innodisk

2020

Innodisk
Corporate Social Responsibility Report

Contents

innodisk

Innodisk CSR Report Overview

- **The purpose of this annual CSR Report is to illustrate Innodisk's achievements regarding economic, environmental, societal and other aspects, as well as the determination and effort therein.**
  - The issues presented in this CSR Report have been substantially analyzed and authenticated. The issues are chosen, and their priority decided at the "Innodisk CSR" team meetings as well as the meetings with the company's stakeholders.

- **Range and statistics of the CSR Report**
  - This CSR Report covers Innodisk's performance regarding global corporate social responsibility from January 1st, 2020 to December 31st, 2020. The financial data within this report cover the operation performance of the parent company and all subsidiary companies, while the remaining content mainly focuses on the operation of the company's Xizhi headquarters, Xizhi factory, and Yilan factory, but do not fully cover data from all affiliated and overseas companies. In the future, we will gradually incorporate important information on our subsidiary companies to provide a more comprehensive disclosure of Innodisk's CSR influence and achievements.
  - Innodisk has long kept close watch on environmental issues. In 2012, we obtained ISO14001, QC080000, ISO27001, ISO14064-1 and ISO45001 certification in succession, all of which have been notarized by third parties. All figures regarding Innodisk's performance in environmental protection, safety, and health will be expressed through internationally recognized indicators. Notes will be added for chapters in which estimated values or assumption-based values are used.

- **Principles for Innodisk's CSR Report**
  - The contents and structure of Innodisk's CSR Report refer to the GRI Standard issued by the Global Reporting Initiative. This Report was compiled in accordance with GRI "core options" when disclosing Innodisk's main sustainability issues, strategies, goals, and implemented measures.

- **Time of Issue**
  - Innodisk continuously and periodically issues yearly CSR reports, with the reports also disclosed on Innodisk's official website.
  - Current Issuance Version: To be issued on June 2021
  - Next Issuance Version: Scheduled to be issued on June 2022

- **Contact Information**
  - Should you have any questions or suggestions regarding this CSR Report, please contact us. Our contact info is as follows: Innodisk Corporation
  - Address: 5F., No.237, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City, Taiwan
  - Tel.: +886-2-7703-3000
  - E-mail: InnodiskCSR@innodisk.com
  - Website: www.innodisk.com

Statements

- **Development**
  - Founded in 2005, Innodisk has focused on embedded and cloud storage devices for more than a decade. The Company has accumulated a degree of market share in both domestic and foreign markets. In addition to seeking continuous development in IoT and cloud storage application markets, Innodisk engages in on-going preparation for its operational development in 3~5 years, i.e., strengthening our capabilities in researching and manufacture. Moreover, Innodisk has also established a research and manufacture center within Yilan Science Park in accordance the Company's operational and developmental plans. The research and manufacture center is about an hour drive from Innodisk's Xizhi headquarter. Innodisk's Yilan factory occupies an area of 4000 ping (Ping: A floor space calculation unit roughly equal to 3.306 m2), with the building itself consisting of four-stories, both meeting the standards of a Silver-tier Green Building. Innodisk is thus able to provide an excellent working environment for its employees.

- **Employee Benefits**
  - Innodisk sees employees' health and life-work balance as an important part of its company culture. We value the physical and mental health of our employees and their families. At Innodisk, we hope that every single one of our employees can achieve a balanced development in every aspect of life. Starting from 2015, Innodisk has started providing employees with monthly health consultations with on-site doctors of the factories, biyearly medical examinations, sickness and accident care grants, annual company trips, and held events such as art activities, speeches and sports competitions, etc. Furthermore, Innodisk also works in cooperation with Aaeon Foundation to grant employees book-borrowing opportunities. Aside from taking care of our employees, Innodisk also looks after our employees' families by offering maternity grants superior to industrial standards. Innodisk's employees can thus work worry-free. The introduction of the ISO45001 certification on occupational safety and health is a testament to Innodisk's concerns for employees' "safety and health". Not only to we implement risk identification measures to target at the potential threats to safety and health in our working environment but also expect to achieve our accident-free goal when already complying with Occupational Safety and Health Act and other relevant laws.

Statements

- **Social Concerns**
  - In 2015, the 10-year anniversary of Innodisk's establishment, Chairman Zhung-Liang Lee called upon the Board to pool resources into establishing the "Innodisk Education Foundation", based on our business philosophy of "sharing" and "taking up responsibilities". Believing that children are society's future, "Innodisk Education Foundation" devotes itself to helping underprivileged students complete their education and thereby become the foundation for society's stabilization and growth.

- **Environmental Protection**
  - Environmental issues are what derives from economic development. As we continue to pursue prosperity and a more materialistic civilization, our environment is paying a huge price. The natural environment, so essential to human survival is becoming increasingly polluted. At Innodisk, we believe that corporations should embrace their social responsibilities in contributing to society. For that reason, Innodisk has obtained the ISO14001, QC080000, and ISO45001 certifications in 2012. Being certified by these systems, we hope to prevent pollution and reduce energy consumption and carbon emission. Additionally, with the help our Energy Conservation and Carbon Reduction Team in Taiwan, Innodisk will review current measures and evaluate how we can further improve our environmental preservation strategies. Innodisk's goal is becoming a "green corporation" that will continuously strive to become a corporation that "lowers energy consumption, reduces carbon emissions and cares for our planet".

Chairman:
Randy Chien

About Innodisk

About us

Founded	2005
Capital	USD $27.1M (2020)
Revenue	USD $238.4M (2020)
Patents	148
Production	1,200K / Monthly (2020)
Shipment Growth	20% YoY

Revenues

USD$ 238.4M

K/USD

Year	Revenue
2015	~$140,000
2016	~$150,000
2017	~$220,000
2018	~$260,000
2019	~$245,000
2020	~$238,000
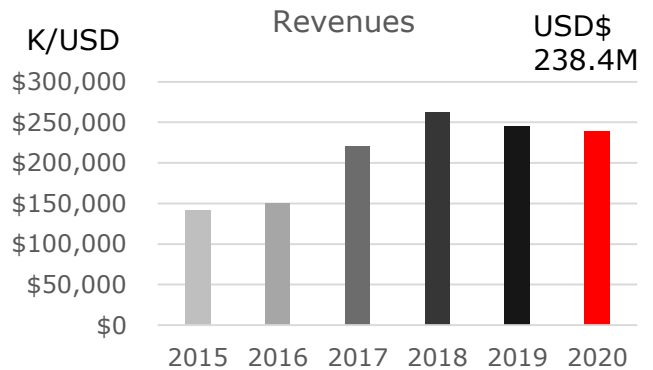
Company Profile
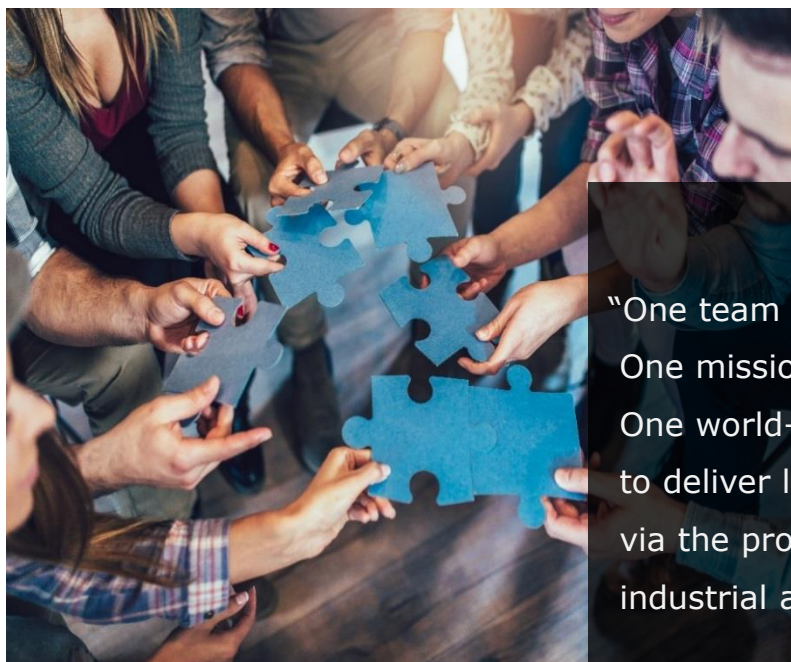
"One team
One mission
One world-class organization
to deliver long-term excellence
via the process of high value
industrial and cloud storage platforms."

Production	1,200K / Monthly (2020)
Certifications	ISO9001 / ISO14001 / ISO45001 / IECQ QC080000 / ISO14064-1
Manufacturing	New Taipei City / Yi-Lan County

ISO9001 X ISO14001 X ISO 45001 X IECQ QC080000 X ISO14064-1

Worldwide Operations & Business Coverage

innodisk

Europe
Eindhoven (2019)

Japan
Tokyo (2010)

N. America
Fremont (2008)

Marlboro
New Jersey

Austin
(2019)

Bejing

Chengdu

Shanghai

China
Shenzhen
(2011)

Headquarters,
Taipei
Research Center,
Hsinchu
Development &
Production Center,
Yilan

- ■ **Headquarters**
- ◎ **Subsidiary 4**
- ● **Marketing service office 5**
- ▲ **Development & Production Center 2**

Total 681
（**Taiwan 574, Oversea 107**）

---

iCAP

innodisk

IPA
mPCIe Storage /
Communication /
Display Modules / RAID
Cards / Software Solution

DRAM
Embedded / Wide
Temperature /
Customized / Server

Flash
SATADOM / M.2 / PCIe

Millitronic
WiGig Wireless
Communications

MILLITRONIC
WIGIG SOLUTION PROVIDER

Antzer Tech
In-vehicle
Communications

antzer

SYSinno
Environmental
Sensor Solutions

sysinno

Aetina
Industrial Graphic
Cards

aetina
www.aetina.com.tw

16 Years of Innodisk

2008
- Innodisk Introduces the SATADOM Series

2010
- Innodisk Launches EverGreen (L2) Series

2012 iSLC
- First Enterprise MLC Technology – iSLC SATADOM™ Qualified for Intel® Romley Platform

2014 E13
- Certified Storage Solutions for In-Vehicle Computing (e-Mark)

2005-2007
- Established a Strong Presence in the Industrial and Embedded Market

2009 iSMART
- Innodisk Launches InnoRobust™ for Military Applications
- iSMART – First SSD Monitoring Software

2011
- The First Miniature PCIe Storage Device in the Industry

2013
- Launched DRAM Conformal Coating
- First BGA Package Micro SSD – Nano SSD

2018
- Anti-Sulfuration for all DDR4 DRAM Modules.
- Named World's Top Industrial SSD provider by Gartner Report.
- Top 35 International Taiwanese Brand According to InterBrand Ranking.
- Top 10 DRAM Module Suppliers According to TrendForce Ranking.

2020 innoOSR
- 3.5" Fire Shield SSD has won the 2020 Taiwan Excellence Award.
- Launched iVINNO AI software tool for intel Movidius VPU.

2016 0.738"
- Launched First DDR4 VLP and Entered into Collaboration with Top Surveillance Customers in China.

2015
- Launched First DDR4 Sorting WT Solution.
- Innodisk SATADOM is Chosen as New Boot-up Device for EVO:RAIL by VMWare®.

2017 iCAP
- World's Smallest Embedded RAID 1 Solution.
- iCAP™ Cloud-based Storage Management.
- First DDR4 2666 Embedded Series.

2019
- Unveiled the InnoAGE™ SSD: the World's First SSD with Native Microsoft Azure Sphere™ Inside.
- Launched DRAM 32GB & 3200 Series.

Logo of Innodisk & Data-Centric Ecosystem

- The corporate logo currently used is designed in February 2013.

- The implication of our logo is the core corporate spirit of Innodisk –'Absolute Service'. Not only to provide satisfactory service to customers, but also to exceed satisfaction.
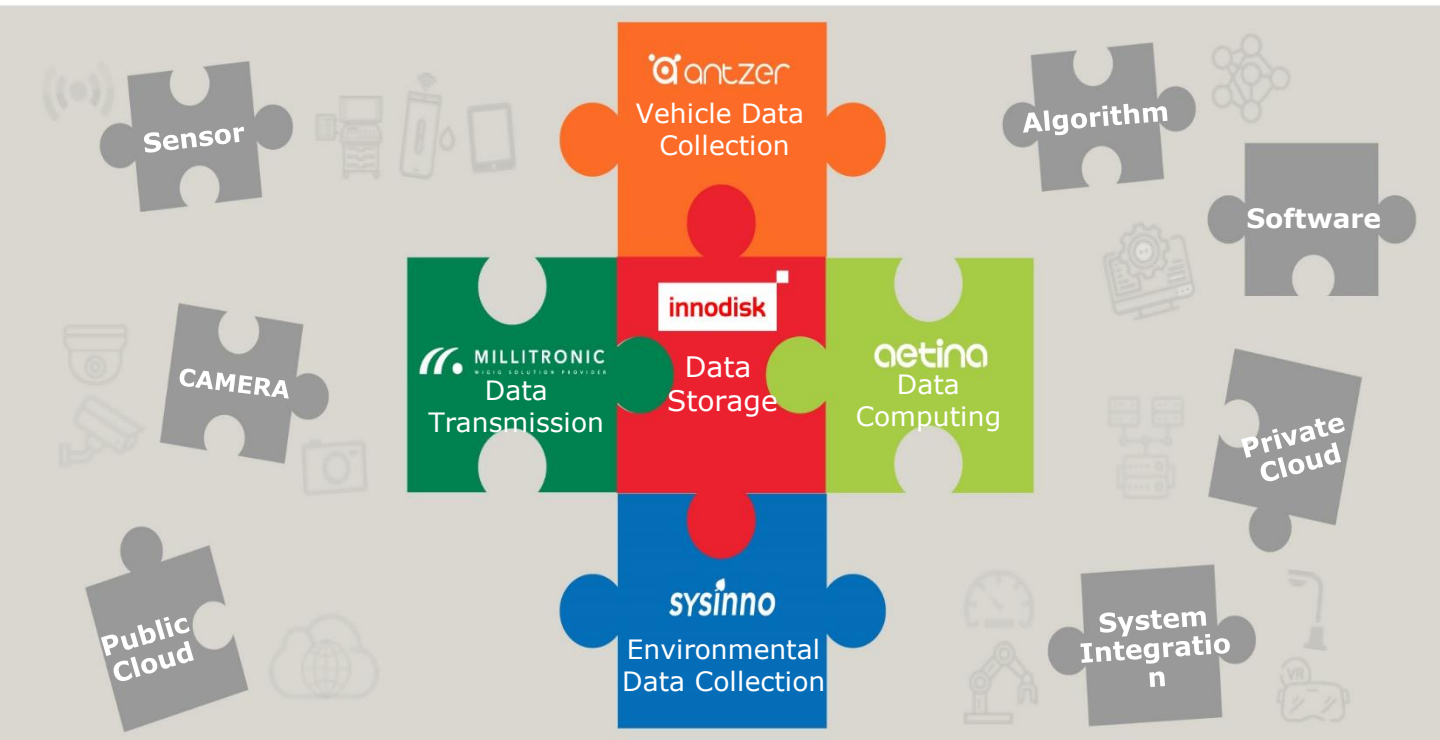
Lowercase letters means humble and willing to listen.

