations, guidelines, standards, rules, and codes of conduct to achieve our information security goals, ensuring the effectiveness of MitraStar's information security practices. The Information Security Team regularly reviews the implementation effectiveness to achieve the goal of comprehensive information security, and comply with the requirements of relevant laws and regulations, so as to avoid internal and external deliberate or accidental threats. These information security policies are all formulated in accordance with the international standard ISO 27001.

Promoting Information Security

MitraStar established an internal information security website and provides colleagues with real-time information security information through the "Information Security Site" to enhance the awareness of information security, strengthen information security risk awareness, and encourage all personnel to understand the importance of

information security and realize various possible security risks and response methods to maintain overall information security.

Data Protection System Mechanism

The Information Security Team has established its own Security Operations Center (SOC). It uses data collection and big data platforms to establish a security intelligence database, and combines user and equipment behavior analysis and machine learning to perform various operations.

Information Security Policy

- Network security management guidelines
- Software asset management guidelines
- Personal computers equipment service and management guidelines
- Data backup and restoration policies
- Mobile device communication and operation security
- Remote access control security
- Information asset classification and control
- Physical and environmental security
- System development and maintenance security
- Information security incident response and handling
- Operation continuity management
- Supplier management

Dimensional correlation analysis, detecting information security incidents or abnormal connections and other behaviors, providing real-time early warning mechanisms, a real-time grasp of internal and external information security threats, and immediate processing of information security incidents minimize information security damage.

Information Security Educational Training

Colleagues receive information security related educational training or advocacy every year to enhance information security awareness and protection capabilities, and reduce information security vulnerabilities caused by human factors. As a part of new employee training, all new employees must complete the online compulsory information security course which includes information security policies, usage, and specifications. Furthermore, all colleagues must complete information security courses appropriate to their personnel level each year to help them understand the importance and various

possibilities of information security risks, enhance information security awareness, and comply with relevant information security regulations.

ISO 27001

To ensure the confidentiality, integrity, and availability of all information, MitraStar passed the BSI verification agency review in 2015 and obtained the ISO 27001:2013 international standard certification. MitraStar 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.

Continuous Improvement

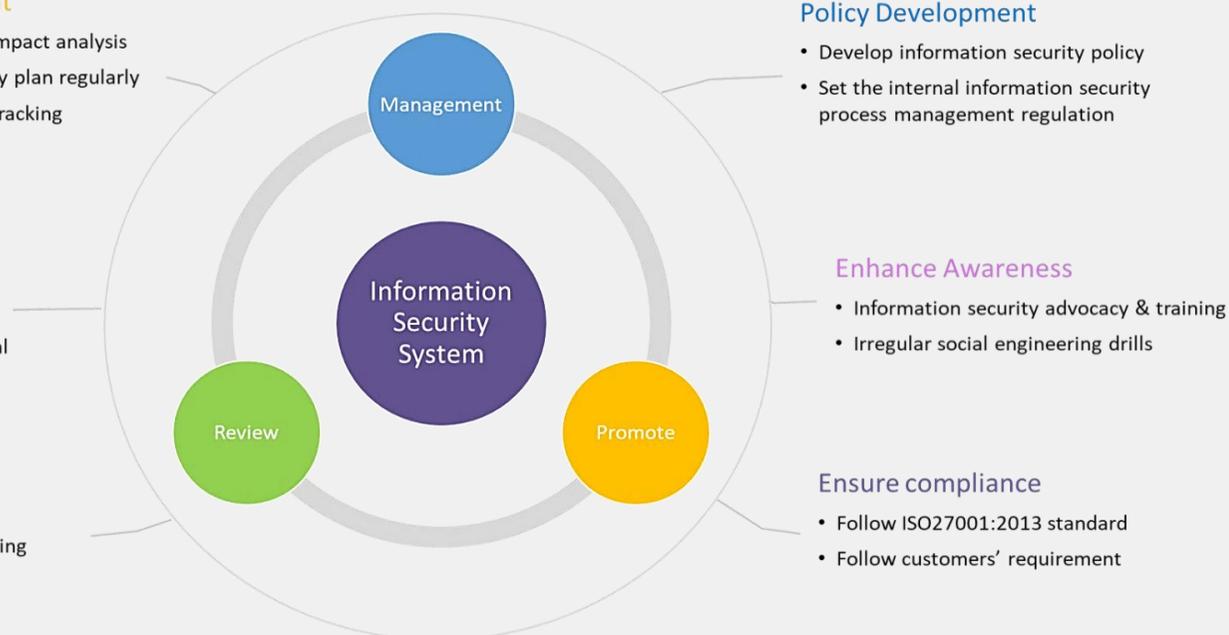
- Perform regular operational impact analysis
- Rehearse the disaster recovery plan regularly
- Improvement measures and tracking improvement effects

Risk Identification

- Regular information asset risk assessment
- Regular implementation of internal /external audit operations

Incident Handling

- Information security incident notification/response/processing



E. 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.

1. Supplier Sustainability Management Approach

As part of the MitraStar 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.

- **Requirements management**

MitraStar set a specific "Code of Conduct of Suppliers" to optimize supplier management strategies and operational efficiency with reference to the International Labor Union (ILO) standards, the Code of Conduct of the Responsible Business Alliance (RBA), and the best practice self-requirements of benchmarking companies in the electronics industry. We hope suppliers will work together with us to focus on improving labor's human rights, occupational safety and health, business ethics, and environmental protection.

With regards to business ethics, we require suppliers to sign the "Supplier Corporate Social Responsibility Statement and Commitment" and the "Supplier Integrity Commitment" in order to ensure that they understand MitraStar's sustainable cooperation requirements and that they must actually comply with their commitments. With regards to environmental protection, we require suppliers to sign the "No Use of Environmentally Hazardous Substances Guarantee", comply with the code of conduct, and take responsibility for societal and environmental protection.

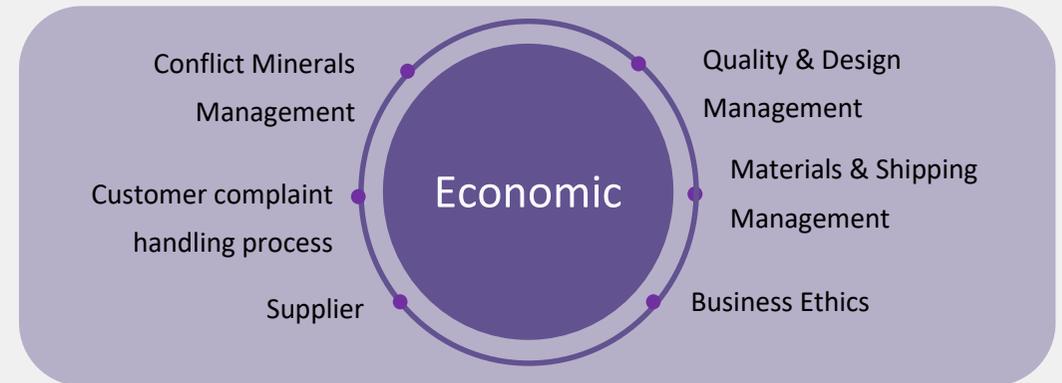
• Risk assessment

To assess the status of supply chain sustainability development and risk management, MitraStar regularly requires suppliers to reply to our "Supplier Social Responsibility Assessment Questionnaire", the corporate social responsibility evaluation. We evaluate our current suppliers' performance based on their responses to the questionnaire and the results of on-site audits to identify supply chain sustainability risks. We also take suppliers' actions and the results of their corporate social responsibility evaluations into account during supplier selection and when setting evaluation indicators.

MitraStar has received a total of **654** "Supplier Social Responsibility Assessment Questionnaires" from suppliers. The contents of the questionnaire cover labor, health and safety, environmental standards, business ethics standards, and management system requirements, so as to understand the supplier's awareness of sustainable management and to identify supplier risks.

Total suppliers: 654	Number of signatories	Achievement rate
Supplier CSR Statement and Commitment	528	80.7 %
Supplier Integrity Commitment	535	81.8 %

Sustainability Risk Assessment Factors



• Audit confirmation

MitraStar conducts yearly on-site product and production safety audits following the RBA principles for key suppliers. For suppliers whose audit results do not meet the required standards, specialists are assigned to review and draft improvement plans with the suppliers and provide appropriate assistance, counseling, and education.

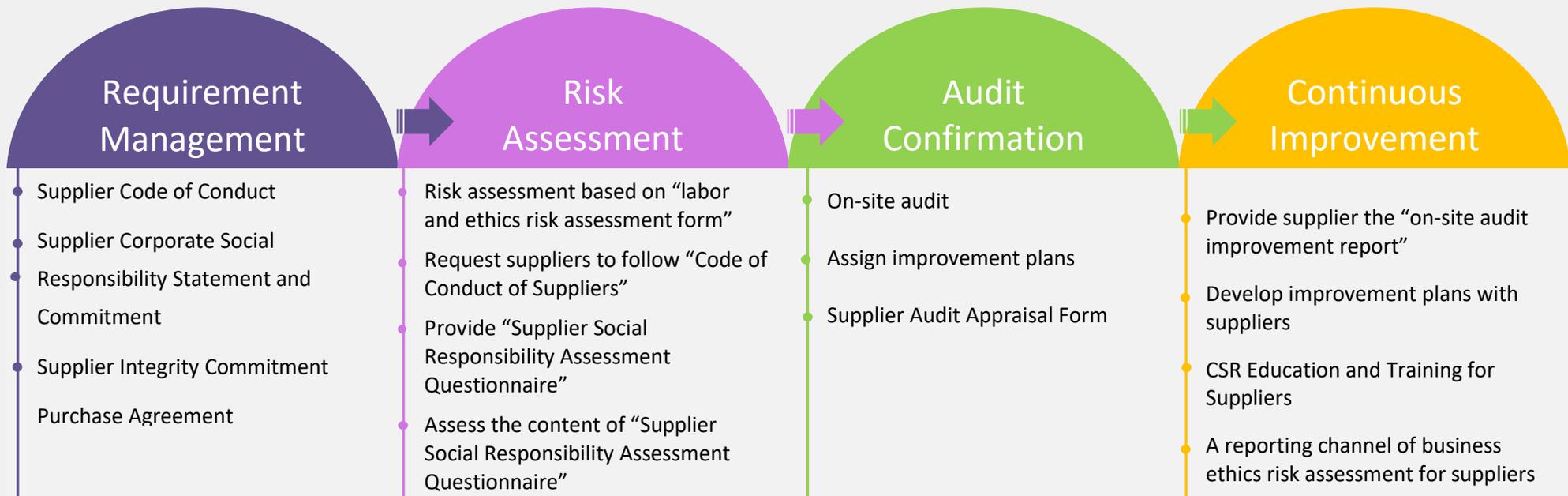
In 2020, in response to the impact of the COVID-19 epidemic, MitraStar has suspended on-site supplier audits and replaced the investigation with the "Supplier Social Responsibility Assessment Questionnaire".

At the end of November 2020, the audit was launched again and by March 2021, the audit of 5 suppliers will be completed in order to grasp the actual risk status and effectively improve the overall performance of the suppliers.

• Continuous improvement

MitraStar adheres to the behavioral principles advocated by the "Responsible Business Alliance" (RBA) and has developed the "MitraStar Corporate Social Responsibility Education and Training for Suppliers" standard and learning materials. This standard helps suppliers continuously improve the aspects of labor's human rights, ethics, health, environment, and management systems.

At the same time, it provides a reporting channel for suppliers with the audit supervisor and senior management as the recipients to avoid abuses.



2. Conflict Minerals

MitraStar has established a 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.

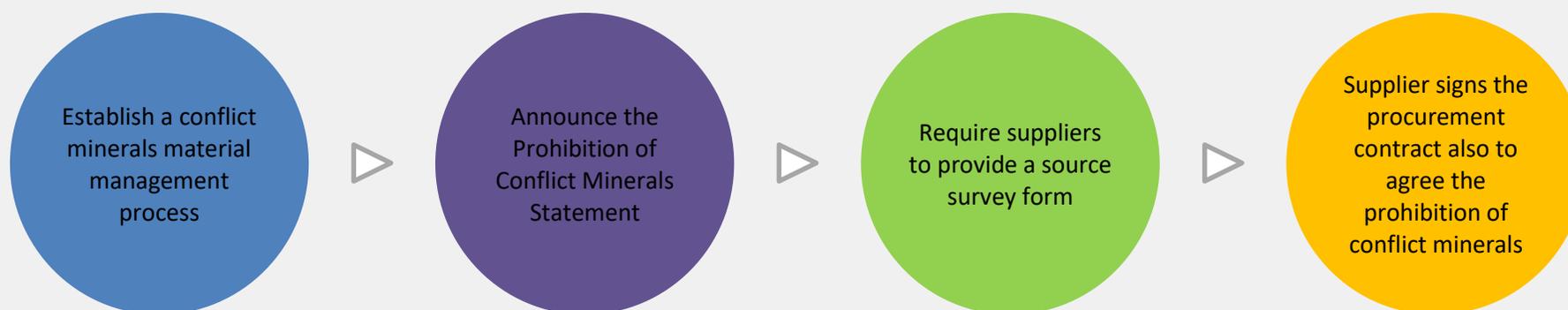
Our "Conflict Minerals Internal Flow Chart" is designed to ensure the suppliers' conflict minerals management process. MitraStar has adopted the RBA's "Conflict Minerals Reporting Template" (CMRT) to conduct a reasonable level of mineral source country investigation (Reasonable Country of Origin Inquiry, 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 MitraStar's procurement policy's prohibition of conflict minerals and comply with the "Conflict Minerals Reporting Template" and work together with MitraStar to do their best for corporate social responsibility.

Since 2015, MitraStar has **investigated 130 parts suppliers** who may use metal minerals in product parts in response to customer requirements.

(For MitraStar's green supply chain management and procurement, see the chapter on Green Products: Green Supply Chain for details)



Environmental Aspect

Goals & Achievement of Environment Key Issues

Issue	Management Guideline	2020 Goal	Achievement	2021 Goal
Climate Change	Greenhouse gas reduction	<ul style="list-style-type: none"> • Five-year (2017~2021) carbon reduction of twenty hundreds tonnes Plan in 2017 	<ul style="list-style-type: none"> • 2017~2020: achieve Five-year carbon reduction of twenty hundreds tonnes Plan 79% 	<ul style="list-style-type: none"> • Five-year (2017~2021) carbon reduction of twenty hundreds tonnes Plan in 2017
	Strengthen climate resilience	<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
Energy Conservation	Improve energy efficiency	Energy saving target: <ul style="list-style-type: none"> • 1.1 million kWh in 2020; • cumulative power saving of 5 million kWh" from 2015~2020 	Total energy saving: <ul style="list-style-type: none"> • 1.61 million kWh in 2020; • cumulative power saving of 5.52 million kWh from 2015~2020 	Energy saving target: <ul style="list-style-type: none"> • 0.6 million kWh in 2020; • cumulative power saving 7 million kWh from 2015~2021
Water Management	Continue to implement daily water saving measures	<ul style="list-style-type: none"> • Water saving target: 7,000 tons; • cumulative water saving 37,160 tons" from 2015~2020 	<ul style="list-style-type: none"> • Total water savings: 9,800 tons; • accumulated water savings of 39,963 tons from 2015~2020 	<ul style="list-style-type: none"> • Water saving target: 1,200 tons; • accumulated water saving of 40,960 tons from 2015~2021
Pollution Prevention	<ul style="list-style-type: none"> • Compliance with regulations • Management system of External certification 	<ul style="list-style-type: none"> • 0 cases of violation of environmental protection laws and regulations • Various environmental management systems have passed external verification up to 100% 	<ul style="list-style-type: none"> • No violation of environmental protection laws and regulations • Passed ISO14001 external verification 	<ul style="list-style-type: none"> • 0 cases of violation of environmental protection laws and regulations • Various environmental management systems have passed external verification up to 100%
Green Product Development	Product carbon emissions disclosures and provide references for internal and external stakeholders	<ul style="list-style-type: none"> • Add low-carbon indicators for 2 types of parts, continue to analyze the data of the existing 5 high-carbon parts, and provide relevant information on the direction of carbon reduction 	<ul style="list-style-type: none"> • Establish 5 low-carbon indicators for high-carbon parts (printed circuit boards, power supplies, housings, optical fiber receivers, and wires) 	<ul style="list-style-type: none"> • Link internal system with the data stream of the carbon footprint platform • Establish technical standards for the use of recycled plastics and carbon reduction assessment methods

Environment Protection

A young girl with long, straight blonde hair is shown in a close-up shot, blowing on a dandelion seed head. She has her eyes closed and a focused expression. The background is a soft-focus field of green grass and white flowers, with a warm, golden light suggesting a sunny day. The overall mood is peaceful and natural.

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

A. Climate Change

The earth's climate and environment are gradually deteriorating due to the influence of greenhouse gases. As a member of the earth's citizens, we should proactively deal with the problem of global warming, so that the earth can avoid the impact and danger caused by climate change. To establish the ability to adapt to climate risks and reduce possible climate risks to business operations are important issues that must be faced and planned early in the sustainable operation of enterprises .

1. Climate Change Management

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.

Climate Action in Response to SDG Goals



In response to the United Nations Sustainable Development Goals (SDGs), Goal 13-Climate Action: Take urgent measures to respond to climate change and its impact: MitraStar aims to reduce greenhouse gases, conserve energy and water resources, integrate green

product research and development into the product life cycle, and reduce product carbon emissions by taking the following actions:

- Regularly checking greenhouse gas emissions
- Disclosing product carbon emissions
- Developing low-carbon indicators for product parts and providing relevant carbon reduction information
- Linking the internal system and the data stream of the carbon footprint platform
- Establishing technical standards for the use of recycled plastics and carbon reduction assessment methods

Participate in the International Carbon Disclosure Project (CDP)

MitraStar responds to questionnaires on the CDP platform every year, revealing climate change-related strategies, goals, and implementation actions in response to customer requirements and international expectations.

According to the CDP evaluation requirements and results, we set refined improvement goals and plans. We also self-evaluate the improvement results every year in accordance with the requirements provided by customers on the performance of suppliers in CDP.

In 2020, MitraStar won a C- in the Supplier Conference Evaluation (SER). We will use this to set the goal of continuous improvement and achieve better CDP evaluation results.