The square point is symbolizes a permanent partnership with customers, and always think a little more.

innodisk

The red means the passion of our services.

Rectangle means the seal of the Chinese. The implication is the commitment to the customer.

Sensor

antzer
Vehicle Data Collection

Algorithm

Software

CAMERA

MILLITRONIC
Data Transmission

innodisk
Data Storage

aetina
Data Computing

Private Cloud

Public Cloud

sysinno
Environmental Data Collection

System Integration

Partnership and Award

Microsoft

2017
Microsoft officially supports SATADOM™ Boot up Drive for Windows Server.
2019
Official partner of Azure Sphere

vmware®

2016
SATADOM™ is qualified on the EVO: Rail platform

(intel) IoT Solutions Alliance

2016 - 2019
Official Intel® IoT Solution Partner

Forbes

2016
Innodisk was listed as one of Asia's
200 Best Companies Under A Billion in Forbes.

Taiwan Excellence

2020 3.5 " Fire Shield SSD
2021 InnoAGE™ SSD

Interbrand

2018 - 2019
Top 35 International Taiwanese Brand

Gartner

2018-2020
No. 1 Global Industrial Grade SSD

TRENDFORCE

2018-2020
Top 10 DRAM Module Suppliers

Company Culture and Values
& Our Main Pillars

Can, not Can't
We take on big customer challenges and develop creative solutions.

Listen and Respond
Being responsive to our customers is not just important —it's essential.

Absolute Service™

Stay Nimble
We stay nimble and adaptive in an global economy that is ever-changing.

Keep Improving
Improvement and innovation are not just buzzwords to us. They're something we live and breathe every day.

Absolute Integration™

Absolute Integration™ is our envisioned path that moves toward a more interconnected world.
"To us, integration is not merely the combination of hardware, software and firmware; it is a philosophy that assimilates all relevant elements to create an optimal solution."

Technical Aptitude by Design
Our advantage lies in our portfolio of hardware, software and firmware technology and how we arrange these basic building blocks into new works of innovation.

Deeply Rooted in the Market
The awareness of the pit falls and opportunities of vertical markets allow us to view the full picture when crafting the optimal solution.
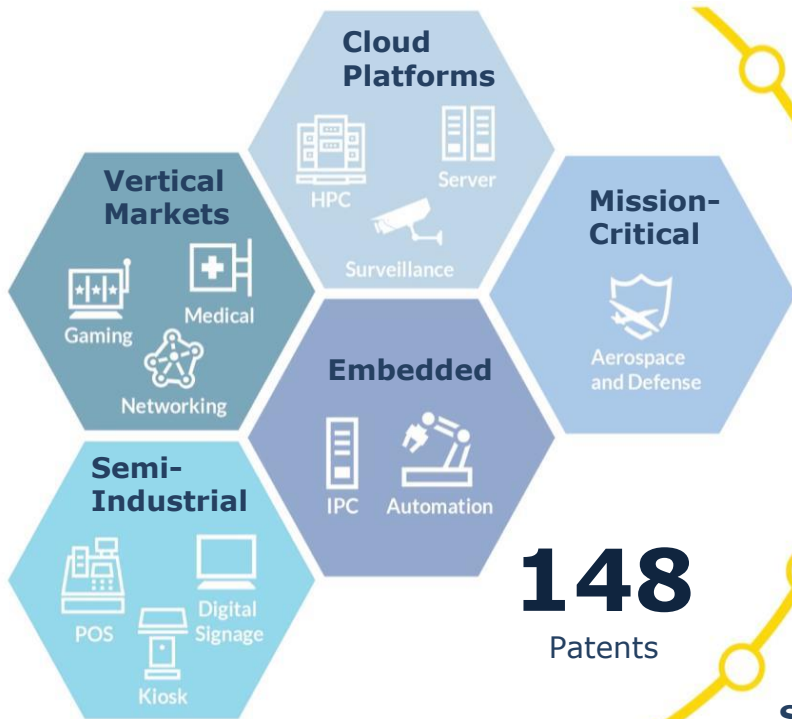
We Are in It Together
To reach the optimal solution, working together with our partner from day one is paramount. The best possible outcome can be managed by developing solutions jointly.

The Benefits We Offer
& Applications and Technologies

Technical Support
Provides local service through regional service centers

Fixed BOM
Ensures consistent product quality and performance

Responsiveness
Quickly recognizes customer challenges and delivers timely solutions

Industrial-grade Factory
Full quality control through in-house production and testing

Customization
Fulfills customer requests quickly with reliable tailor-made solutions

In-house Firmware Team
Provides responsive, dedicated, and solutions-driven support

Longevity Support
Provides long-term product supply to meet customer long-time plans

Financial Stability
A listed company with the Taiwan stock market (GTSM: 5289)

Business Continuity
Disaster recovery and back up site with dual data centers to protect from shut downs and power cuts

Cloud Platforms
- HPC
- Server
- Surveillance

Vertical Markets
- Gaming
- Medical
- Networking

Mission-Critical
- Aerospace and Defense

Embedded
- IPC
- Automation

Semi-Industrial
- POS
- Digital Signage
- Kiosk

148
Patents

Feature Sets:
Focused on the challenges of specific vertical markets

Security:
Ensuring total security for mission critical applications

Expansion:
Flexible integration of various expansion cards

Rugged:
A wide set of technologies that enhances durability

Longevity:
Technologies that expand the lifespan of your device

Stability:
Keeping your system running in unstable surroundings

FLASH – Complete Storage Solutions

Multi-level PLP
(Power-Loss -
Protection)

Features for
Vertical Markets

Longevity
Support

Combination with
MS Azure

Optimized Firmware
for
Industrial
Applications

Data Security
& Integrity

Uncompromising Embedded Solutions

Embedded systems form an incredibly important but easily overlooked part of our daily lives. Every embedded system is dedicated to a specific task that vary greatly in size and complexity – it can be anything from something as simple as turning a street light on and off, to operating something as advanced as factory automation.

The factors that generally link these different applications together are rugged operating conditions and the need for compactness. But the unique challenges faced by every application are much more numerous, making customization the most crucial factor for the embedded system operator.

PCIe

M.2 (NGFF)   OCuLinkDOM   CFexpress

SATA

2.5"/1.8" SATA SSD   SATA Slim   mSATA

M.2 (NGFF)   SATADOM   CFast   nanoSSD

PATA

2.5" PATA SSD   CF   EDC
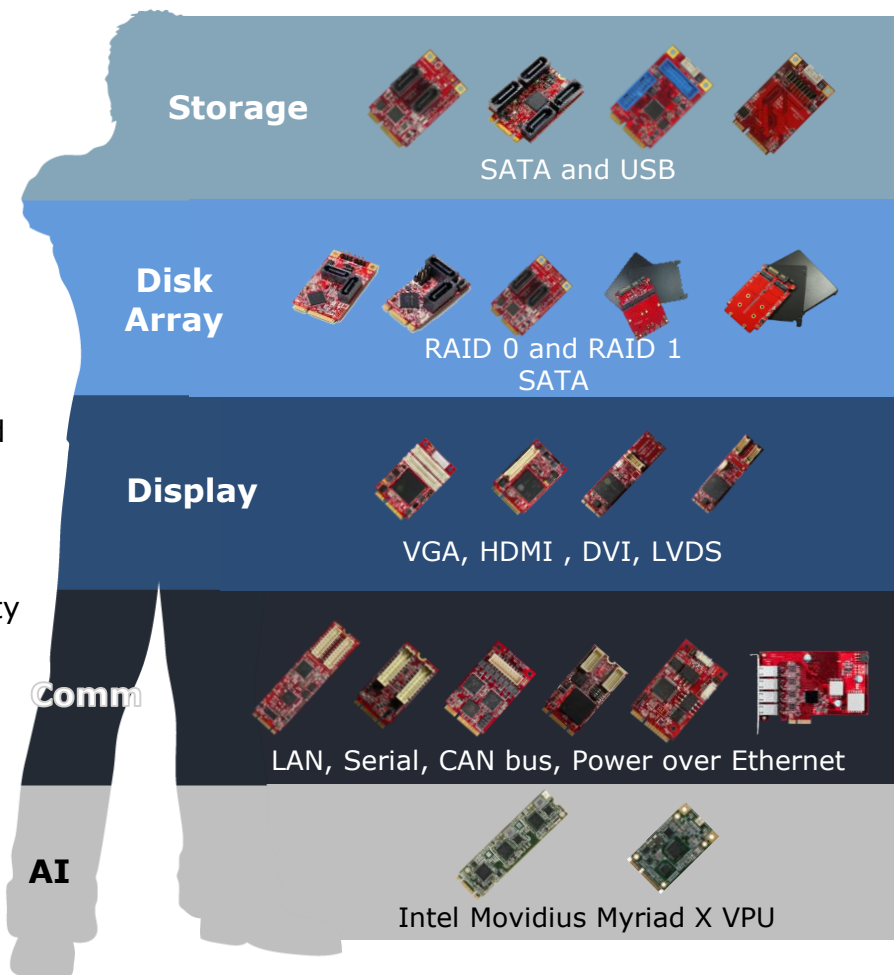
SD

M.2 (NGFF)

USB

USB Series

15

EP – Complete Embedded Peripheral

Complete Form Factor

Contact 8KV, Air 15KV ESD Protection

Industrial grade components

AIOT Application

Complete API and Software Support

Up to 2500V Isolation Protection

Comprehensive Embedded Solutions

Innodisk provide the most complete expansion card to fulfill customer need, we offer various standard PCIe、M.2 and mPCIe.

In the industrial application environment. Innodisk use the most stringent test condition and industrial grade component to design our product, and also integration software with expansion card. so that can achieve 100% compatible stability in use.

Storage

SATA and USB

Disk Array

RAID 0 and RAID 1 SATA

Display

VGA, HDMI , DVI, LVDS

Comm

LAN, Serial, CAN bus, Power over Ethernet

AI

Intel Movidius Myriad X VPU
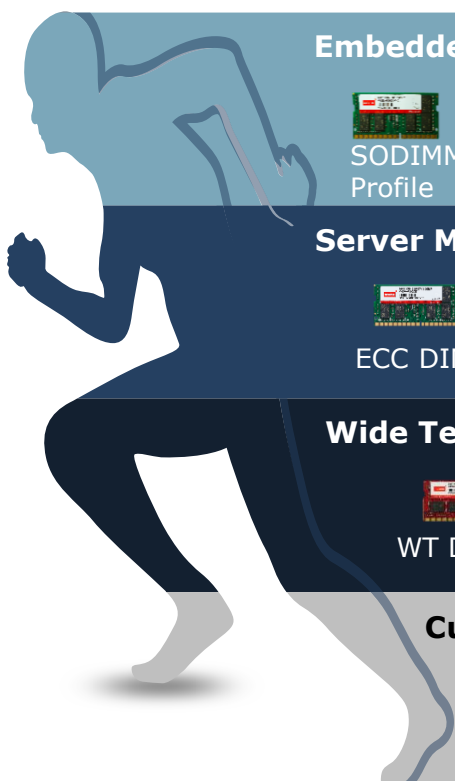
DRAM –Industrial Memory Modules

Industry Oriented

Highest Quality Original IC

Free Upgradation Anti-Sulfuration

Complete Product Line

iRam
Strict In-House Testing

Add-On Selections

Embedded Memory

SODIMM Profile   UDIMM   Very Low-

Server Memory

ECC DIMM   Mini DIMM   RDIMM

Wide Temperature Memory

WT DIMM   WT ECC   WT RDIMM

Customized Memory

Rugged DIMM   XR-DIMM

Software

Edge Utility

iSMART
SSD & DRAM Real-time Monitoring

iTracker
SD Card and USB Drive Management

iCover
System Recovery and Backup

iOpal
Self-Encrypting Drive Management

Cloud Management System

iCAP

iCAP

Cloud Administration Platform

Smart Management   Efficient Prediction   Quick Maintenance

New Manufacturing Site at Yi-Lan

| Lot Size **10,000** Sq. Meter | Floor Area (4 floors) **12,000** Sq. Meter | 2020 Capacity **600K** SMT x 4 | Maximum Capacity **1,800K** SMT x 12 |

Development and Production Center

In 2018, Innodisk opened a new R&D and manufacturing center in Taiwan's northeastern county of Yilan. Innodisk focuses on developing industrial control solutions through integrating software, firmware, and hardware, with the goal of providing innovative technologies and longevity support to our customers.

Corporate Governance

Subsidiary Company of Innodisk
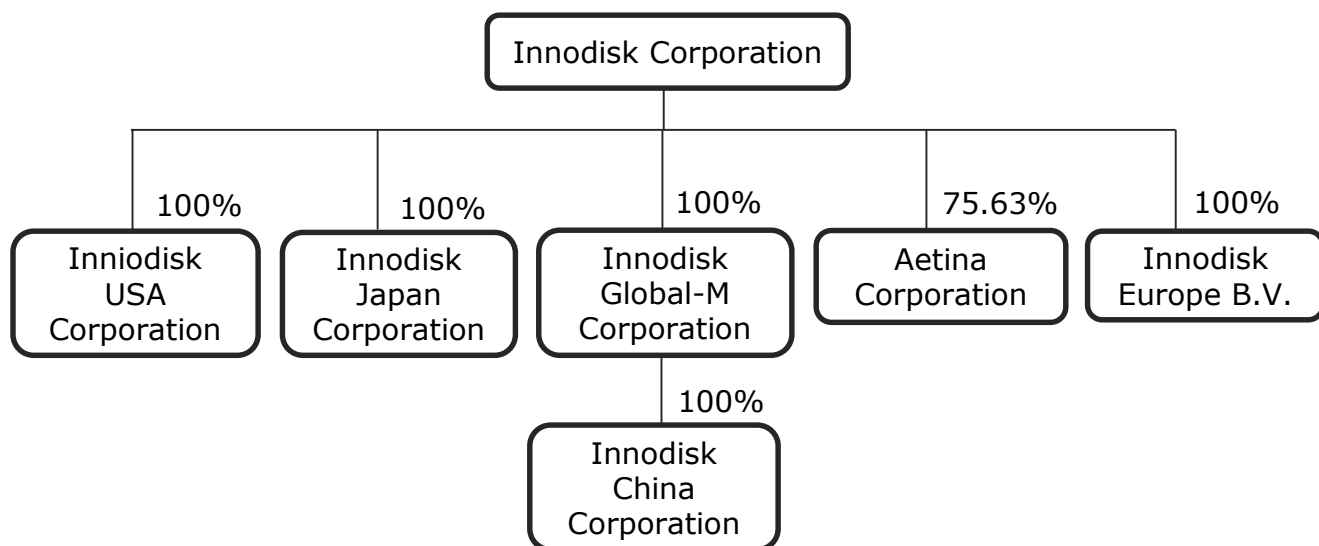
• Cross Holding of Shares Companies

Subsidiary Company	Relationship with Innodisk	How much Innodisk's shareholding does subsidiary have.			How much subsidiary's shareholding does Innodisk have.		
		Shares held	Sharehold-ing (%)	investment amount	Shares held	Sharehold-ing (%)	investment amount
Innodisk Global-M Corporation	subsidiary company	-	-	-	665,000	100	20,154
Innodisk USA Corporation	subsidiary company	-	-	-	2,046,511	100	140,499
Aetina Corporation	subsidiary company	-	-	-	10,689,390	75.63	24,091
Innodisk Japan Corporation	subsidiary company	-	-	-	196	100	3,533
Innodisk Europe B.V.	subsidiary company	-	-	-	50,000,100	100	17,802
Innodisk China Corporation	Sub-subsidiary company	-	-	-	Note	100	18,168

Note: Unissued Stock.
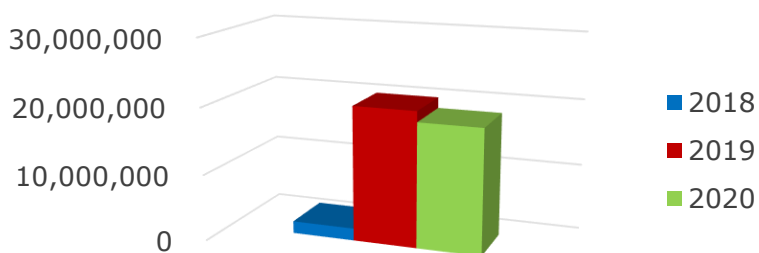
Share Capital Source

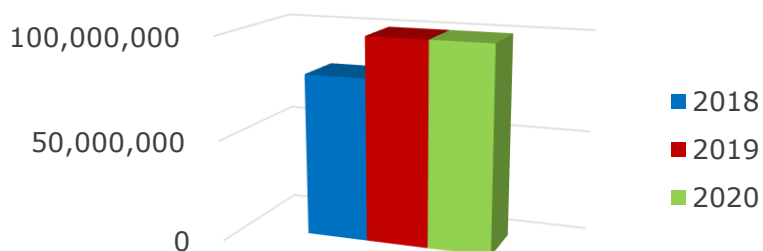| Authorized stock (Common Stock)								
Outstanding Capital Stock			Unissued Capital Stock			Total		
2018	2019	2020	2018	2019	2020	2018	2019	2020
78,166,129	79,729,451	81,324,040	1,833,871	20,270,549	18,675,960	80,000,000	100,000,000	100,000,000

- 2018~2020
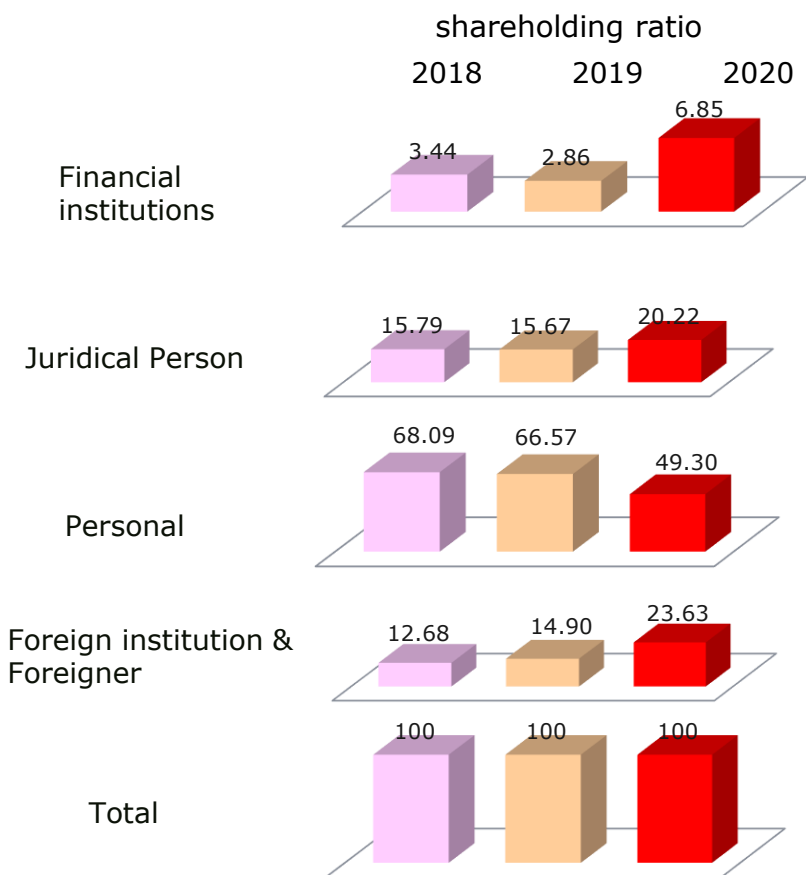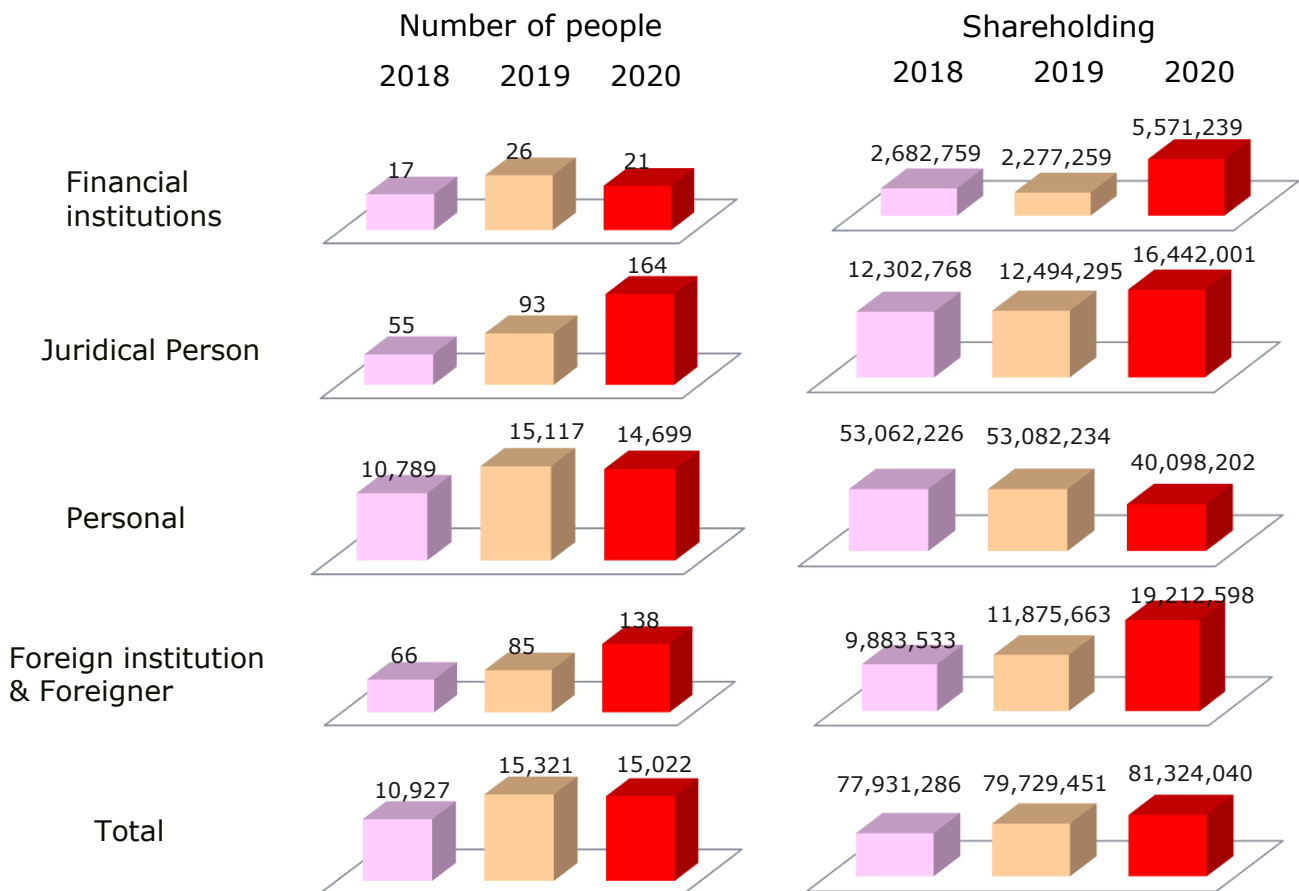 - Stock circulation.

Outstanding Capital Stock
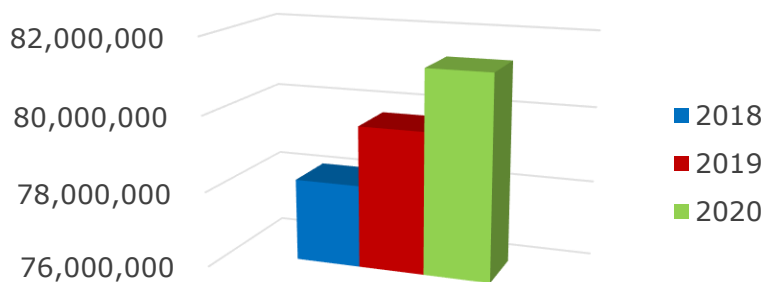
Unissued Capital Stock

Total

Shareholding Structure

Number of people

	2018	2019	2020
Financial institutions	17	26	21
Juridical Person	55	93	164
Personal	10,789	15,117	14,699
Foreign institution & Foreigner	66	85	138
Total	10,927	15,321	15,022

Shareholding

	2018	2019	2020
Financial institutions	2,682,759	2,277,259	5,571,239
Juridical Person	12,302,768	12,494,295	16,442,001
Personal	53,062,226	53,082,234	40,098,202
Foreign institution & Foreigner	9,883,533	11,875,663	19,212,598
Total	77,931,286	79,729,451	81,324,040

shareholding ratio

	2018	2019	2020
Financial institutions	3.44	2.86	6.85
Juridical Person	15.79	15.67	20.22
Personal	68.09	66.57	49.30
Foreign institution & Foreigner	12.68	14.90	23.63
Total	100	100	100

List of Major Shareholders

Name	Stock Shareholding	Shareholding Ratio
Ruei-Ding Invest Corporation	5,947,037	7.31%
New Labor Pension Act	4,630,800	5.69%
Fubon Life Insurance Co., Ltd.	3,089,580	3.80%
Deutsche Bank AG Asia Small Cap Investment Account	2,940,660	3.62%
Deutsche Bank AG NT Asia Fund Investment Account	2,040,000	2.51%
Pi Ke Zhu Investment Corp.	2,028,977	2.49%
Lee, Chung-Liang (Richard)	1,887,701	2.32%
Chu, Ching-Chung	1,609,827	1.98%
HSBC Manulife Vision Fund Unit Trust Investment Account	1,520,820	1.87%
Yuanta Taiwan High-Yield Leading Company Fund Account	1,334,160	1.64%

Innodisk's Management

Innodisk is committed to maintaining an effective accountability system with the highest ethical standards. We believe good corporate management builds a steady and robust foundation for the Company's operations, provides high-quality products and services to the market while increasing the long-term value of the corporation itself. Innodisk's management policies are in compliance with "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"and other relevant regulations. The measures related to corporate management are set as follows:

1. Regulations for the Board of Directors' Meeting	2. Regulations for Shareholder Meeting	3. Internal Control System
4. Procedures for Obtaining or Disposing Assets	5. Procedures for Lending of Capital	6. Procedures for Endorsements and Guarantees
7. Measures for Board Election	8. Procedures Ensuring Operational Integrity and the Code of Conduct	9. Code of Ethics
10. Organizational Regulations for the Audit Committee	11. Organizational Regulations for Compensation Committee	12. Procedures regarding Financial and Business between Affiliated Companies
13. Trading Procedures for Related Parties of Enterprise Group and Specific Companies	14. Regulations on the Duties of Independent Directors	15. Procedures for Handling Internal Material Information
16. Procedures for Suspension or Resumption of Transactions	17. Procedures for Handling Material Internal Information	18. Procedures for Handling Requests of the Board
19. Code of Practice for Corporate Management		

In addition to the audit committee checking and tracking activities of the internal control and internal audit, all of the Company's departments should also conduct self-evaluations. The Board of Directors and the management shall conduct annual reviews on the self-evaluation results by each individual department as well as the audit reports compiled by the Auditing Department and draft an internal control statement in reporting to the competent authority.