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"> Perform product carbon emissions disclosure Develop low-carbon indicators for product parts, analyze data on high-carbon parts, and provide relevant information on carbon reduction directions

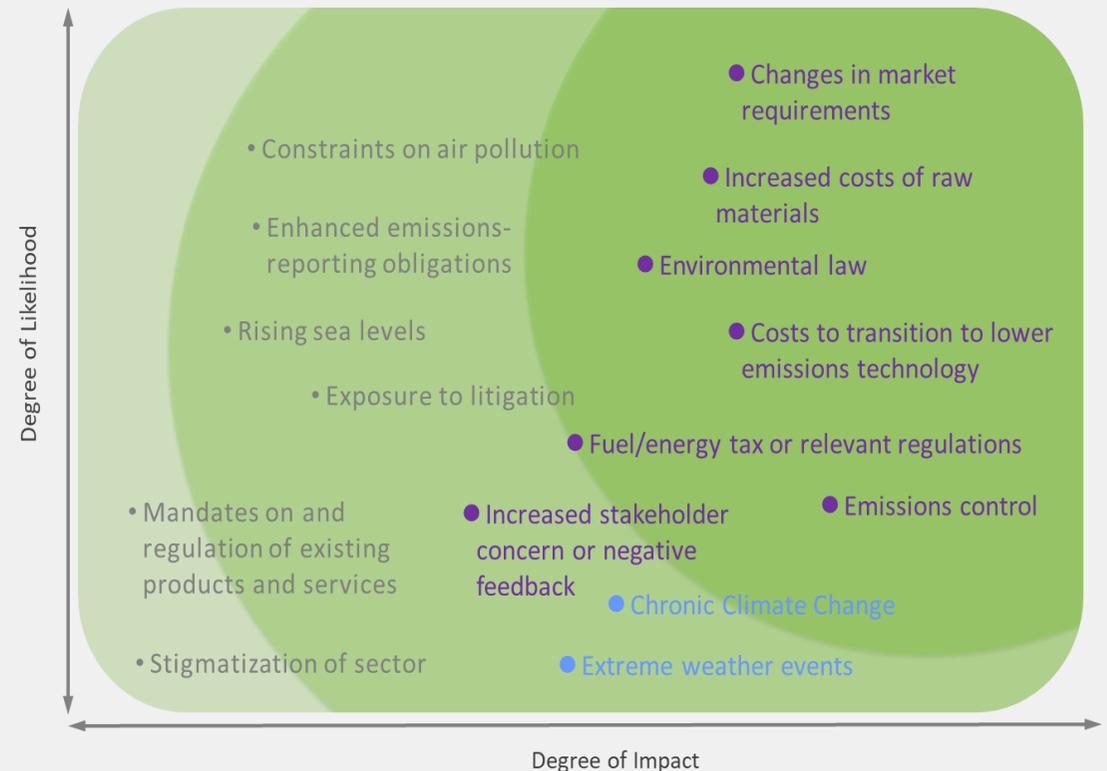
- Link the internal system and the data stream of the carbon footprint platform
- Establish technical standards for the use of recycled plastics and carbon reduction assessment methods
- Implement a monitoring mechanism and set targets for climate risks with a high degree of impact
- Disclose climate action to achieve SDG goals

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.

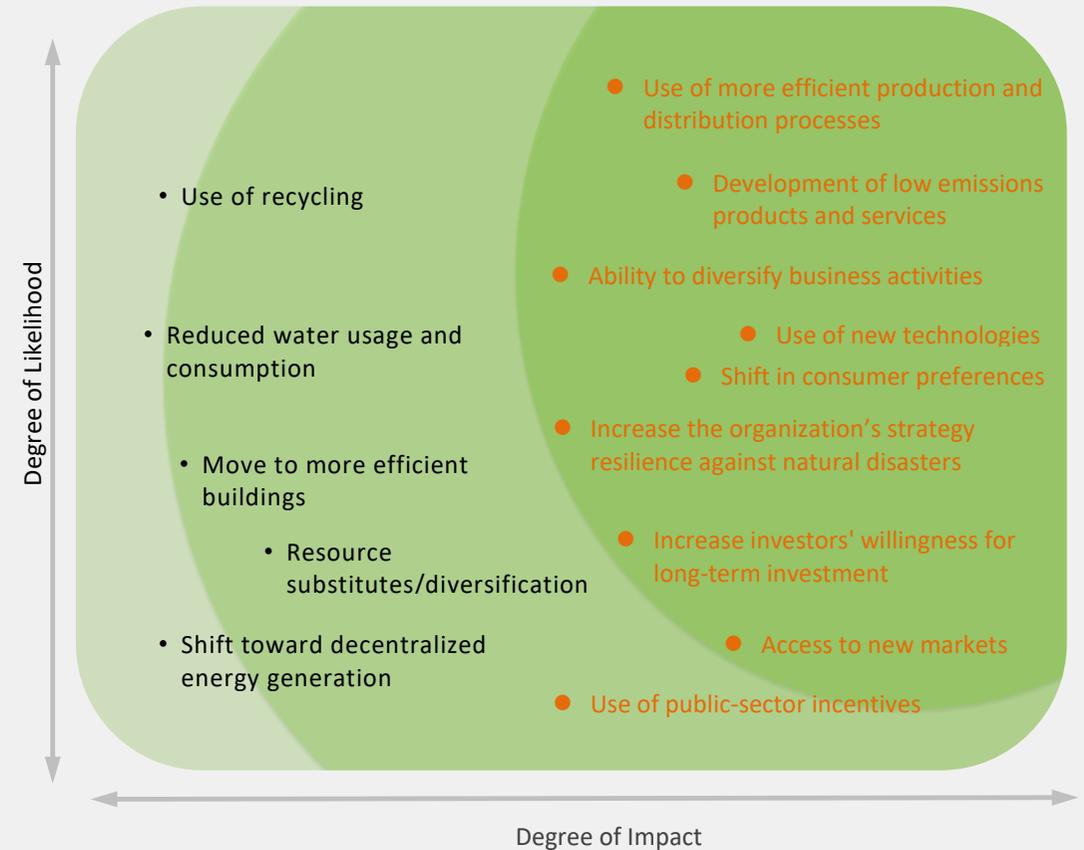
TCFD Climate-Related Risk Identification Matrix

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 Exposure to litigation
		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	<ul style="list-style-type: none"> 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	Type	Opportunity	Potential Financial Impacts
Transition Risks	Policy and Legal	Fuel/energy tax or relevant regulations	Increases in tax, management, and investment costs	Resource Efficiency	Use of more efficient production and distribution processes	Production line automation, improved production efficiency
		Environmental law	Cost increases in compliance with environmental regulations	Energy Source	Use of new technologies	Reduced operational costs
		Emissions control	Increased costs of installation and operation for carbon reduction facilities	Products and Services	Development of low emissions products and services	Increase revenue by meeting customer demands for energy-saving products
	Technology	Costs to transition to lower emissions technology	Increased costs of developing technology		Ability to diversify business activities	Create new business opportunities and increase revenue
	Market	Changes in market requirements	Reduced demand for products and services due to shift in customers' preferences		Shift in consumer preferences	Give priority to adapting to the market, meeting customers' needs, and increasing their satisfaction
		Increased costs of raw materials	Increases in raw material procurement costs	Markets	Access to new markets	Increased revenue
	Reputation	Increased stakeholder concern or negative feedback	Damage to MitraStar's reputation or image		Use of public-sector incentives	Reduced operating and production costs
Physical Risks	Acute	Extreme weather events (ex: typhoons, floods)	Power outages, losses of plant equipment, supply chain and production interruptions	Resilience	Increase investors' willingness for long-term investment	Stabilize stakeholder structure, and lessen the risk of large stock fluctuations
	Chronic	Chronic Climate Change (average temperature rise)	Increasing electricity consumption and carbon emissions, leading to increased costs		Increase the organization's strategy resilience against natural disasters	Reduce the probability of and losses due to operations interruptions

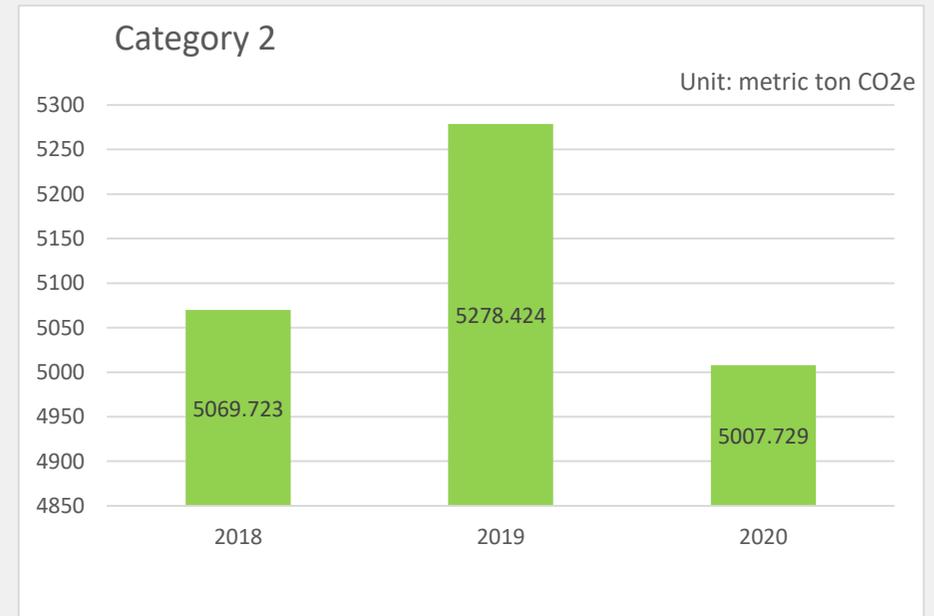
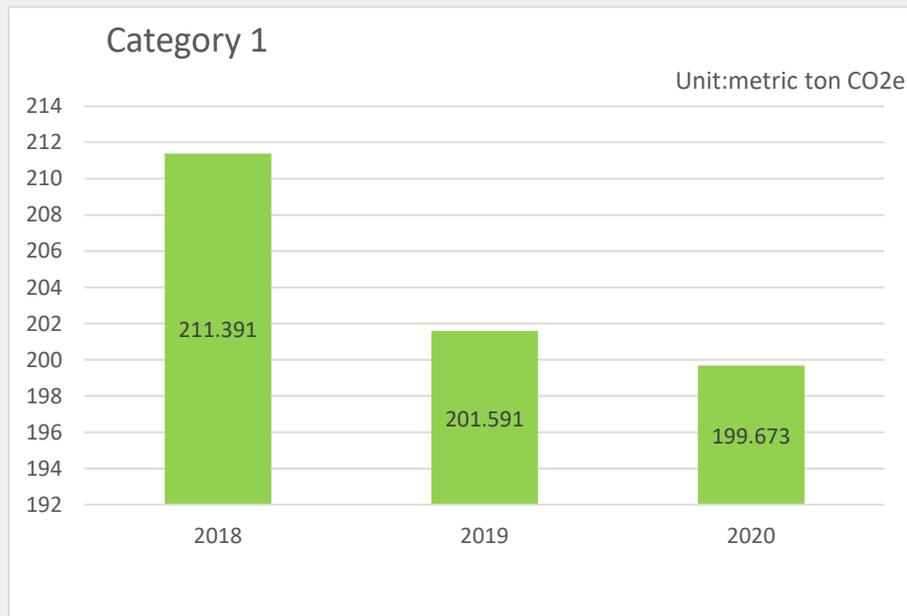
3. Greenhouse gases inventory (GHG)

Material Issue	Management guideline	2020 Goal	Achievement	2021 Goal
Climate Change	• Greenhouse gas reduction	• Five-year (2017~2021) Carbon Reduction of twenty hundreds tonnes Plan in 2017	• 2017 ~2020: achieve Five-year Carbon Reduction of twenty hundreds tonnes Plan 79%	• Five-year (2017~2021) Carbon Reduction of twenty hundreds tonnes Plan in 2017

MitraStar set 2017 as the “greenhouse gas reference year” and proposed five-year Carbon Reduction of 20 hundreds tonnes Plan.