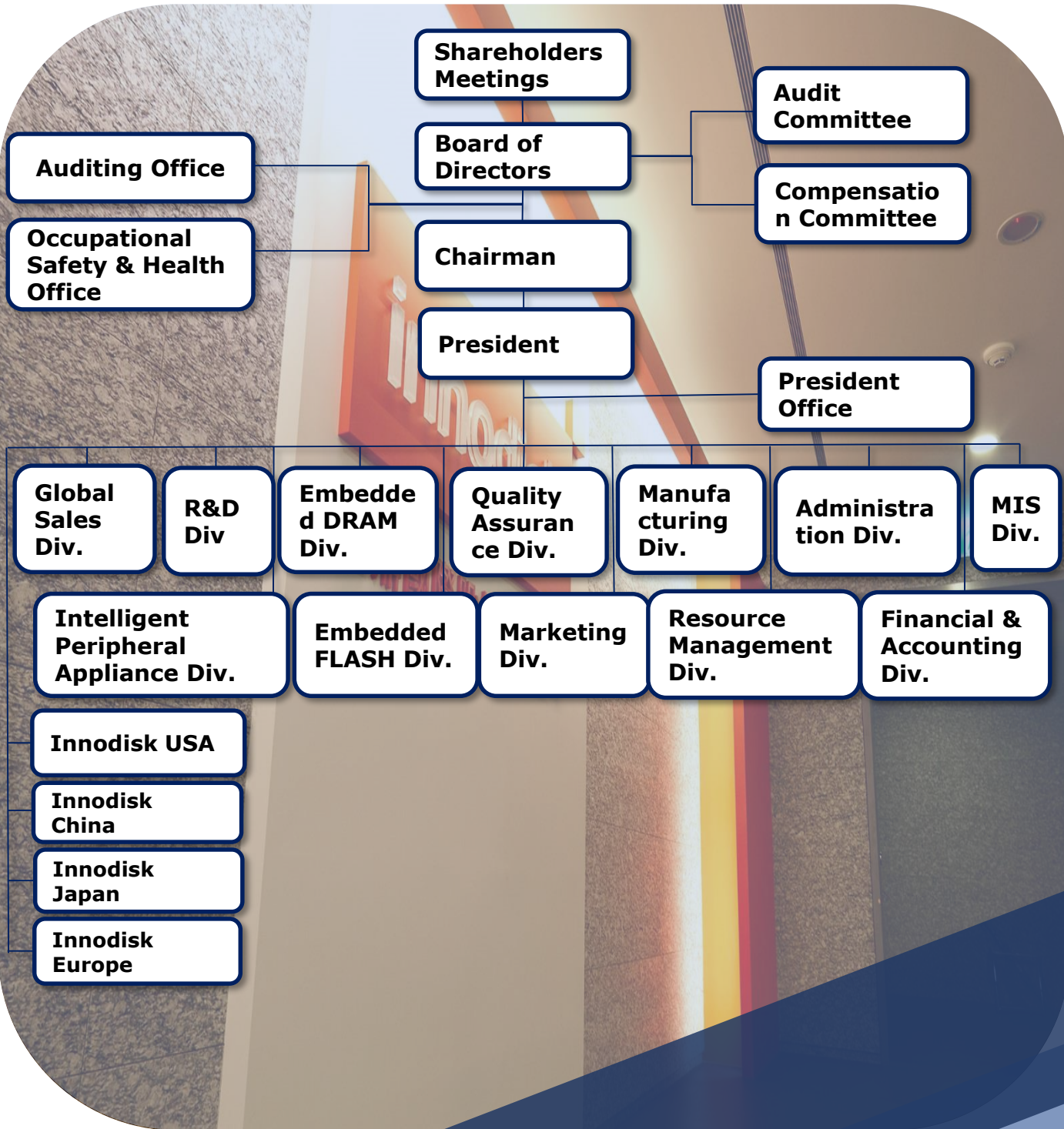# Innodisk's Financial Information

- **Innodisk's Financial Condition**

  – Innodisk's operating income in 2020 was NTD 7,152,015,000, which was 3% lower than that of the previous year. The net profit attributable to the parent company is NTD 931,663,000, with an earning of NTD11.46 per share, maintaining strong and steady profitability. The accounts receivable balance towards the end of the year decreased by NTD 84,256,000 comparing to 2019. The year-end inventory being more than that of 2019 by NTD18,607,000. In 2020, due to the increase in the lease of land in Yi-Lan Science Park, the total debt increased by NTD200,380,000 compared with the previous year, resulting in a debt ratio increase of 2% and a debt ratio of 22% compared with the previous year. The financial structure is sound and the financial balance normal. For detailed operational performance and financial information, please refer to Innodisk's 2020 annual report.

  – For more details, please visit our official website: http://mops.twse.com.tw/

- **Three-year consolidated summary income statement**

Unit: NTD 1,000

	2018	2019	2020
Operating Income	7,866,250	7,361,665	7,152,015
Gross Profit	1,940,466	2,317,776	2,133,727
Profit and Loss	1,109,255	1,388,887	1,207,293
Non-operating Income & Expenses	-10,733	(74,252)	(39,697)
Pre-tax Income	1,098,522	1,314,635	1,167,596
Net Income of Operating Sections	850,450	1,029,199	940,533
Loss of Non-operating Sections	-	-	-
Net Income (Loss)	850,450	1,029,199	940,533
Other Comprehensive Income (Net After Tax)	6,690	(4,577)	(1,358)
Comprehensive Income Sum	857,140	1,024,622	939,175
Net Profit Attributable to Parent Company	843,084	1,014,254	931,663
Net Profit Attributable to Non-controlling Interest	7,366	14,945	8,870
Comprehensive Income Sum Attributable to Parent Company	849,774	1,009,677	930,305
Comprehensive Income Sum Attributable to Non controlling Interest	7,366	14,945	8,870
Earning Per Share	10.45	12.47	11.46

Innodisk Org Chart

```
                          Shareholders
                          Meetings                          Audit
                                                            Committee
                          Board of
  Auditing Office         Directors
                                                            Compensation
                                                            Committee
  Occupational
  Safety & Health         Chairman
  Office

                          President
                                                            President
                                                            Office
```

Global Sales Div.	R&D Div	Embedded DRAM Div.	Quality Assurance Div.	Manufacturing Div.	Administration Div.	MIS Div.
Intelligent Peripheral Appliance Div.	Embedded FLASH Div.	Marketing Div.	Resource Management Div.	Financial & Accounting Div.		

- Innodisk USA
- Innodisk China
- Innodisk Japan
- Innodisk Europe

Innodisk's Corporate Governance

Board of Directors

- **Board Members and Their Duties**
    - Innodisk's Board of Directors consists of 9 directors (including 3 independent directors) with a three-year tenure. To emphasize independence and diversity, members of the Board of Directors include a Chairperson, Directors, and Independent Directors, consisting of a total of 8 gentlemen and 1 lady. All members of the Board are dedicated to fulfilling their duties and exercise due care of good administers while exercising their authority with great self-discipline and prudence.

- **Competency of the Board**
    - Innodisk's Board operates and manages the Company in compliance with the "Regulations for the Board of Directors' Meeting" and "Procedures Ensuring Operational Integrity and the Code of Conduct ". Board meetings are routinely held every quarter (A total of 7 meetings were held in 2018, please refer to Innodisk's 2018 Annual Report Operation of the Board for more details: http://mops.twse.com.tw) and benefiting from any interest related resolutions is avoided. All the current Directors are loyal to the duties of their position, and every Director is allowed to express their opinions on the Company's operations fully, thereby helping the Board of Directors reach an agreement. Resolutions made by the Directors are executed by the Management, with the Directors continuing to supervise the effectiveness of the execution, fulfilling their duties as Directors of the Company.

- **Independent Director**
    - Since 2012, Innodisk has established Independent Director positions within its Board, effectively enhancing its operations. Independent Directors are professional individuals who are subject to restrictions concerning shareholding and part-time jobs. The Independent Directors shall remain independent within the scope of their operating duties and shall not directly or indirectly benefit from the Company's operations. This allows the functions of Independent Directors to be further enhanced, which contributes to the transparency of the Company's financial statements, ensures the rights of shareholders, and elevates the Company's overall value, achieving the goal of being a sustainable business.

Innodisk's Corporate Governance

Title	Name	Gender	Main Education & Experience	Current Concurrent Position
Chairman	Randy Chien	Male	Bachelor of Mechanical and Electro-Mechanical Engineering, TKU; Master of Mechanical Engineering, NCU; Executives Program, Graduate School of Business Administration, NCCU; General Manager of Innodisk.	General Manager of Innodisk Chairman of Innodisk China Corporation Director of Innodisk USA Corporation Representative Director of Innodisk Japan Corporation Director of Innodisk Europe B.V. Director of Mauritius Innodisk Global M Juridical Person Director of Aetina Corporation Juridical Person Director of AccelStor Ltd. Juridical Person Director of MILLITRONIC. Co, Ltd. Juridical Person Director of Antzer Tech, CO., LTD. Independent Director of Anpec Electronics Corp.
Director	Richard Lee	Male	Bachelor of Management Science, NCTU; Master of Management Sciences, TKU; General Manager of Power Quotient International Co., Ltd.	Chairman of Ruei Ding invest Corp. Chairman of Innomedia Technology Corp.
Director	Vincent Lo	Male	Bachelor of Management Science, NCTU; MBA, Drexel University; Director of ThinFlex Technology Corporation.	Chairman of Li Luen invest Corp.
Director	Ruei Ding Invest Corp. Representative: Huang, Su-Fen	Female	Bachelor of Business Administration, THU; MBA, TKU.	Director of Ruei Ding invest Corp.

Innodisk's Corporate Governance

Title	Name	Gender	Main Education & Experience	Current Concurrent Position
Director	Chu, Ching-Chung	Male	Bachelor of Management Science, NCTU; Master of Management Science, NCTU; General Manager of Kobayashi Optical Co.,Ltd	Supervisor of Innomedia Technology Corp. Associate Professor of National Chiao Tung University
Director	Hsu, Shan-Ko	Male	Bachelor of Management Science, NCTU; MBA, NCCU; Deputy Executive Manager of Yu-Lon Group; Chairman of Shin Yang Management Consulting Co.	Chairman of Yi Chung Technology Corp. Independent director of Nuvoton Technology Corp. Director of Parpro Technology. Director of Acme Electronics. Independent director of Winbond Electronics Corp.
Independent Director	Juo, En-Min	Male	Bachelor of Economics, THU; MBA, University of Rochester (USA); Chairman of Phison Electronics Corp. Chairman and General Manager of Powertech Technology Inc.	Director of Cosmos Vacuum Technology Corp. Director of EnzyTek Technology Chairman of Topfun Technology Representative Director of Jochenlee Molds & Machine Mfg., Inc. Representative Director of Taiwan Jen-Ya Metal Co., Ltd. Director of Castona Investment Co., Ltd. Supervisor of Jocharfon Molds & Machine Mfg., Inc.
Independent Director	Lin, Tsung-Te	Male	MBA, NCCU; General Manager and Director of Genesys Logic Inc. Vice General Manager of Advantech Co., Ltd. General Manager of AVerMedia Technologies, Inc.	Chairman of Bai Cheng Capital Management Consulting Corp. Supervisor of Arise Biotech Corp. Representative Director of Top-tower Enterprises Corp. Special Assistant of Board Of Teco Electric And Machinery Corp.
Independent Director	Lee, Kuang-Pin	Male	Ph.D. in Management of Technology, NCTU; EMBA, International Business, NTU; Executives Program, Graduate School of Business Administration, NCCU; Vice General Manager of Shin Kong Global Venture Capital Corp.; Vice General Manager of Shin Kong Capital Fund SPC.	Director of Asia Neo Tech Industrial Co., Ltd. Legal representative director of Flygotravel Travel Services LTD. Representative Director of Hankel International Corp. Director of Onto Innovation Inc., Taiwan Branch (U.S.A) Representative Director of FlyingVest Crowd Funding Securities Co., Ltd. Director of FlyingVest Venture

Management

- **Operating with Integrity:**
  - The main purposes of Innodisk's "Regulations for the Board of Directors' Meeting" are to establish a good management system, to improve the supervision of the Company's operations, and to strengthen management measures. Unless otherwise regulated by relevant laws or regulations, the Board of Directors shall act in compliance with the "Regulations for the Board of Directors' Meeting". When a Board meeting is held, the unit of agenda designated by the Board shall prepare relevant information for the Directors' reference and shall notify non-board-member management of relevant departments to participate in the meeting based on the content of resolutions. Accountants, attorneys, and other professionals may also be invited to the meeting when needed.
  - Innodisk's "Procedures Ensuring Operational Integrity and the Code of Conduct" clearly prohibits bribery, unlawful political donations, inappropriate charity donations or funding, providing or accepting gifts, treats, or other improper benefits, infringement of trade secrets, trademarks, patents, copyrights, and other intellectual property rights, engaging in unfair competition, and directly or indirectly harming the rights, health, and safety of consumers or other stakeholders during the research, procurement, or manufacturing of products and services.

- **Audit Committee**
  - The objective of the Audit Committee is to assist the Board in performing their supervising duties and assume the tasks regulated by the Company Act, the Securities and Exchange Act, and other relevant laws. Audited matters include: the Company's financial statements, company audits, accounting policies and procedures, internal control systems, possible conflicts of interest, trade of major assets or derivatives, the offering or issuance of securities, appointment, dismissal, or compensation of certified public accountants, appointment and dismissal of financial, accounting, or internal audit supervisors, etc. In accordance with the provisions of the Organizational Regulations for Audit Committee, the Audit Committee is authorized in conducting any audits and investigations within its scope of responsibility, and has direct access to communicating with the Company's internal auditors, certified public accountants, and all other employees. The Audit Committee also has the right to hire attorneys, accountants, or other consultants to assist in the performance of its duties. The Audit Committee holds at least four meetings a year (A total of 6 meetings were held in 2020, please refer to Innodisk's 2020 Annual Report - Audit Committee Operation for more details: http://mops.twse.com.tw) and consists of three independent directors.