MitraStar tracks its annual emission and thus lay out its improvement plans. According to the ISO14064 standard, the greenhouse gas inspection covers direct sources such as emergency generators and company cars (Category 1) and indirect sources such as purchased electricity power and other emissions (Category 2 and 3). In 2020, MitraStar emitted 199.673 tons of CO₂-e in Category 1 and 5007.729 tons of CO₂-e in category 2.

To further reduce CO₂ emission, MitraStar enforces several energy-saving policies such as cutting unnecessary lightings, setting higher temperatures for cooling water, encouraging employees to use stairs instead of elevators, among others.



B. Energy Conservation

MitraStar has no process electricity demand in its operations, and the electricity resources are mainly used in office illumination and air conditioning.

Energy Conservation Target

Material Issue	Management guideline	2020 Goal	Achievement	2021 Goal
Energy Conservation	Improve energy efficiency	<ul style="list-style-type: none"> Energy saving target in 2020: 1.1 million kWh Cumulative power saving of 5 million kWh from 2015~2020 	<ul style="list-style-type: none"> Total energy saving in 2020: 1.61 million kWh Cumulative power saving of 5.52 million kWh from 2015~2020 	<ul style="list-style-type: none"> Energy saving target in 2021: 0.6 million kWh Cumulative power saving 7 million kWh from 2015~2021

Energy Conservation Strategy

1. Glass-roof patio for daylight saving

The Hsinchu Headquarters in Taiwan has a glass-roof patio to save lighting expense in the daytime.

2. Saving of air conditioning expense

For a smaller carbon footprint, MitraStar introduces Thermal Energy Storage Air-Conditioning System (TES) that stores the cooling power produced in off hours to be released in peak hours. Since the system shifts the energy consumption to off hours to take advantage of the lower electricity price, it not only lowers the basic consumption threshold and total amount on the power bill, but also fully utilizes the capacity of air conditioning systems.

3. Reduce factory lighting expense and compress air leakage

- Energy-saving lighting is used in working areas when possible.
- Luminosity of office areas is set to 500 to 600LUX.
- Lights are turned off in lunch breaks and off hours when possible.

- Infrared-activated lights are used in areas with less traffic, such as hallways and parking lots.
- Malfunctioned T5 lights will be replaced with T8 types.
- Free float traps are used in air compressors.
- Periodic inspections are performed on compress air pipelines and connectors to prevent leakage.

4. Company bus and carpooling

To cut the carbon emission from vehicles, MitraStar employees are encouraged to:

- Take MitraStar bus service, offered since 1996, for daily commuting.
- Take the shuttle bus service provided by the Hsinchu Science Park since 2002 for on-campus transportation. There are four routes: Red, Purple, Orange and Green, for different directions.
- Colleague carpooling has been organized since 2005 to cut fuel expense and reduce air pollution.

C. Water Management

Water is a scarce resource in Taiwan. The government occasionally conducts water rationing on industrial usage in addition to long-term water resource management. The production process of MitraStar is based on assembly, and there is no process water demand, so it does not consume a lot of water resources. The water resources are mainly used for basic factory facilities and people's daily life needs. The water sources are all tap water.

Water Management Target

Material Issue	Management Guideline	2020 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%

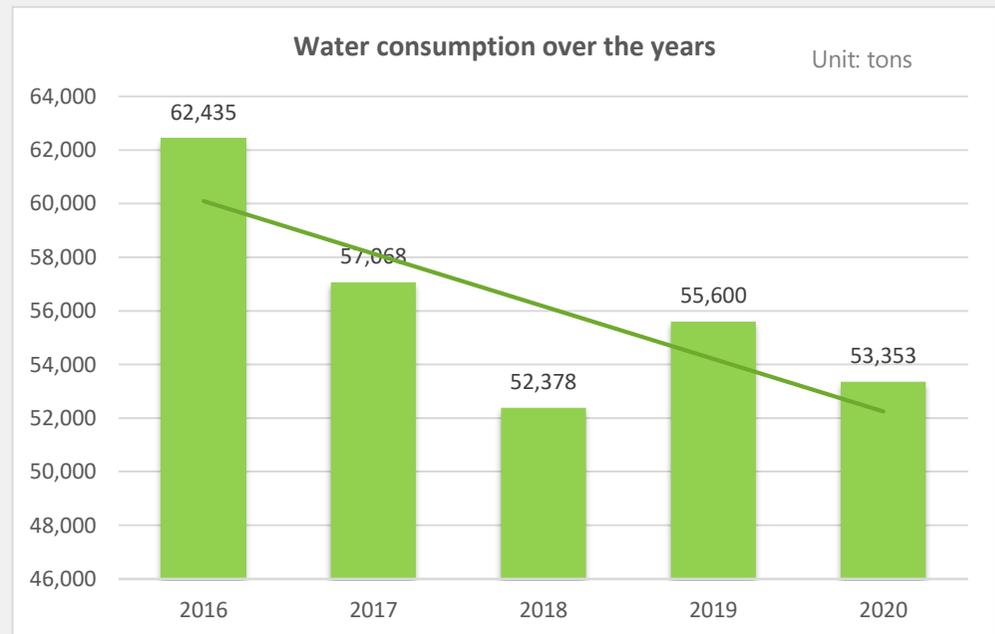
Water Resources Management Policy

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 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



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.

Hsin-chu factory:

Factories are required by the law to obtain licenses for either pollutant processing facilities or pollutant emission. Since sewage processing in the Science Park is handled by the Science Park Administration, MitraStar is exempted from applying for its own license. In 2020, the water waste in Shin-chu factory was only 22,446 square meters.

Wuxi factory:

Commission an institution to perform annual monitoring of three pollution sources: air, water, factory noises.

Water waste inspection against the following specifications: pH=7.3, COD=266mg/L, SS=76mg/L, TP=0.2mg/L, BOD=16.9 mg/L, oils=5.7mg/L to comply with the level 3 standard in chart 4 of GB8978-1996, "the common water waste discharge standard". Since no water waste is produced in the

manufacturing factory, daily sewage is processed in sewage tank and discharged into the city sewer grid, and then processed by the official plan. All required water and solid waste discharge permits have been obtained, and all waste disposal usage and permission fees are paid every year.

Water conditions in 2020

Water Resource		MitraStar Hsin-chu Factory
Surface water	Fresh water	-
	Other water	-
Ground Water	Fresh water	-
	Other water	-
Third-party water	Fresh water	39,805
	Other water	-
Total obtained water		39,805
Total waste water		22,446
Total water consumption		17,359

D. Waste Management

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.

Management and recycling of wastes

During the manufacturing processes, workflow improvement and material recycling are employed to cut both acquisition cost and pollution to the environment. All recyclable or reusable materials are separated, categorized and reported online as required by the Environmental Protection Administration for strict supervision to the processing service providers.

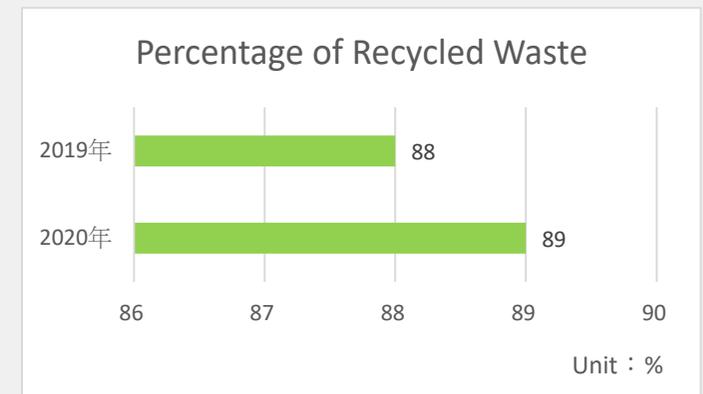
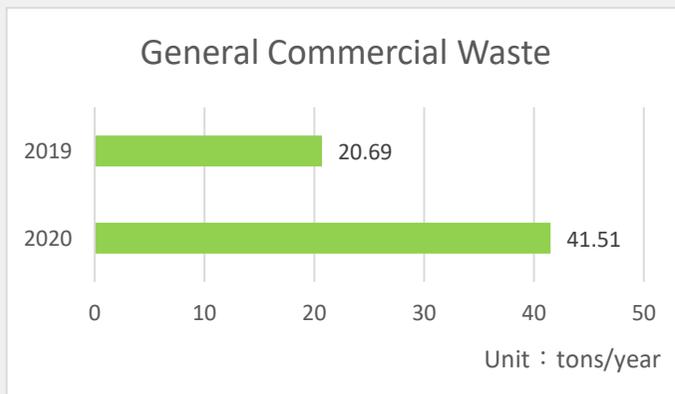
Most wastes produced on the MitraStar campus fall into three categories:

- 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.

The wastes are managed with the following principles:

- Experts from the Environmental Protection Administration are invited to instruct 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 melt to make blocks.
- Inseparable metal wastes are recycled to become raw materials or even artworks.

In 2020, the MitraStar Hsin-chu factory campus produced 41.51 tons of general commercial waste, 13.12 tons of hazardous waste, and 323.56 tons of recyclable material. All wastes were confirmed to meet the Environmental Protection Administration standards.



E. Air Pollution Prevention

MitraStar and all its affiliates produce no ozone-harming substance, NO_x, SO_x or other air pollutants, only volatile gas from organic materials is emitted. To ensure the gas doesn't cause any damage, MitraStar reports its usage of such materials and pays the associated fees every quarter.

Despite that fact that MitraStar produces no pollutant in its daily operations, MitraStar still aggressively monitors its own gas emission by assigning staffs 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 photograph of two children sitting on a wooden bench in a grassy field. The child on the left is a girl with brown hair, wearing a white hoodie and blue jeans, holding a tin can to her ear. The child on the right is a younger girl with pigtails, wearing a red sweater and blue jeans, also holding a tin can to her ear. A string connects the two cans, forming a simple tin can phone. The background is a lush green lawn with some small yellow flowers.
- 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

To stay ahead of the world's green efforts and to remain competitive on the global market, as the world pays more attention on environment and climate issues, making products "green" has become an obligatory effort for enterprises to focus on. Fulfilling consumer demands for green products is a new challenge for world-class companies like MitraStar to overcome for future growth and success.

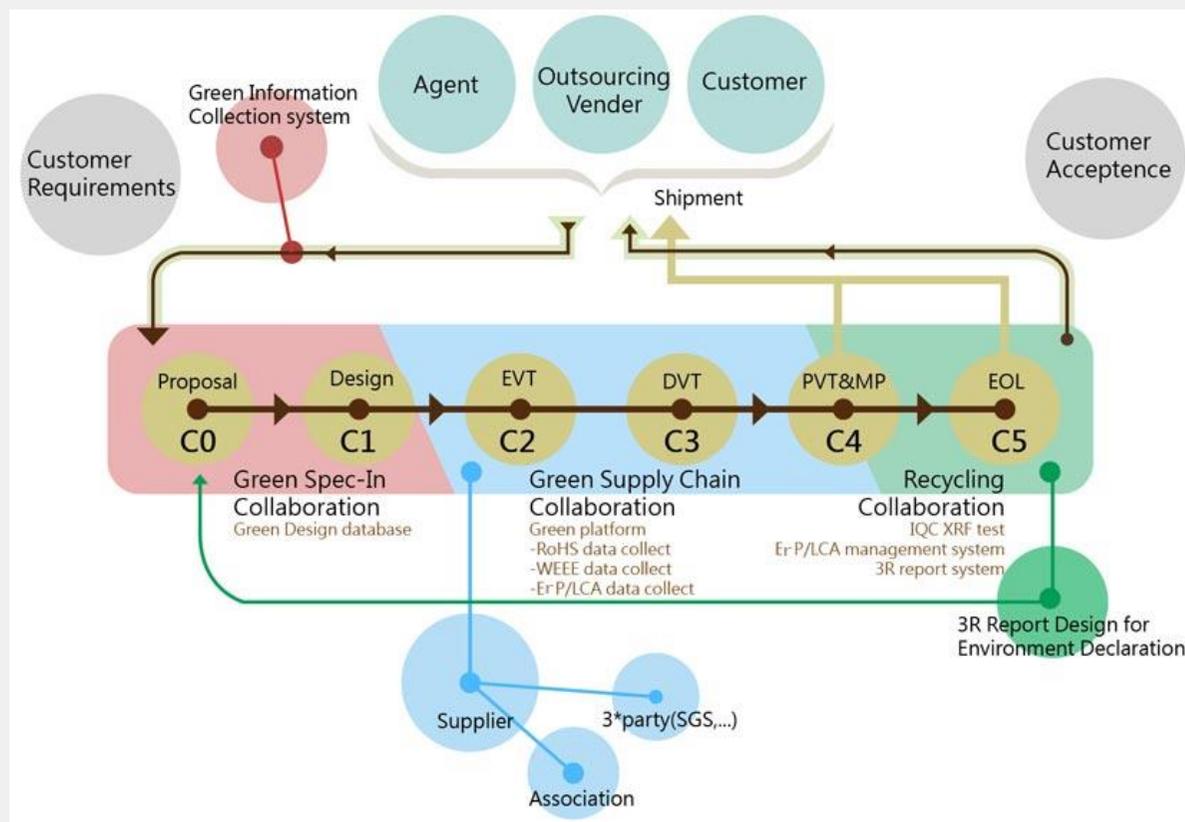
A. Green Collaboration System

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

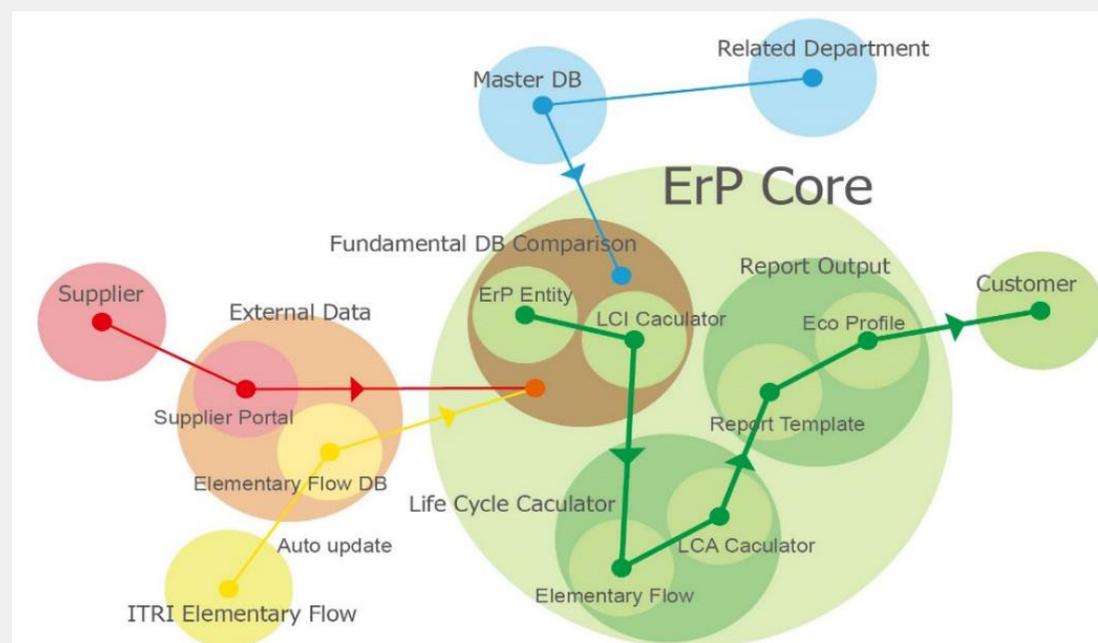
MitraStar designs every product with the lifecycle and environmental impact in mind. The "Green Design Database" effectively helps the engineers to consider the impact, resource usage, pollution reduction and ecological balance in terms of material, design, manufacturing, package, transportation, consumption 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.

- **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 complied "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



C. Green Supply Chain

1. Green Supply Chain Development Stage

MitraStar green system includes four development stages, and is stepping from stage 3 to stage 4.

First Stage: Regulations Compliance

Target - WEEE, RoHS, Battery, PPW

Second Stage: Regulations Exceed

Target – Green IT System, 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)

2. Green Supply Chain

The "Green Supplier Auditing Procedures" require suppliers to verify their carbon footprints. The auditing procedures provide a rating standard and a rating form to categorize the suppliers, so the procurement units can make decisions based on the status and auditing frequency of the suppliers.

A database with "Green Parts" has also been established to recognize a green supply chain and to integrate with ERP and Data Management Systems to

generate technical documents and ensure conformity to carbon emission 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.

4. Green System Management

In order to achieve green auditing while reducing the risk caused by insufficient personnel and experience, MitraStar's green management system comes with a supplier management feature that significantly reduces the expense on component inspection and improves the control over green materials delivered by qualified suppliers.

5. Green Procurement

MitraStar demands their suppliers to upload the information required by the WEEE, RoHS and ErP regulations for better management of green components. The platform works as follows:

6. Green Supplier Auditing

MitraStar constantly performs auditing procedures on major component suppliers and contractors to confirm their ability, while the GP Auditing Team helps these external partners to produce green products as well.

D. Green Product

MitraStar' energy-saving products decrease power consumption to help customers to reduce energy cost and to enhance usability.

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 ISO14001- and OHSAS18001-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 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

We use less material for packaging and utilize reused and recycled materials as much as possible.

Reduced

As long as the packaging is sufficient for protecting the contained product, using less material shrinks the box to an optimum size and thus reduces costs associated with manufacturing, transportation and even carbon emissions. For instance:

- The thickness of a PE bag has been reduced from 0.1mm to 0.07mm
- The integration of inner and outer box slashes 32.9% off the original volume.

Reuse & Recycle

The non-toxic, RoHS-compliant material chosen to make packaging can be recycled and is biodegradable :

- cartons and boxes consist of 80% to 90% recycled paper
- most product containers use 100% recycled paper

3. Product Shipping

The way that MitraStar uses pallets to load cartons is another surprisingly effective way to save energy. The standardized packaging and improved loading methods not only allows a pallet to contain more products, but also reduces the effort and energy involved in loading and shipping.

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

1. Carbon Footprint Disclosure

As green house gases (GHG) continue to raise global temperatures and adversely affect the global climate, by voluntarily controlling and reducing our "carbon footprint", MitraStar aims to fulfill what we believe to be a basic corporate responsibility, with an eye towards benefiting society as a whole.