- **Compensation Committee**:
  - To assist the Board in implementing and evaluating the compensation policies of the Company as well as the compensation of Directors and Management. Innodisk's Compensation Committee should hold a minimum of 2 meetings a year (A total of 3 meetings were held in 2020, please refer to Innodisk's 2020 Annual Report – Operation of the Compensation Committee for more details: http://mops.twse.com.tw and consists of three independent directors).
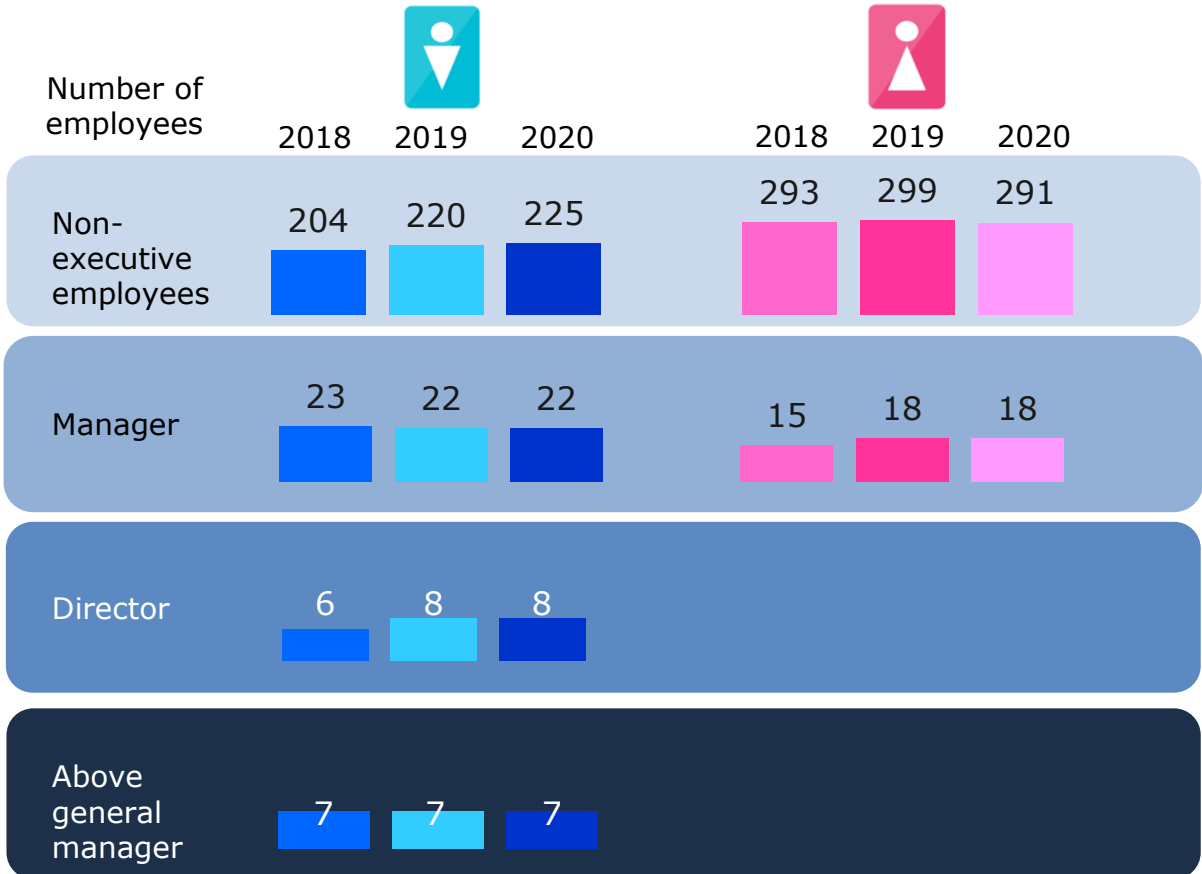
Workforce Structure

- Workforce structure of Innodisk.

Year	Non-executive employees		Manager		Director		Above general manager		Disabled employees
Gender	🚹	🚺	🚹	🚺	🚹	🚺	🚹	🚺	♿
2020	225	291	22	18	8	0	7	0	5
2019	220	299	22	18	8	0	7	0	5
2018	204	293	23	15	6	0	7	0	4

- Innodisk had 571 employees at headquarters in 2020, including 262 male employees and 309 female employees. Female employees accounted for 54% and female managers accounted for 48%.
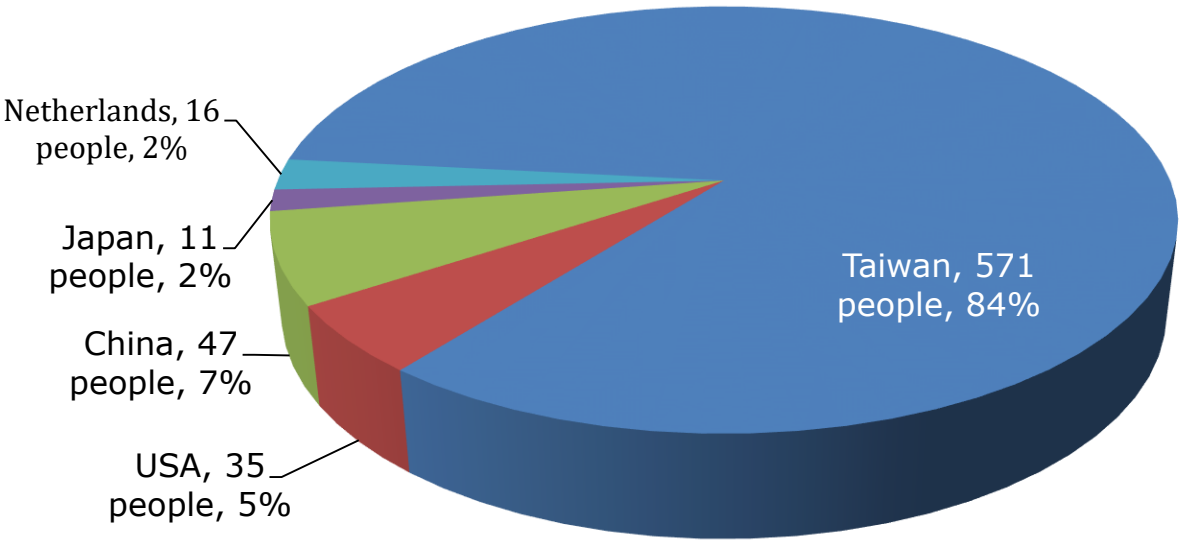
Workforce Structure – by Ranking

Number of employees	🚹 2018	2019	2020	🚺 2018	2019	2020
Non-executive employees	204	220	225	293	299	291
Manager	23	22	22	15	18	18
Director	6	8	8			
Above general manager	7	7	7			

Workforce Structure

- Workforce Structure – by Direct/Indirect Labor

Number of employees	2018	2019	2020	2018	2019	2020
Direct Labor	85	90	94	168	170	175
Indirect Labor	155	167	168	140	147	134
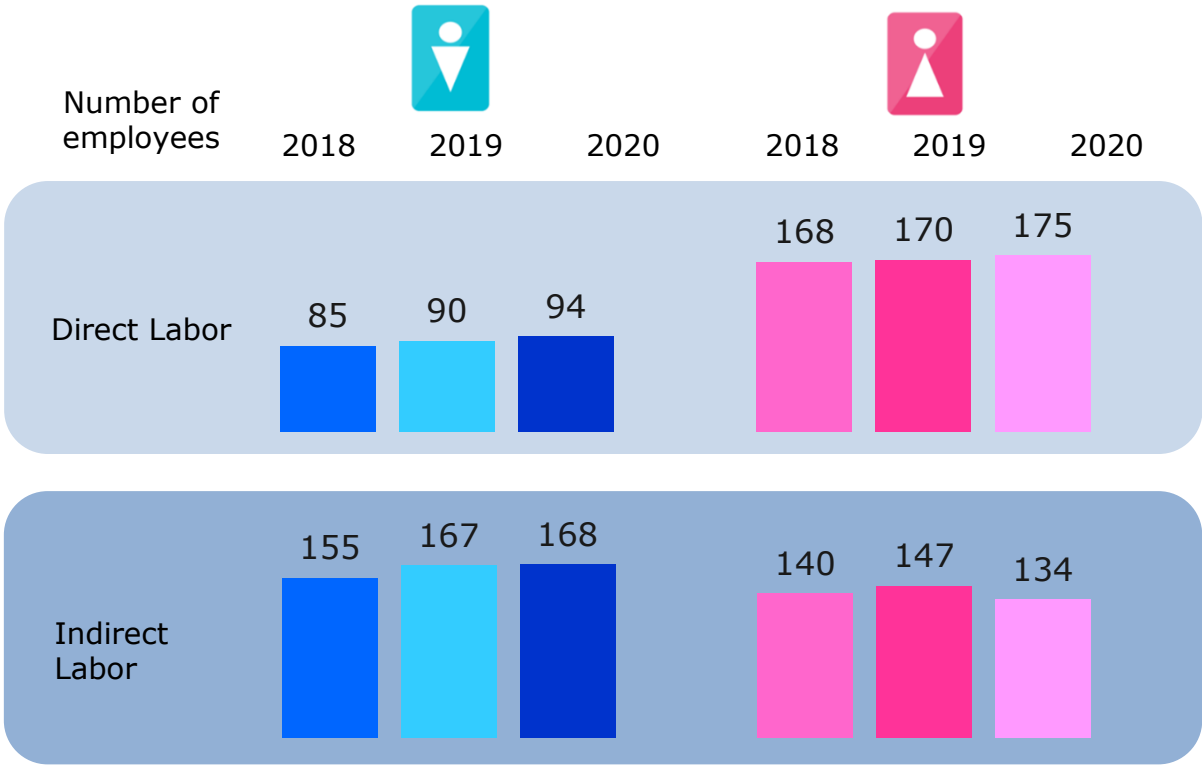
- By the end of 2020, Innodisk had 680 employees worldwide:

Netherlands, 16 people, 2%
Japan, 11 people, 2%
China, 47 people, 7%
USA, 35 people, 5%
Taiwan, 571 people, 84%

Workforce Structure

Workforce Structure – by Foreign/Disabled employees

- Innodisk committed to equal opportunity also commits to fair employment. We won't discriminate against applicants based on such non-job-related factors as age, disability, national origin, race and religion.

Region	Total		Disabled employees				Foreign employees			
	Male	Female	employees	%	employees	%	employees	%	employees	%
Taiwan	262	309	2	0.76	3	0.94	2	0.76	48	15.53
USA	22	13	0	0	0	0	19	86.36	13	100
Netherlands	11	5	0	0	0	0	9	81.8	3	60
Japan	8	3	0	0	0	0	8	100	3	100
China	25	22	0	0	0	0	13	52	22	100
Total	327	352	2	0.61	3	8.52	52	15.59	88	25

Employee Retention:

- Innodisk considers its employees to be its most important assets, which is why comprehensive benefits are provided for all employees. Innodisk actively implements educational training plans and encourages employees to improve their skills and achieve their vocational goals. Regarding termination of employment, once a resignation has been raised by an employee, the HR Department will arrange a resignation interview with said employee as needed. The HR Department aims to understand the reason for the resignation and will work toward retaining the employee.

Regional Turnover Rates in 2020:

- Taiwan 13.86%; China 21.27%; USA 5.72%; Japan 0%; Netherlands 12.5%. Turnover statistics for different age groups are as follows:

Gender								
Region / Age	<30	30~40	41-50	>50	<30	30~40	41-50	>50
Taiwan	2.65%	2.80%	0.88%	0.35%	4.20%	2.10%	0.70%	0.18%
China	6.38%	6.38%	0.00%	0.00%	2.13%	6.38%	0..00%	0.00%
USA	0.00%	2.86%	0.00%	2.86%	0.00%	0.00%	0..00%	0.00%
Japan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Netherlands	0.00%	0.00%	6.25%	0.00%	0.00%	6.25%	0.00%	0.00%

Statistics of Maternity Leave in Innodisk

- Statistics of Maternity Leave in Innodisk in 2018 to 2020:

Gender	Numbers of employees applying for parental leave in 2018 to 2020 (A)		Numbers of employees being expected to return in after parental leave in 2018 to 2020 (B)		Numbers of employees applied for back to duties in 2018 to 2020 (C)		Number of employees completed one full year of service after returning from parental leave in 2018 to 2020 (D)		Return rate in 2018 to 2020: (C/B)x100%		Rater on return after parental leave in 2018 to 2020: (D/C)x100%	
	♂	♀	♂	♀	♂	♀	♂	♀	♂	♀	♂	♀
2020	0	2	0	5	0	3	0	0	0	60%	0	0
2019	0	6	0	6	0	6	0	2	0	100%	0	33%
2018	0	6	1	3	1	1	1	1	100%	33%	100%	100%

Labor Rights

- **Innodisk considers employees to be its most important assets. Compliance with the law serves as fundamental principles in establishing any system.**
  - Lawful Employment: Innodisk complies with the provisions of all labor laws and refuses to employ minors under the age of 15. In addition, it does not allow employees under the age of 18 to perform dangerous task work. Employees are notified of all changes in labor conditions in accordance with the provisions of the law.
  - Sexual Harassment and Discrimination Prevention: Innodisk strictly prohibits any form of sexual harassment, whether it be physical or non-physical. Aside from establishing relevant regulations, Innodisk has also set up dedicated mailboxes exclusively for employee complaints. All employees are treated as equals, regardless of race, religion, skin color, nationality, gender, etc. Thus far, Innodisk has yet to receive any complaints regarding identity discrimination.

Labor Rights

- **Communication of Performance Rating:**
  - In efforts of improving the Company's overall performance, the Individual Development Plan (IDP) is developed to help improve the performance of individual employees. The initial assessment supervisor shall hold performance meetings with the assessed employee regarding performance assessment results, directions of improvement, and future development plans to promote two-way communication between employees and Management. The Individual Development Plan emphasizes employees' autonomy, values individuals' values, encourages employees to seek independent improvement, as well as achieve the Company's goals through the employees' improvement. Innodisk plans and implements various internal training courses and provides its employees with relevant grants for taking external training courses. Employees can form their own plans when it comes to the improvement of their personal abilities and can discuss their future careers with their supervisors. The supervisors then give feedback and suggestions according to the employees' individual development goals, needs, strength and weakness, the current status of their department or organization, as well as future goals. When required, supervisors can also offer support and progress follow-ups to help employees achieve their goals.