2. Making of Product Category Rules (PCR)

In 2010, we led the industry in proposing the PCR for Home Gateway and Home Network Infrastructure Device products at the same time. After meticulous discussion among shareholders and a panel formed of experts, the Environment and Development Foundation, a member of the GEDnet (Global Environmental Declaration Network) in Sweden, approved both PCR proposals

in December 2010 and registered them on the GEDnet Web site for the world's communications and network companies to observe.

The two PCR proposed and established by us all comply with ISO14025 International Standards that regulate energy consumption, water resource usage, amount of industrial waste and water/air pollutant generated, along with the associated carbon footprint.

3. Carbon footprint assessment system

To effectively perform the carbon footprint assessment process, 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. MitraStar rectifies its business development strategy for sustainable environmental-friendliness, energy-saving and carbon reduction, so the supply chain can implement and commit to the actions required for Paris COP21.



VDSL Product Carbon Footprint Verification

Social Aspect

Goals & Achievement of Labor Key Issues

Management guideline	2020 Goal	Achievement	2021 Goal
Employee Development			
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= 90% 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			
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=98.6% 	<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%

Employee Care

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"> • The COVID-19 epidemic caused the cancellation of some outdoor activities such as hiking and sports seasons • Family Day activity questionnaire return rate \geq 85% • At least 4 points in the satisfaction survey for Family Day activity \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% |
|---|--|---|--|

Occupational Health & Safety

Verification of Management System

- | | | | |
|---|--|--|---|
| <ul style="list-style-type: none"> • Management System certification | <ul style="list-style-type: none"> • Obtain Management System certificate | <ul style="list-style-type: none"> • Obtain Management System certificate OHSAS 18001 | <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)=5.67 • Disabling Severity Rate (SR)=34 | <ul style="list-style-type: none"> • Case of incident < 1 • Disabling Injuries Frequency Rate (FR) < 0.67 • Disabling Severity Rate (SR) < 1 |
|--|--|--|--|

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"> • Zero cases of occupational disease | <ul style="list-style-type: none"> • Zero cases of occupational disease | <ul style="list-style-type: none"> • Zero cases of occupational disease |
|---|--|--|--|

Labor & Human Right

A young child with short brown hair, wearing an orange and yellow striped t-shirt, stands in a field of tall green grass. The child's arms are raised in the air, and they have a joyful expression, looking upwards. The background shows a line of trees under a clear blue sky.

- A. Talent Retention
- B. Employee Development
- C. Labor Rights
- D. Employee Care
- E. Occupational 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.

A. Talent Retention

1. Equal Recruitment Opportunity

MitraStar is an equal opportunity company that opens all positions to every talented individual within or outside the organization with fair, consistent standards.

MitraStar recruits talents through MitraStar's official website, campus recruitment, campus intern programs, industry-university cooperation, Research Development Substitute Services, and social media. Since MitraStar is based in Taiwan and has subsidiaries in Wuxi, China, recruitment at these offices mainly focuses on hiring local residents of Taiwan and Wuxi.

On the other hand, the human resources staff has also received complete training on interviewing skills to ensure indiscriminate processes and employee quality.

The related policies also clearly state that all new recruits and employees will be treated reasonably and fairly in terms of application, admission, development, security, and rewards.

Campus Recruitment

MitraStar's campus recruitment season is from March to April each year. Each session is staffed by HR and engineers to help the participants not only understand MitraStar's core value and vision, but also network knowledge and expertise.

In 2020, all 5 campus recruitment activities have been cancelled due to the COVID-19 epidemic situation.

Internship Program

The MitraStar internship program conducts face-to-face interviews to find students for internship opportunities ranging from one semester to one year. The salary is higher than the statutory basic salary, lunch is provided, and department colleagues are assigned for dedicated guidance.

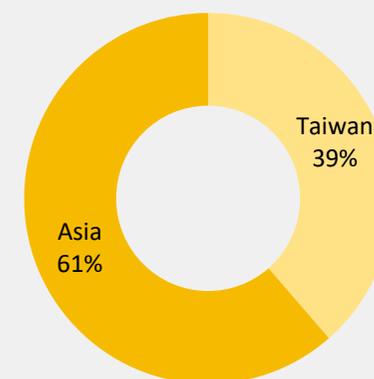
Through the program, MitraStar can help interns to understand the network industry, and also integrate what has been learned in school to accumulate practical experience. The production line department added internship opportunities to allow participation by students in Hsinchu who are looking forward to practical experience with operations.

Overseas Talent Recruitment

MitraStar recruits professionals from Taiwan and the rest of the world, and also promotes local managers in overseas branches to fully exploit the potential of respective markets and to effectively communicate with the branch employees. The cross-market efforts also inspire more creativity for MitraStar colleagues to deliver better customer values.

Employee by Geography

Categories		Male	Female	Subtotal
Working Location	Taiwan	352	338	690
	Asia	903	838	1741



2. Diversity of Our Employees

With innovation as its core value, MitraStar calls for people with diversified talents and creativity. MitraStar recruits people without any regard to their age, gender, ethnic group, color, religion, nationality or political backgrounds.

Categories	Male	Female	Subtotal	
Age	16-20	36	33	69
	21-30	443	397	840
	31-40	373	408	781
	41-50	180	120	300
	51-60	31	25	56
	60+	3	0	3
Total by Gender	1066	983	2049	

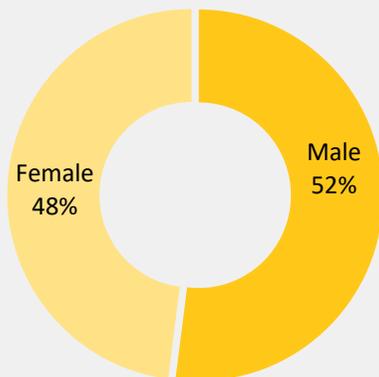
3. Employee Retention

At the end of 2019, MitraStar Technology had around 2,431 employees, including 197 managers, 340 professional, 131 administration and 293 technician people and direct employee 1470.

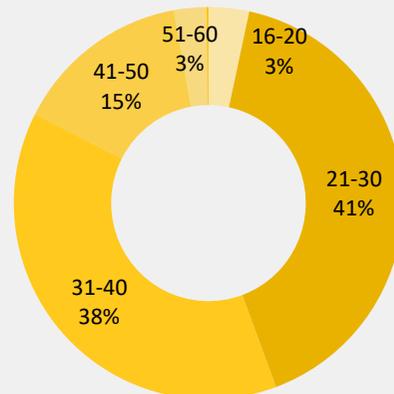
To encourage employees staying with the company, MitraStar offers career development opportunities, extracurricular activities, rewards for long tenure and outstanding performance as well as courses of professional and management skills.

Categories	Male	Female	Subtotal	
Job	Manager	154	82	236
	Professional	257	163	420
	Administration	12	110	122
	Technician	155	76	231
	Direct Employee	488	552	1040
Total by Gender	1066	983	2049	

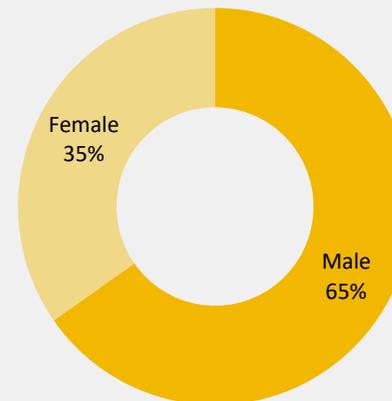
Employee by Gender



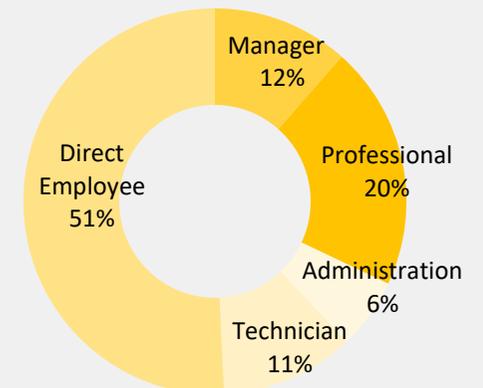
Employee by Age



Management Level by Gender



Employee by Job



4. Compensation

Employees are the greatest asset of MitraStar. The compensation of each individual MitraStar employee is decided with the best interest of both stakeholders and employees in mind. To offer competitive compensation, MitraStar provides rewards and incentives for sharing the company's profits with employees.

In terms of the starting salary of new employees, the salary is determined based on factors such as the employees' educational background, professional knowledge and skills, and professional years of experience in the global operating bases. Employee salaries are not differentiated by factors such as gender, race, religion, political position, marital status, and trade unions.

5. Pension

The Committee of Employee Pension Reserve Administration has been established in May 1991 in accordance with the Labor Standards Law to supervise the deposit process of pension fund into the Central Trust Bureau. Started from July 1, 2005, 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.

B. Employee Development

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.

1. Diversified Training Programs

In addition to traditional "Classroom Training" and "On-the-Job Training", MitraStar including Hsin-chu and Wuxi factories also provide E-Learning Training Programs. MitraStar founded the "Corporate University" in 2006 to introduce the in-person training courses into virtual classes. This e-learning platform allows MitraStar colleagues to obtain and share knowledge together through courses such as workspace safety, environment protection, marketing, quality assurance, research/development and management to maintain the company's long-term ability to compete on the market.

The e-learning platform is an online knowledge base for MitraStar employees to prepare for the upcoming challenges. The main objectives of the platform are:

- Meeting the need of business growth and globalization
- Systematic human resource development and management
- Building a platform for barrier-free knowledge exchange

2. Training Hours

The University is expected to become a rich, versatile platform for both instructors and attendees to open-mindedly share their experience at MitraStar to foster more talents and therefore better competitive advantage.