- **Salary**
  - Innodisk deems the salary and benefits of its employees to be of great importance. The salary and compensation of employees are decided based on their credentials, working experience, professional knowledge, professional experience, and individual performances; without differences due to specific genders. Innodisk's salary policies are established according to the following principles:
    - Understanding and abiding local laws. Establishing harmonious labor-management relations under the provisions of the law so as to move toward sustainable business operations.
    - Offer salaries based on the market value of the employee's respective professional skills and the contributions of their position's responsibilities. The salary is then combined with the company's performance assessment system to motive employees in seeking better .
    - Innodisk's standard starting salaries for newly-graduates completely comply with the law and any amendments made.
    - Based on the Company's operational status and individual performance, monthly bonuses are given to employees as encouragement for better performance. The bonus sum of each employee is decided based on the Company's business status, in addition to the employee's position, contribution and performance.

Labor Rights

- **Performance Assessment Systems:**
  - Innodisk's performance management and development system aims at integrating and enhancing the performances of both individuals and the Company as a whole. By implementing two-way communication measures and employee development planning, performance is evaluated through a fair and reasonable evaluation process. The assessment itself serves as the basis for job promotion, salary adjustment, bonus distribution, employee development and training needs, etc. If an employee is incompetent for the job, the Company will provide them with appropriate counseling or help them transfer to a suitable unit. If the employee still fails to meet relevant requirements, the Company will adopt appropriate measures such as providing severance packages in accordance with relevant laws and regulations, ensuring that employee rights are accounted for.
  - Main Performance Assessment Procedures at Innodisk:
    - Goal Establishment: During the previous performance assessment (early and mid-year), employees and their department supervisors will together establish a goal for the following performance assessment.
    - Assessment of the First Half of the Year: Department supervisors and employees meet up to discuss current execution status and assess the progress in the first half of the year.
    - Annual assessment: The department supervisors and employees discuss the execution status of the annual goal and assess the progress thereof. The employee's level of performance is determined by the general manager.

- **Average Salary Difference Ratio:**
  - The average salary difference ratio by gender is as follows (analyzed cases are limited to Innodisk 's Taipei headquarters):

Innodisk	male	female
Staff (supervisors, supervising and professional personnel, assistants, clerical support workers)	1.65	1
Technicians (production team leader, technicians, operators)	1.29	1

- In compliance with Taiwan's laws, every single one of Innodisk's employees are insured with labor and medical insurances starting from their first day at work. The Company is to also allocate funds as part of their pension plans. In addition, Innodisk also provides group insurance to its employees, the content of which, includes: Life insurance, accidental insurance, hospitalization insurance, cancer insurance, daily accident insurance, etc. We provide comprehensive medical assurance for all of our employees. Overseas employees given salaries that not only meet the local labor market conditions but are also reasonable and competitive. Innodisk also refers to local laws, industry practices, and operating performance in issuing short/long-term incentive bonuses to encourage long-term contributions and growth alongside the Company. The social insurance systems for overseas employees are also handled in accordance with local laws of the respective region.

Employee Development & Educational Training

Educational Training Structure
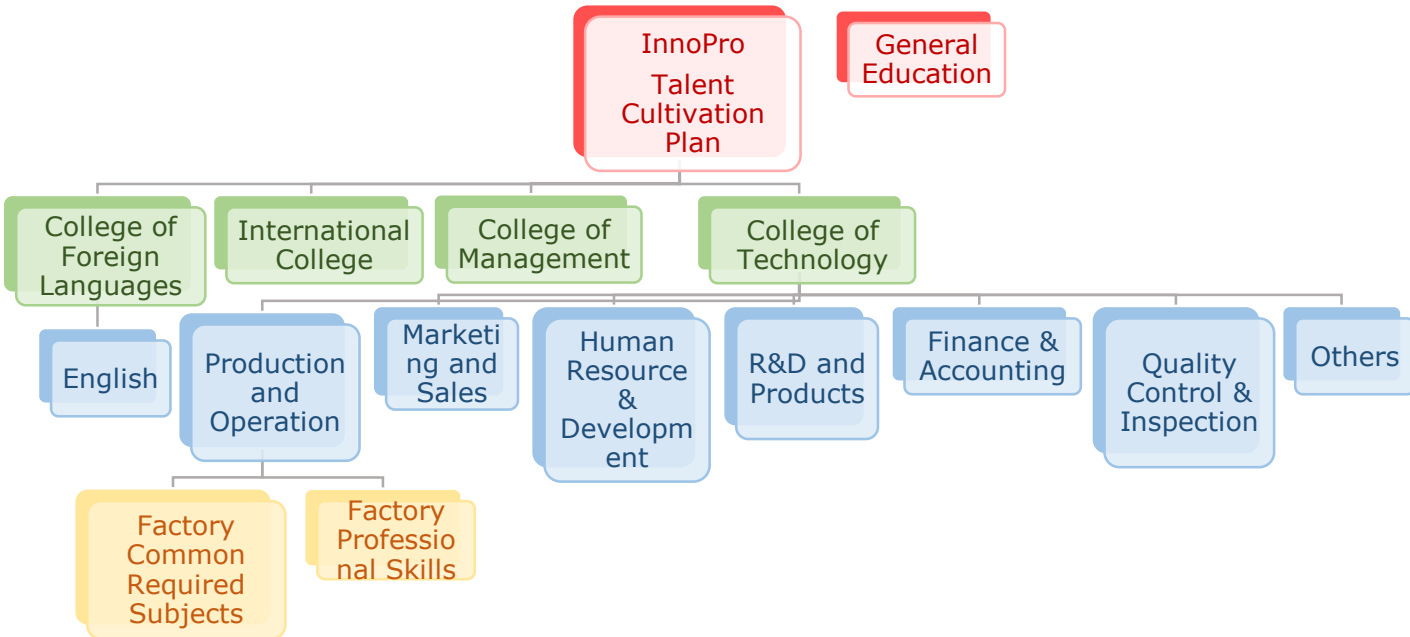
- – General Education
  One of Innodisk's main operational focuses, which provides a safe and secure working environment for its employees. Innodisk provides a series courses on the required subjects, such as fire fighting, labor safety, quality concepts, health knowledge, information security, and so on. All employees are encouraged to participate.
- – College of Technology
  Innodisk organizes internal education training from time to time for employees of different professional and technical backgrounds. Innodisk also offers subsidies for external training.
- **Educational Platform in Different Schools**
  - – College of Management
    In response to the developmental needs of each department, Innodisk periodically offers appropriate in-service training for supervisors of all management levels, so as to actively cultivate management talents, build team cores, and strengthen the Company's overall management skills.
  - – College of Foreign Languages
    To help align with international markets, Innodisk provides scholarships for advanced study in languages and covers registration fees for relevant language exams. Furthermore, Innodisk also holds English-related courses, striving to comprehensively improve the English ability of employees across all departments.
  - – International College
    As the Company operates and grows at an international level, educational training are arranged every year according to the developmental needs of the Company's branches around the globe, so as to promote growth and development of Innodisk's employees.

Staff Development, Education and Training

- **Innodisk provides equal training opportunities to our employees regardless of gender and job category**

  - We value every employee in Innodisk and attach great importance to the learning and growth of each employee. Therefore, we provide a series of training resources in line with personal career development and continue to improve the internal training structure and resources. In addition, internal education and training are regularly held to enhance the professional skills of our colleagues, and subsidies are also provided to encourage colleagues to participate in on-the-job training and seminars organized by external certification agencies.

- **Introduction and promotion of the "online learning" system**

  - In response to the continuous growth of the organization and the needs of the post-epidemic era, an "online learning" system was introduced. In the first half of 2020, the necessary courses were transferred from in-person mode to an online one to ensure that essential training was carried out continuously. In the second half of the year, the process of sign-in, questionnaires, tests, and inspections in the in-person courses was also converted from paper form to electronic APP QR Code, saving at least 4,000 sheets of paper printed out and the storage space. Supervisors can also track the learning status of each subordinate online in real-time.

Education & Training	2019	2020	Growth Rate
Total Lessons	498	307	-38%
Total Hours	1,290H	1,063H	-18%
Man-time	4,712	4,109	-13%
Man-hour	5,424H	8,485H	56%
Average training hours (Based on the number of participants at the end of the year)	9.4H	14.9H	59%

Staff Development, Education and Training

– [Newcomer education and training]: In the onboarding process to a department of each new employee, one must receive a complete working system operation, professionalism, practical training and work acceptance, so that new employees can quickly put their abilities into work. Moreover, to make the new colleagues quickly familiarize with the products, quality policy, background culture and company rules of Innodisk, all new colleagues must complete the related general education courses, including "Innodisk International Environment Introduction, Staff Regulations and Welfare", "Information Security Standards", "Being Innodiskers - Innodisk's History and Culture ", and "Labor Safety, Hygiene and Work Environment Maintenance" within three months from the first day of entering Innodisk.

Course Topic		Sessions	Hours	Number of trainees
Newcomer education and training	Online	N/A	6.3 H	56
	In person	3	8.4 H	68

– [Integrity and Ethics/Human Rights/Supervisor Training]: In order to assist the executives of Innodisk in continuing to learn and grow, Innodisk understands our supervisors' learning needs in leadership management and plans related training accordingly to improve the performance and satisfaction of the staff through the strengthen of supervisors' management capabilities.

Course Topic	Sessions	Hours	Number of trainees
New supervisor training	1	4.6 H	9
Mid- and low-level supervisor management leadership training	1	16 H	27
Production line work instruction/work care training	5	31 H	75
Lectures on labor laws and rights	1	4	87
Introduction to U.S. Antitrust Law Cases	1	2	33

Organizational Principles & Code of Ethics

- **Innodisk's business philosophy lies in innovation, discipline, sharing, and operation under the highest ethical standards. Innodisk has established the "Code of Ethics" to regulate the ethical standard and sense of responsibility that all employees should adopt. The Guidelines are also uploaded onto Innodisk's website for reference. In addition, anonymous complaint mailboxes are provided, offering employees a means of voicing their opinions through a free and secure communication channel. Innodisk's consensus and principles regarding ethics include:**
  - All of Innodisk's personnel are to comply with the provisions listed within relevant laws and the Company's Code of Ethics, while pursing the highest ethical standards in their line of work. Directors and managers shall lead the employees by example and promote the rules within the Code of Ethics.
  - All of Innodisk's personnel should approach their line of work with a positive and responsible attitude, abandon sectionalism and focus on what benefits the Company as a whole and stay true to integrity principles.
  - Innodisk shall respect society's diversity and give all Innodisk employees equal credit and opportunities in terms of their career development. Individuals shall be treated equally regardless of factors such as gender, race, religious belief, partisanship, sexual orientation, rank, nationality, or age.
  - Innodisk shall provide a healthy and safe working environment for all its personnel. All of Innodisk's personnel should contribute to the maintenance of a healthy and safe working environment. Sexual harassment or acts of violence and threats are strictly prohibited.
  - All of Innodisk's personnel shall respect one another's personal privacy and shall not spread rumors or vilify others.
  - All confidential, non-confidential or customer information obtained in one's line of work shall be carefully managed and shall not be disclosed to others or used for purposes not relating to work unless first disclosed by Innodisk or otherwise regulated by the law. Such restriction applies even to those who no longer work for Innodisk. The aforementioned information includes all unpublished information that can potentially be exploited by competitors or information that can potentially cause losses for Innodisk or Innodisk's clients when disclosed.
  - All of Innodisk's personnel shall ensure the correctness and integrity of various documents or digital records under their management, in addition to ensuring that they are properly stored. If any document or digital record is lost, damaged, or its contents thereof concealed or fraudulent, the department supervisors shall be notified, with investigations held in determining the cause.
  - All of Innodisk's personnel have the responsibility of protecting the Company's assets, as well as ensuring that they can be used effectively and legally used by the Company, and preventing them from affecting the Company's operational capabilities. All of Innodisk's personnel should protect the Company's information, information systems, network equipment, and other resources from interference, damage or invasion in any shape or form, so as to ensure the confidentiality, integrity, and availability of the Company's information.

Organizational Principles & Code of Ethics

- Any information obtain through one's position at Innodisk that may potentially have serious influence on the trading price of securities, shall be kept strictly confidential in accordance with the provisions of the Securities and Exchange Act before being published. Such information shall not be used for insider trading.

- Personnel shall not exploit their professional position at Innodisk in seeking personal benefits. All personnel should safeguard the Company's legitimate rights and interests and avoid the following circumstances:
  - Using the Company's property, information or by exploiting one's professional position at Innodisk to seek personnel gain.
  - Unlawfully competing with the Company or engaging in actions within the Company's business scope for oneself or for others. When the opportunity for profit arises, all personnel shall strive to increase the legitimate interests for the Company.

- All of Innodisk's personnel shall avoid engaging in any acts of capital lending, major asset trading, guarantees, or other trading that conflict with the Company's interests under either their own name or that others.

- All of the Company's Directors are expected to be highly self-disciplined. Directors should avoid getting involved in resolutions of the Board in which the Director or his/her legal representatives are stakeholders, or which could potentially be detrimental to the Company's profitability. The same applies for resolutions that Directors themselves or the Board of Directors deem to be better off avoiding. When a Director believes that he or she cannot handle the matter in a just manner or in a manner beneficial to the Company, its relevant trading or if the affair can potentially cause conflict of interest, the Director shall take the initiative to clarify to the Board and handle/avoid handling the matter through a lawful and appropriate manner. If a Director or Manager has relatives, spouses, direct blood relatives, second-degree relatives or relatives whose organizations of employment have business activities with Innodisk, the Director or Manager shall take the initiative to clarify to the Board and avoid handle/avoid handling the business through a lawful and appropriate manner.

- All personnel should treat Innodisk's business partners fairly and must not have engage in unfair or unethical behavior, including:
  - Seek improper benefits from one another.
  - Disseminate false statements about clients, dealers, competitors, and employees.
  - Deliberately misrepresent the quality or content of the Company's goods or services.
  - Receive undue benefits by manipulating, concealing, abusing the information obtained from one's professional position, misrepresenting important matters, or by engaging in unfair trade.