Training Hours: MitraStar Hsinchu Factory

2018-2020 Training Hours					
Year	Class	Training Hours	Headcount	Total	Average Training Hours per Employee
2018	151	640	2934	8936.11	10.78
2019	99	340	1205	3925.23	5.69
2020	126	441	5238	8957.89	7.89
2018 - 2020	376	1421	9377	21819.23	8.12

2018-2020 Training Hours – Managers		
Year	Total Training Hours	Average
2018	1569.60	10.46
2019	1277.63	9.53
2020	1373.99	9.96
2018-2020	4221.22	9.98

Training Hours: MitraStar Wuxi factory

2018-2020 Training Hours					
Year	Class	Training Hours	Headcount	Total Training Hours	Average Training Hours per Employee
2018	206	829.8	9042	122176.9	40.8
2019	189	721.7	5597	92461.50	27.7
2020	185	573.2	7813	85885	27.2
2018-2020	580	2124.7	22452	300523.4	31.90

2018-2020 Training Hours – Managers		
Year	Total Training Hours	Average
2018	2837.25	31.8
2019	595.50	7.5
2020	393.4	4.70
2018-2020	3826.15	14.67

2020 Parental Leave and retention Numbers in MitraStar Hsinchu Factory

Number of employees applying for parental leave	7
Number of employees applying for parental leave and reinstatement	3
Return to work rate	43%

3. Performance Management

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 a 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.

4. 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.

C. Labor Right

Human Rights Concerns and Management

Physical & Mental Health and Work-life Balance	Provide diversified clubs and employee activities.
Provide a safe and healthy working	<ul style="list-style-type: none"> • "zero occupational disaster" as the management goal. • Establish an "occupational safety and health management system" to implement relevant regulations. • Conduct annual health checkups and manage the results hierarchically to facilitate regular tracking of potential health risk groups. • Oriented by employee needs, promote health promotion activities and employee assistance programs.
Non-discrimination	The "Company Recruitment Guideline" clearly stipulates the principle of non-discrimination, regardless of religion, race, class, language, ideology, party, national origin, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical and mental disabilities, or previous union membership status and discrimination.
Prohibition of forced labor	Comply with government laws, international regulations, and corporate social responsibility codes of practice to eliminate all forms of forced labor.
Prohibition of child labor	MitraStar's recruitment process documents stipulate that the company only accepts applicants who are over 18 years old and checks the hired employees.
Human rights practice complaint mechanism	<ul style="list-style-type: none"> • Diversified employee opinion channels, and a quarterly employee meeting is held for open communication between labor and management. • Explicitly stipulated the "Group Stakeholder Appeals and Prosecution Law", with a complaint channel and protection of the rights and interests of the complainant, it will be handled by a dedicated person
Freedom of association and collective consultation	<ul style="list-style-type: none"> • Respect employees' rights of free association and collective bargaining • Regularly recruit labor and hold meetings for two-way communication.

MitraStar 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. Meanwhile, to safeguard the rights of employees, we align our management policies with relevant international standards enforces our human rights policy in accordance with the United Nation's Universal Declaration of Human Rights, the International Labor Organization's (ILO) fundamental conventions and Responsible Business Alliance Code of Conduct (RBA).

There was no coerced labor, human trafficking or other violations on human rights in 2020.

1. Employee Communications

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.

MitraStar Internal Communication Channel



Number of Cases Reported Through Internal Communication Channels

Labor-management meeting (Taiwan) | 17

Employee opinion survey (Taiwan) | 384

President Town Meeting (Taiwan, China) | 10

Staff Representative Conference | 24

Corporate Employee Committee

In the Corporate Employee Committee, representatives from both the employer and employees are elected to attend regular meetings. The employer would bring up work-related issues to communicate with the employees for possible improvements and to reach mutual agreements.

2. Employee Rewards

To acclaim the employees who contributed their opinions for improvements or performed exceptionally well, we provide many forms of rewards to encourage more input and higher loyalty to MitraStar.

- **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.
- Individual proposals, outstanding performance and special contributions will be rewarded as well.

3. Human Rights Management

MitraStar has defined a clear Code of Conduct to provides general guidance to all MitraStar employees and assists us in carrying out our daily activities on the spirit of applicable laws and MitraStar's values.

This is a global Code, and the employees shall respect and adhere to the same standards in the operation of their work and business.

With Employees, MitraStar shall :

- **Restrict any discrimination, harassment or persecuting in the workplace**

MitraStar shall forbid any discrimination regard to race, color, religion, national origin, gender, age, disability, sexual orientation, gender identity, pregnancy, political factions and marital status.

- **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 the "**Sexual Harassment Prevention Method**" to prevent sexual harassment in the workplace and maintain equal job opportunities for both tenders. Also MitraStar has a sexual harassment complaint channel, and the complainant can make a complaint orally, by telephone, fax, letter, email, etc.

Also MitraStar set up a sexual harassment appeal review committee, composed of representatives of the company and colleagues, responsible for handling sexual harassment appeal cases and punishment of factual cases, declaring that prevention of sexual harassment is MitraStar's basic responsibility to protect employees.

MitraStar Wuxi China factory:

Establish internal quality control protocols, including "rescuing and protecting minor and child labor", "anti-bonded labor", "banning physical and mental abuse", "anti-discrimination" and "freedom of association and employee representation", etc.

4. 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 China Office		
	Trainees	Training Hours	Coverage %	Trainees	Training Hours	Coverage %
Human rights protection training	846	423	99%	4753	2376.5	100%
Provide sexual harassment prevention course	846	423	99%	1895	947.5	100%
Occupational Safety Training	716	2242	98%	4753	7129.5	100%

D. Employee Care

1. Employee Welfare Committee

The “MitraStar Welfare Committee” in Hsinchu Taiwan is the “Unizyx group Employee Welfare Committee”. Formed by employees from all levels, our Employee Welfare Committee embraces the mission of creating the best working environment possible for everyone, and 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 2020, due to the COVID-19 epidemic, internal ball games were suspended. Only when the epidemic was relatively stable in the second half of the year, ball clubs participated in external cups, with a total of more than 219 attendances.
- **Arts:** painting exhibition, book fair and seminars. 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
- **Others:** subsidies for holiday/birthday, assistance for emergency and EAP (Employee Assistant Program)



Family Day
Sport Contest



New Year Decoration



Concert

2. Employee Health Promotion

2.1 employee health check-ups

Every year, MitraStar Hsinchu provide 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 check-ups

2.2 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.

In 2019, MitraStar participated in the National Health Agency's selection campaign and "Workplace Creative Gold Point - National Excellence Award".

We also open the AED training classes from 2013 to create a health working environment for employees.



CPR and AED class



Exercise Activity

2.3 Abnormal working loading

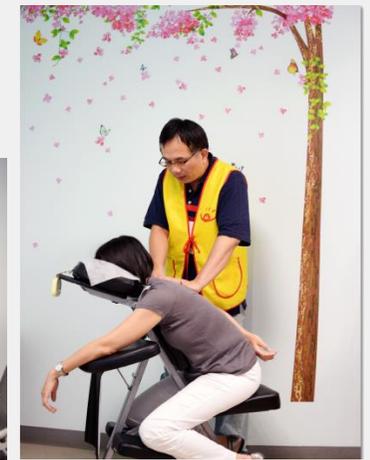
Every year, processing the high risk group identification and evaluation, keep tracking the abnormal working load employees and provide them with the health education.

2.4 Motherhood protection

During the period the pregnancy, we provide our employees with five stages of surveys. Any health problems caused by work environment and situation change, internal doctor will follow up the problem base on the motherhood sheet 7-12 months after postpartum.

Releasing the motherhood sheet to employee to manage and protect our pregnant employee. Also, the female employee benefits including exclusive parking space and breast-feeding accessories be provided to female employees for a better working environment.

Also the nursing room is provided at the Wuxi factory.



2.5 Health care center

We have the nurse and doctor to provide the health consultation. The service including:

- Employee health checking
- Health consultation
- Medical transfer service
- Prevention of professional diseases medical professionals' consultation service
- Provide employee the consultation service in service hours.
- Blind massage service : Invite the blind masseuse to provide the stress relieving service for employee, and also taken care of disadvantaged people. In 2018, over 1,200 people use this free service and the satisfaction percentage is 95%.

2.6. 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.

90% employees consulted by EAP showed that the program is helpful for their questions.

Following the program, In 2019, various seminars including tax and living issues are provided. 90% employees are satisfied with the seminars according to the questionnaire.



3. Freedom of Belief

MitraStar respects religious beliefs of employees from all countries and cultural backgrounds. Colleagues of the same religion are free to hold periodic gatherings, such as English Bible reading guides, for mutual supports and mental growth.

4. 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 2019, 20,000 people used the Gymnasium.



Café



Gymnasium and yoga room

5. Employee Welfare

- Dormitory: Visiting employees can reside in the dorm until they find a more suitable place to stay in the future.
- Transportation: Complimentary transportation can be arranged for interns, foreign workers and off-hour workers.
- 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.

6. 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, calligraphy
- 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.



Volleyball Game



Basketball Game



Softball Game_3rd Runner-up



Table Tennis Game

E. Occupational Health & Safety

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.

2.Verification of Management System

MitraStar Technology has obtained the ISO14001 Environment Management System, OHSAS18001 Occupational Safety and Hygiene Management

System Certificate and Greenhouse Gas Inventory Certificate (GHG).



3. 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.

3.1 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



3.2 Improvement of working environments

- Proactively implement the "5S" 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.

3.3 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.

3.4 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.



3.5 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.



3.6 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.

3.7 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 January 2020, 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 2020.

3.8 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.

3.9 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; in 2020, the disabling injury frequency rate was 5.67 and the disabling injury severity rate was 34.

3.10 Risk Assessment and Emergency Responses

Hsinchu factory

- 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 are divided into six functional groups such as Operation Center, Reporting, Fire Extinguishing, Evacuation Assistance, Safety Assurance and First Aid, total 23 people.

Wuxi Factory working safety

- Develop chain of command for occupational safety, safety regulations as well as safe work procedures;
- Establish plans and regulations for personal protective equipment;
- Renew out-of-date legal permits and licenses, and define danger sources;
- Routine check of critical (unacceptable) risk control to the environment;
- Routine checks for potential risks; designated worker must resolve the problems within a certain time period under the "Identifying and eliminating four danger signs" principle;
- Routine drills for safe evacuation the of entire staff and to elevate emergency response abilities;
- Establish standards for safe manufacturing procedures.

Workplace hygiene and health:

- Enforce physical inspection for new recruits as well as routine medical check-ups for all staff;
- Workers exposed to potential safety hazards receive annual physical check-ups;

- Arrange routine staff EMT rescue and patient care training to obtain licenses at Wuxi Red Cross;
- Commission the Wuxi Disease Prevention and Control Center to perform routine examination of utensils and drinking water;
- Require X-ray technicians to carry personal radiation monitoring devices and commission the Wuxi Environmental Pollution Monitoring Center to perform radiation inspections on a quarterly basis;
- Annual machinery inspection of X-ray equipment to ensure compliance with yearly limits and requirements based on the "Basic standards for protection against ionizing radiation and for the safety of radiation sources" as well as "Radiological protection standards for X-ray diffraction and fluorescence analysis equipment";
- Routine equipment inspection performed with X-ray radiation detection devices to ensure proper safety levels;
- Ensure workplace safety by examining hazardous chemical and physical factors of the environment each year;
- Open all examination results to the employees.



3.11 Safety and Hygiene Trainings for Employees and the Management

- On-job safety-and hygiene-related training courses arranged for work floor employees and the management.
- New recruits and transferred employees must receive mandatory safety and hygiene training courses.
- The management receives the Business Continuity Plan training, which emphasizes on how to prevent the manufacturing from being shut down due to personnel casualty or equipment breakdown.

Occupational Safety Training	Taiwan Office			Wuxi China Office		
	Trainees	Training Hours	Coverage %	Trainees	Training Hours	Coverage %
	716	2242	98%	4753	7129.5	100%

4. Contractor Management

All contractors are required to observe the "Regulations for Security, Environment and Hygiene of Contractors". Contractors must apply before entering MitraStar campus for commissioned jobs, and all operations should comply with the Regulation.

4.1. 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.

4.2 Contractor training on safety and hygiene issues

- Training courses are regularly provided to contractors, and participating contractors must pass the exams to qualify for work.
- 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.

4.3 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.



Community Contribution



A. Cultivation of Talent

B. Care for the Community

C. Environmental Protection

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, MitraStar's parental 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.

Shun-I Chu Scholarship

The Scholarship is offered to nearly 400 college and high school students with excellent grades or from disadvantageous families in the Hsinchu and Miaoli area.



Sponsorship of a Tsing Hua University Auditorium

Founder Dr. Shun-I Chu Chairman 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 Chiao Tung University Auditorium

Chairman 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

Follow the step of Dr. Shun-I Chu, employees also organize the "MitraStar Charity Group". For years, MitraStar has taken care of disadvantaged people in its area by offering children and senior citizens necessary resources, nursery access and financial assistance.

Participation in public welfare activities

For responding to society needs, and upholding the concept of contributing to the society, we encourage and support colleagues to participate in public welfare activities and also internalize it into our corporate social responsibility culture.

Cooperated with the on-site 7-11 convenient store, we donate bread for charity at our charity booth during our spring activity every year; encourage colleagues to help the social welfare group by donating invoices or change, and also provide public welfare groups to set up their promotion stalls with space inside MitraStar building, like as the charity events of "Children Are Us Foundation" and "Love Nature Sheltered Workshop"

Community care

MitraStar has employee activities that provide more channels for local farmers to sell their fresh vegetable and fruit produce in Hsinchu, Taiwan; where the headquarters is located. It not only helps colleagues to be able have the freshest vegetables to eat, but also helps support local farmers.

However, due to the impact of the COVID-19 epidemic in 2020, close contact activities were suspended. We continued with static activities, such as buying up all the products sold in a booth at a charity event and buying out the creative works the Angel Creation Foundation charity sells for fund raisers ...etc.



C. Environmental Protection

We donate to many charities and works with government agencies to support natural wildlife preservation, green environment and resource recycling activities to attract more public participation and to contribute its fair share as a responsible corporate citizen.

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.

Public Services

To promote environmental awareness, we regularly donate and support social work organizations, as well as government agencies, on nature preservation, greener environment and resource recycling activities to further society's awareness of these issues, while we do our best to fulfill our role as a responsible corporate citizen.

Battery Recycling

Starting in 2009, all depleted batteries are collected and recycled in line with the "lifecycle management guidelines for dry batteries" proposed by the Hsinchu County's Department of Environmental Protection. Many batteries were recycled properly thanks to this movement.



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 2011 and 2012, we are recognized on "Mobile pollution sources Control Award" in Shin-chu county.



Green DIY

In order to allow colleagues to experience and understand the importance of ecological sustainability in a pleasant activity, professional lecturers are invited to use vivid themes to enable colleagues to absorb new knowledge about environmental protection and use waste to make environmentally friendly potted plants to achieve the goal of green creativity.



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.



Earth Day

To promote Earth Day and World Environment Day events, a series of environmental awareness programs including recycling, planting Organic vegetable "Earth Hour" and the "Deliver Love to Africa" activity were launched.

These activities allow employees to know conserve energy while building the eco awareness at the same time. Meanwhile, the "Deliver Love to Africa" teach employee to cherish.



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), and GRI 403 (2018).

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306-4	Waste diverted from disposal	Environment Protection: D. Waste Management	60	
306-5	Waste directed to disposal	Environment Protection: D. Waste Management	60	
GRI 307 : Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	Environment Protection	49	Company has no significant fines and non-monetary sanctions for non-compliance of environmental laws and regulations in 2019.
GRI 308 : Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria	Corporate Governance: E. Supplier Sustainability Management	45	
308-2	Negative environmental impacts in the supply chain and actions taken	Corporate Governance: E. Supplier Sustainability Management	45	
Specific Standards				
400 series: Social topics				
GRI 401 : Employment				
401-1	New employee hires and employee turnover	Labor & Human Right: A. Talent Retention	72	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Labor & Human Right: A. Talent Retention Labor & Human Right: D. Employee Care	72 81	
401-3	Parental leave	Labor & Human Right: D. Employee Care	81	
GRI 402 : Labor/Management Relations				
402-1	Minimum notice periods regarding operational changes	Labor & Human Right: C. Labor Rights	77	

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GRI 403 : Occupational Health and Safety			
403-1	Occupational health and safety management system	Labor & Human Right: E.Occupational Health & Safety	86
403-2	Hazard identification, risk assessment, and incident investigation	Labor & Human Right: E.Occupational Health & Safety	86
403-3	Occupational health services	Labor & Human Right: E. Occupational Health & Safety	86
403-4	Worker participation, consultation, and communication on occupational health and safety	Labor & Human Right: E. Occupational Health & Safety	86
403-5	Worker training on occupational health and safety	Labor & Human Right: E. Occupational Health & Safety	86
403-6	Promotion of worker health	Labor & Human Right: E. Occupational Health & Safety	86
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Labor & Human Right: E. Occupational Health & Safety	86
403-8	Workers covered by an occupational health and safety management system	Labor & Human Right: E. Occupational Health & Safety	86
403-9	Work-related injuries	Labor & Human Right: E. Occupational Health & Safety	86
403-10	Work-related ill health	Labor & Human Right: E. Occupational Health & Safety	86
GRI 404 : Training and Education			
404-1	Average hours of training per year per employee	Labor & Human Right: B.Employee Development	75
404-2	Programs for upgrading employee skills and transition assistance programs	Labor & Human Right: B. Employee Development	75
404-3	Percentage of employees receiving regular performance and career development reviews	Labor & Human Right: B. Employee Development	75
GRI 405 : Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Corporate Governance: A. Governance Structure	31
		Labor & Human Right: A. Talent Retention	72
405-2	Ratio of basic salary and remuneration of women to men	Labor & Human Right: A. Talent Retention	72

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GRI 406 : Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Labor & Human Right: C. Labor Rights	77
GRI 407 : Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labor & Human Right: C. Labor Rights	77
GRI 408 : Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	Labor & Human Right: C. Labor Rights	77
GRI 409 : Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Labor & Human Right: C. Labor Rights	77
GRI 410: Security Practices			
410-1	Security personnel trained in human rights policies or procedures	Labor & Human Right: C. Labor Rights	77
GRI 411 : Rights of Indigenous People			
411-1	Incidents of violations involving rights of indigenous peoples	Labor & Human Right: C. Labor Rights	77
GRI 412 : Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	Labor & Human Right: C. Labor Rights	77
412-2	Employee training on human rights policies or procedures	Labor & Human Right: B. Employee Development Labor & Human Right: C. Labor Rights	75 77
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Labor & Human Right: C. Labor Rights	77
GRI 414 : Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Corporate Governance: E. Supplier Sustainability Management	45
414-2	Negative social impacts in the supply chain and actions taken	Corporate Governance: E. Supplier Sustainability Management	45
			There is no negative social impacts in the supply chain and actions taken by MitraStar in 2019

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GRI 415: Public Policy				
415-1	Political contributions	-	-	MitraStar remained politically neutral, and prevented from making political contributions.
GRI 416 : Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	Green Product	62	There is no significant health and safety impacts for the products and services that MitraStar provided to customers.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	-	Not applicable
GRI 418 : Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Corporate Governance: D. Information Security Management	41	
GRI 419 : Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	-	-	MitraStar has no significant fines and non-monetary sanctions for non-compliance of social and economic area in 2019

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