Organizational Principles & Code of Ethics

- When engaging in transaction with a related party or an affiliated company, personnel at Innodisk shall act in accordance with the principle of fair treatment, comply with the laws and the regulations of the competent authority and the relevant regulations of Innodisk. Preferential behavior is not allowed.
- All Innodisk personnel should refrain from demanding, offering, delivering, or receiving gifts, treats, rebate, bribery, or other undue benefits in one's self, the Company, or a third party. However, the gifts or treats permitted by social etiquette or the Company's regulations are not limited to this.
- Personnel at Innodisk who trade with other parties to perform their duties shall accurately report the contents of the trade in accordance with the principle of honesty and integrity, and shall not conceal or falsely reports that will lead to damage to the Company's rights and interests.
- Personnel at Innodisk shall respect the rights to and legally use the intellectual property of others when performing their duties.
- Innodisk's employees shall not engage in any political activities in the workplace or during work hours, nor shall they use the Corporate's resources to engage therein. However, certain public relation activities for public relations personnel are not limited to this restriction. The Directors and Managers of Innodisk shall not influence employees into donating to political parties, supporting certain political parties or candidates, or participating in political parties in the workplace or during work hours .
- Personnel at Innodisk shall comply with the provisions of laws, including the Securities and Exchange Act, Money Laundering Control Act, Fair Trade Act, and other laws and regulations.
- The Directors and Managers of Innodisk shall at all times, promote ethical behavior and encourage the Company's personnel to immediately report any discovery or reasonable suspicion of violations of the Code of Ethics or other relevant laws but should refrain from malicious false accusations. One who has been reported or lodged shall not retaliate or threaten the reporting personnel. In case of retaliation, threat, or harassment, the supervisor, internal audit supervisor, or other appropriate personnel should be immediately notified. The Company should then immediately handle the matter as appropriate.

Organizational Principles & Code of Ethics

– For personnel involved in major violation of relevant laws and regulations, the Company shall take appropriate legal actions and hold the personnel responsible for civil and criminal liabilities in protecting the interests of the Company and the shareholders. All Innodisk's employees are subject to the provisions of the Company's personnel regulations, with the Company implementing appropriate punishments. The same applies for unit/department supervisors that are informed but do not take correct actions or handle the situation in accordance with the Company's regulations. If the Company's personnel violate the Code of Ethics, the responsible unit shall report punishment according to the Company's procedures. Should the Company punish the party involved, the party may provide evidence for filing complaints. The Company should then take the complaint into consideration and handle the matter as appropriate. If a Director or Manager violates the Code of Ethics, punishment will be implemented after being given guilty verdict or deemed in the wrong by the court of law or Innodisk's the Board of Directors. The Company shall promptly disclose date of violation, act of violation, violated regulations, the handling of the situation, etc. on public websites available to the public.
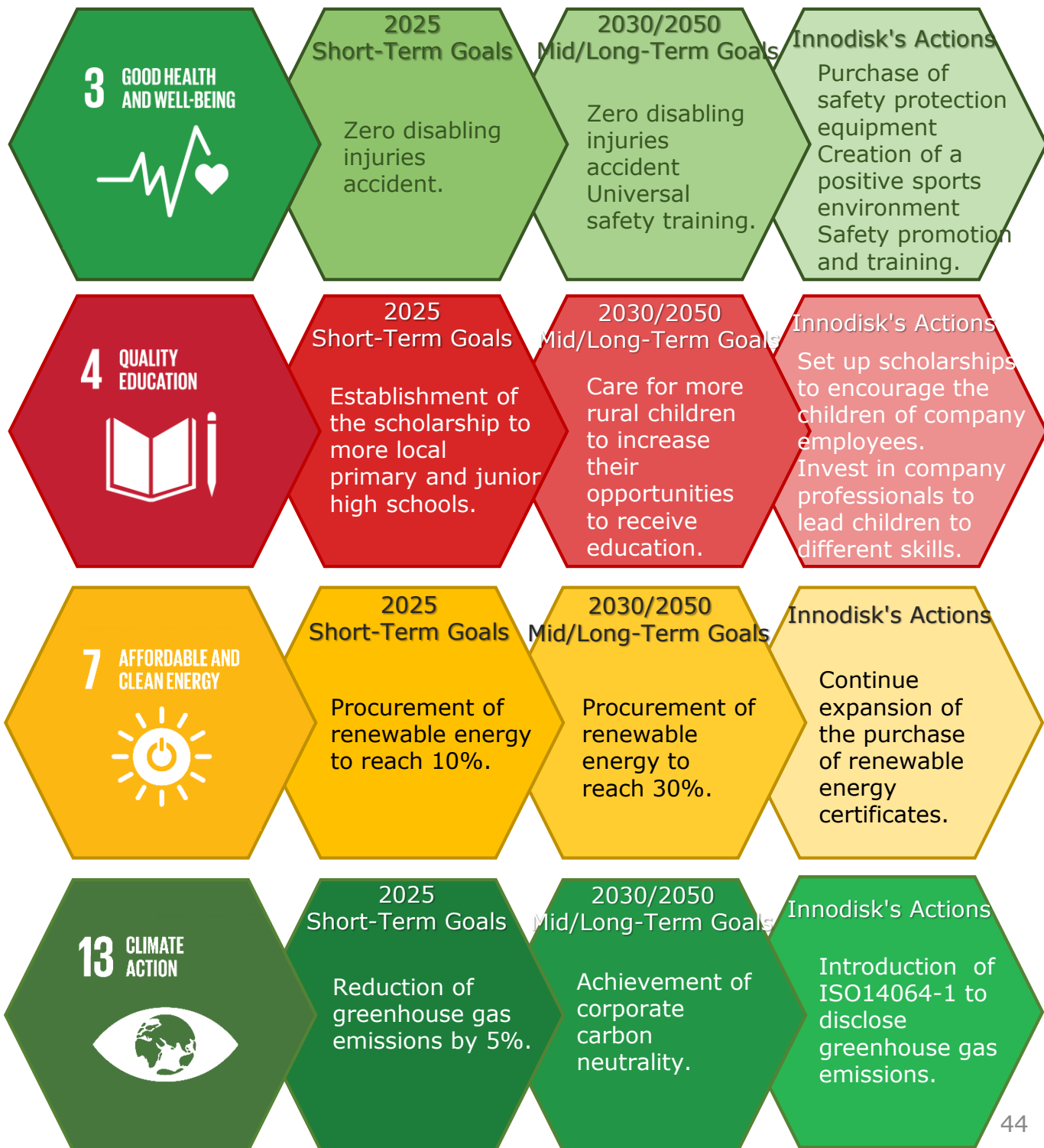
Sustainability
Management

Sustainable Development and Goals

- **United Nations Development Goals (SDGs)**
Innodisk believes that the sustainable operation of the company must start from the core value of the company itself and be combined with the United Nations Sustainable Development Goals. Therefore, short and mid/long-term goals are set, discussed, and incorporated into the operation plan to strengthen the promotion of sustainable development of the Innodisk's determination.

	2025 Short-Term Goals	2030/2050 Mid/Long-Term Goals	Innodisk's Actions
3 GOOD HEALTH AND WELL-BEING	Zero disabling injuries accident.	Zero disabling injuries accident Universal safety training.	Purchase of safety protection equipment Creation of a positive sports environment Safety promotion and training.
4 QUALITY EDUCATION	Establishment of the scholarship to more local primary and junior high schools.	Care for more rural children to increase their opportunities to receive education.	Set up scholarships to encourage the children of company employees. Invest in company professionals to lead children to different skills.
7 AFFORDABLE AND CLEAN ENERGY	Procurement of renewable energy to reach 10%.	Procurement of renewable energy to reach 30%.	Continue expansion of the purchase of renewable energy certificates.
13 CLIMATE ACTION	Reduction of greenhouse gas emissions by 5%.	Achievement of corporate carbon neutrality.	Introduction of ISO14064-1 to disclose greenhouse gas emissions.

Supply Chain

- **Supplier Management**
  - Ever since its establishment, Innodisk's business strategy has revolved around "Development in Taiwan while focusing on the international market". Our procurement policies have also been established according to this approach. In order to meet the characteristics of industrial products in being diverse but few in numbers, not only is our production line based in Taiwan, but we also adopt diversified product portfolios and flexible production strategies to meet the diverse needs of global clients. To this end, locally registered manufacturers in Taiwan are first considered when choosing suppliers. After ten years of growth, Innodisk has gradually become an international corporation. At the same time, we have made adjustments to our supply chains in order to meet the strict requirements of our numerous international clients. Aside from cost competition, production process, product quality and technical services, Innodisk is now concerned with issues such as labor rights within our supply chains, environmental protection, as well as safety and health risk control; we have therefore adopted a multitude of measures that help suppliers improve their management. The goal is to lower operational costs and risks for Innodisk and its suppliers, achieving a common growth partnership. All suppliers of Innodisk are selected in accordance with the Guidelines on Supplier Management established by our ISO, and all suppliers are required to fully comply with all relevant laws and regulations in Taiwan or in their registered countries when running their businesses. In addition, suppliers are also required to pay special attention to issues like business ethics, labor rights, work environment, safety and health, and so on.

- **Type of Supply Chains and Procurement Localization**
  - As mentioned above, Innodisk's products are very diverse in order to meet the different needs of clients around the world. For this reason, Innodisk needs a considerable number of suppliers to assist in the provision of a wide range of products. In 2020, Innodisk had a total of 129 suppliers. Our supplier come from a variety of sources, ranging from top tier, internationally renowned, electronic component manufactures, to local manufacturers that offer special production services. The parties from which Innodisk purchases from, are mainly distinguished by the relevance of production materials, divided into manufacturers of production materials, agents that do not directly produce products but indirectly provide production materials, and subcontracted factories that provide production services.

Supply Chain

- Count by amount, manufacturer account for 6.21%, agent account for 93.59% and subcontractor is 0.2%.

0.2% — 6.21%

■ Manufacturer
■ Agent
■ Subcontractor

93.59%
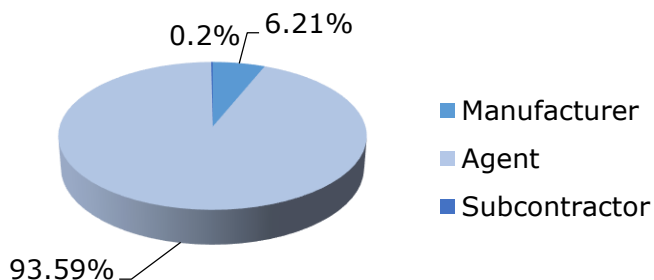
- Count by number of manufacturer account for 47.29%, agent account for 48.06% and subcontractor is 4.65%.

4.65%

47.29%
48.06%

■ Manufacturer
■ Agent
■ Subcontractor
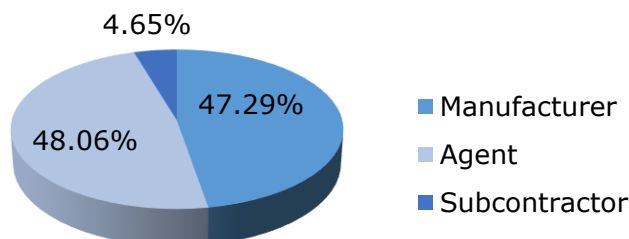
- Innodisk expect to promote the growth of local economy, always try to procure from local suppliers first. The number of local suppliers we procure is 115, account for 89.15%.

10.85%

89.15%

■ Local Suppliers
■ International suppliers
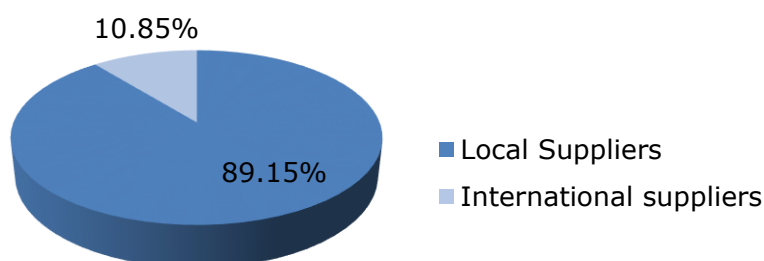
● **Rating of Suppliers**

  – Innodisk has strict supplier screening standards and inspection management policies. To ensure that suppliers comply with Innodisk's standards, the selection of new suppliers must be conducted through Innodisk's first-time on-site audit as well as the supplier's own self-evaluation. When a supplier passes the aforementioned, relevant internal departments at Innodisk will carry our further evaluation.

  – Besides the strict screening standards, Innodisk performs periodic documental and on-site inspections on key and qualified suppliers every year, and analyzes their multiple financial status every five years. Suppliers that pass every inspection and have excellent performance therein can become Innodisk's long-term partners.

Supplier Management

Preliminary Evaluation

- Preliminary Evaluation Sheet for Suppliers: Suppliers are screened based on quality/delivery time/price/service. The delivered samples are then checked to make sure they comply with Innodisk's quality requirements.

Periodic Documental Inspection

- Procurement and quality control officers evaluate suppliers based on their delivery performance. The evaluation results are used to decide whether the suppliers are listed as qualified suppliers for future purchases.

On-Site Inspection

- Quality Assurance /Engineering/Quality Control officers will visit the suppliers' factories and inspect their documents and production site in deciding whether the suppliers will still be listed as qualified suppliers.

Incoming Inspection Records

- Record the conditions of every incoming inspection and provide feedback to the suppliers as a basis for continuous improvement.

Qualified Suppliers

- All aforementioned measures are even applied to qualified suppliers in monitoring the quality of their products and services.

- **Supplier Risk Management**
  - To ensure steady supply of raw materials, virtually all raw materials purchased by Innodisk come from more than two suppliers. For special materials in which Innodisk only has one supplier, Innodisk will negotiate a long-term supply guarantee with the supplier. Should the suppliers plan to cease their supply of products, they are required to notify Innodisk a year prior and are obligated to providing six months to two years worth of products in ensuring smooth material transitions.
  - Innodisk has preventative measures in place which respond to cases where suppliers are unable to deliver their products in time, or if unexpected situations occur. As a general rule, Innodisk's inventory includes at least two month's worth of supplies for most raw materials, as well as a month of external orders for smooth dispatch.

Supplier Management

- **Besides evaluating the quality, costs, delivery time, service and techniques of suppliers, Innodisk also manages procurement based on the concept of green supply chains. The following fundamental principles are used to evaluate suppliers:**

  – All of Innodisk's suppliers shall fully comply with relevant local laws and regulations and clearly state their risk control measures.

  – All of Innodisk's suppliers shall establish a dedicated management system for the environment, employees' health and safety, and hazardous substances.

  – Compliance with Innodisk's "substance-limited components management plan" by providing proper and periodically updated statements or certification documents. Innodisk has incorporated environmental protection principles into its supplier management mechanism. For some items such as raw materials, packaging or pollution emitted by suppliers, Innodisk strictly demands that its suppliers comply with environmental regulations.

  – Suppliers must pledge and guarantee that their products do not include "substances prohibited by environmental management" and provide the following information:

    • Inspection reports for environmental management substances within their products.

    • Collection of knowledge and understanding regarding related components in materials and parts.

    • Collection of information on toxicity and prohibition (Material Safety Data Sheet) of related chemicals (Material Safety Data Sheet).

    • Show results from inspections implemented by the supplier's management system.

- **Inspection and Guidance of Suppliers' Social Responsibility**

  – Innodisk has established supply chain management procedures and has introduced RBA (Responsible Business Alliance) into our supply chains to perform inspection and guidance regarding "human rights, environment, safety, health, and management systems" of our suppliers. Innodisk is constantly aware of the measures implemented by suppliers in areas such as environment, safety and health. We continue to encourage suppliers to reinforce business ethics, protection of labor rights, attention to the working environment and safety of workers and the development of materials and operational procedures that reduce environmental impact.

- **Guidelines on Ethical Behavior of Procurement and Suppliers**

  – To avoid fraudulent behavior between any personnel and the suppliers, procurement personnel at Innodisk are periodically rotated and are strictly prohibited from accepting money or any form of rebate form suppliers. Procurement personnel are also prohibited from dining and gathering with suppliers unless having acquired their supervisor's approval.

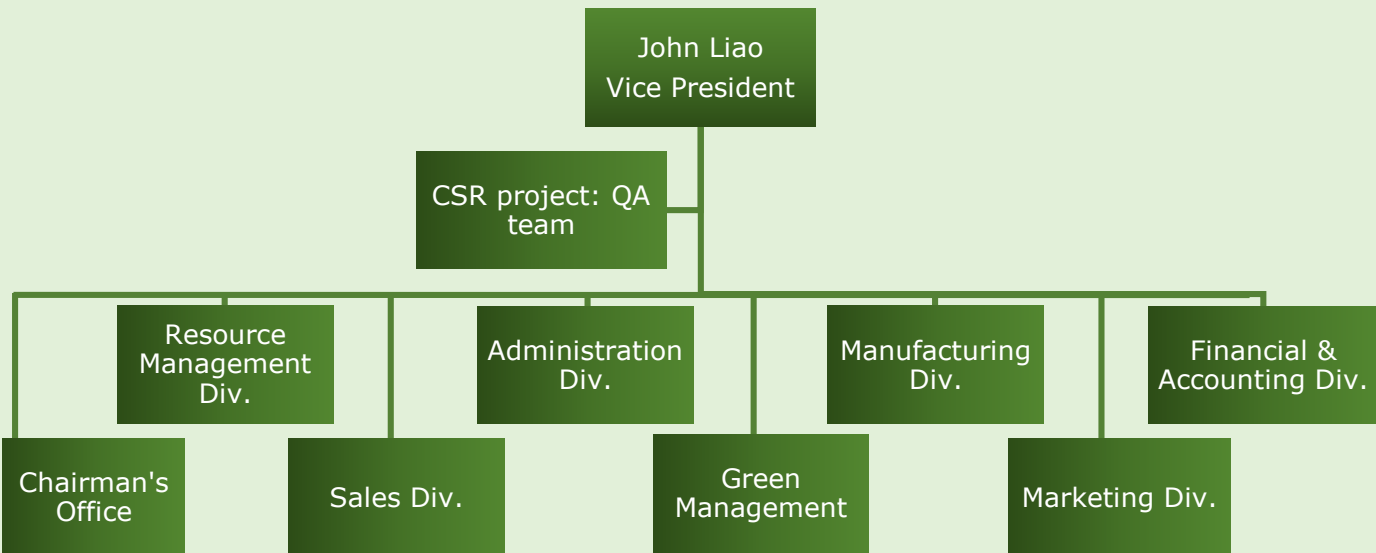# Communication Mechanisms for Stakeholders

Subject	Topics and Modes of Communication	Channel and Frequency of Communication
Clients	◆ Complete annual satisfaction survey as requested by clients. ◆ Complete annual conflict mineral source survey as requested by clients; do not use minerals from the conflict areas. ◆ Employ relevant confidential information protection measures as requested by clients. ◆ Issue statements regarding prohibition of child labor and the place of origin for products as requested by clients. ◆ Client inspection of Innodisk's suppliers. ◆ Clients' tour on the manufacturing process of Innodisk's factories.	◆ Annual Google survey on customer satisfaction. ◆ Real-time meetings for unexpected issues. ◆ Teleconference for certain issues. ◆ Regular annual client visits. ◆ Quarter QPR. ◆ Mailbox for external communication. ◆ Computex VIP meetings. ◆ On-site inspection/tour for clients.
Employees	◆ Set up a mailbox in the cafeteria, allowing employees to voice their opinions at all times. ◆ Hold labor-management meetings.	◆ Once every quarter and representatives of both parties being present at the conferences.
Investors/ Shareholders	◆ General Shareholder Meetings are held, in which the Chairperson, Directors, and senior Managers report the Company's financial statements and status of operation to the general shareholders. Surplus distribution is ratified at the meeting and important resolutions passed. ◆ All of the Company's financial statements and other important financial & business information are announced and disclosed on "MOPS" (Market Observation Post System) platform.	◆ General shareholder meetings held once a year. ◆ Periodic disclosure of financial and business information. ◆ Irregular disclosure revealing major information on MOPS. ◆ Establishment of spokesperson system to reply to shareholders' questions.
Suppliers	◆ Qualified supplier certification. ◆ Green supply chains GPM. ◆ IQC Inspection Status.	◆ Ratification of new products. ◆ Update of quality related documents. ◆ Irregular communication via phone and e-mail. ◆ On-site inspection/year. ◆ Questionnaire/6 months.

Communication Mechanisms for Stakeholders

Subject	Topics and Modes of Communication	Channel and Frequency of Communication
Subcontractors	◆ Subcontracted products quality control. ◆ Trial production of new machinery. ◆ Confirmation of delivery time for subcontracted products & production. ◆ Technology exchange.	◆ Quality Meetings/month. ◆ Factory on-site inspection/year. ◆ Irregular communication via phone and e-mail.
Government	◆ Declaration of "guidelines for work safety" and "occupational safety and health personnel". ◆ Declaration of waste disposal plans.	◆ Irregular official documents from Environmental Protection Bureau and Labor Standards Inspection Office.
Local Residential Buildings	◆ Notification of certain situations such as power outages, construction, engine room, fire drill, etc. ◆ Serve as a member of the management committee to participate in the public affairs of the community.	◆ Irregular communication via phone and e-mail. ◆ Frequent participation in meetings and activities.
Media	◆ Release of new products information (including new products and technology). ◆ Disclosure of company information (relocation, awards received, social welfare, etc.).	◆ Irregular interview and lunch/dinner meetings with the media. ◆ Once-a-month press release to relevant media on average.

CSR Org Chart
The CSR team is composed of communication channels with stakeholders.

John Liao
Vice President

CSR project: QA team

- Resource Management Div.
- Administration Div.
- Manufacturing Div.
- Financial & Accounting Div.
- Chairman's Office
- Sales Div.
- Green Management
- Marketing Div.

Identifying Stakeholders
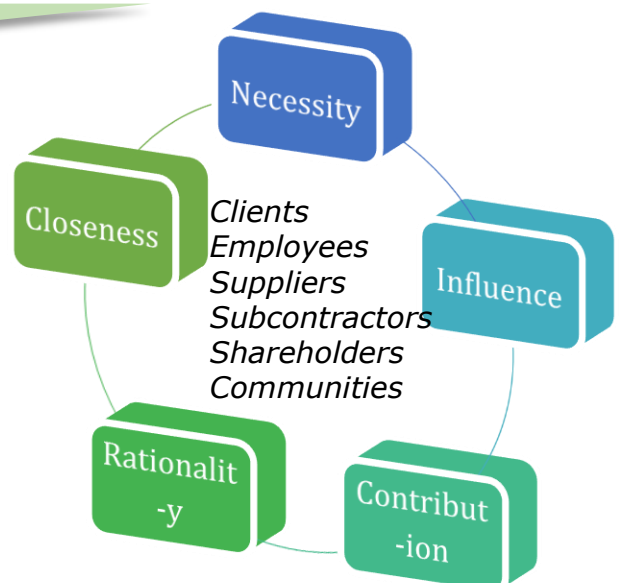# & Relevant Negotiation

- Innodisk hopes to achieve sustainable development through effective communication and negotiation . Innodisk has established a CSR team, whose members are selected from the departments that conduct daily communication with various stakeholders. Through questionnaires, Innodisk can grasp a better understanding of the issues of concern as well as their respective priorities for Innodisk's stakeholders. Systematic identification can be used as basic references for information disclosure within the Company's reports. The following is a systematic explanation on the negotiation process with stakeholders:

1. Establishing a Communication Goal

- Innodisk sees the CSR reports as a strategy for sustainable management. Three issues and a total of nine goals were set after discussions held by the CSR team. The goal this CSR Report is to achieve the communication through disclosure of relevant information.
  - Corporate sustainability in terms of management: Strengthen corporate management / strengthen risk management / improve customer satisfaction.
  - Corporate sustainability in terms of the environment: Dedication to achieving green management / dedication to energy conservation and carbon reduction / paying attention to environmental protection issues.
  - Corporate sustainability in terms of the society: achieving two-way communication / taking care of employees / seeking to contribute to the society.
- Combining the nine goals, Innodisk has raised 31 communication issues

2. Identifying Stakeholders

- Based on our communication goals, the five major indicators, and daily communication with stakeholders, Innodisk has identified six stakeholders that require constant communication according to the business operations types, including: clients, employees, shareholders, suppliers, subcontractors, community buildings.

Necessity

Closeness

Clients
Employees
Suppliers
Subcontractors
Shareholders
Communities

Influence

Rationalit-y

Contribut-ion

Identifying Stakeholders & Relevant Negotiation

3. Collection of issues on Corporate Social Responsibility

– "CSR Reports" cover a wide range of issues. Innodisk conducted a questionnaire survey (regarding the 31 communication issues, with the CSR team handing out questionnaires to stakeholders) to understand and analyze the issues of concern for each category of stakeholders. The survey serves as basic reference for the information disclosed in Innodisk's CSR reports. The following is the distribution of the responses from stakeholders:

Pie chart:
- 1%
- 1%
- 10%
- 10%
- 12%
- 66%

Legend: supplier, client, employee, media, Community, shareholder
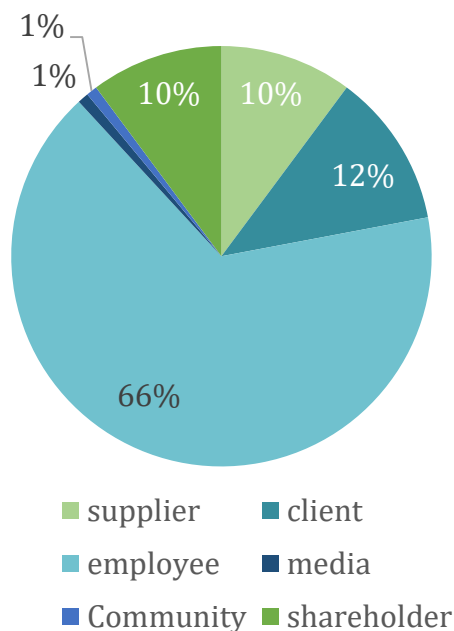
4. Analyzing issues on Corporate Social Responsibility

– Innodisk hands out questionnaires to different stakeholders regarding the issues of concern. The responses are then analyzed after taking into consideration the scores and distribution of each issue under different assessment criterion from different stakeholders.

– In addition, questionnaire surveys on the Company's supervisors are used to identify the substantial issues that the Company is concerned with.
The two above surveys are used to identify the major issues of the concern for the Company and its stakeholders, which will then be disclosed in the Company's CSR reports.

5. Examination & Results

• Range of the major consideration defined in this Report mainly focuses on Innodisk's Xizhi headquarters, the operation of factories, and upstream and downstream of the Company's headquarters. This does not fully cover data from affiliated companies and oversea branches.

– After factoring the influence of distribution, Innodisk identifies 17 important issues according to the results of substantive analysis on the degree of concern from stakeholders on major issues:

Identifying Stakeholders & Relevant Negotiation

- Corporate sustainability in terms of management: corporate management, sustainability strategies, product quality/technology R&D, business operation and financial performance, risk management, privacy policy, customer satisfaction survey, customer service management, supply chain management, guidelines for ethical/moral behavior
- Corporate sustainability in terms of the environment: green supply chain management, green product/service design and development, and management of hazardous substances
- Corporate sustainability in terms of the society: occupational safety and health, labor-management relations, employee rights, employee benefits and salary.

Innodisk collected questionnaires for materiality analysis to identify stakeholer's concern, and listed in the materiality matrix.

Stakeholder

★ Satisfaction Survey of Employee ★ Employee Welfare and Salary ★ Operating Financial Performance

★ Recruitment and the Ability to Attract and Keep Outstanding People ★ Employee's Rights

★ Career Development and Training ★ Occupational Safety and Health ★ Sustainable Development Strategy

★ Hazardous Substance Management ★ Corporate Governance

★ Social Performance Management of Suppliers ★ Labor Relationships

★ Green Product / Service Design and Development ★ Environmental Policy / Management System ★ Product quality / Technical research

★ Supply Chain Management ★ Customer Service Management

★ Product Carbon Footprint ★ Greenhouse Gas Emissions ★ Privacy Policy ★ Risk Management

★ Satisfaction Survey of customers

★ Energy Management ★ Green Supply Chain Management ★ Stakeholders Communication

★ Water Use and Waste Water Discharge Control ★ Participation in Community and Society's Activities ★ Moral / Ethical Conduct

★ Air Pollutant Control

★ Waste Management and Recycling

★ The use of raw materials and recycled materials

Company

Sustainable Development

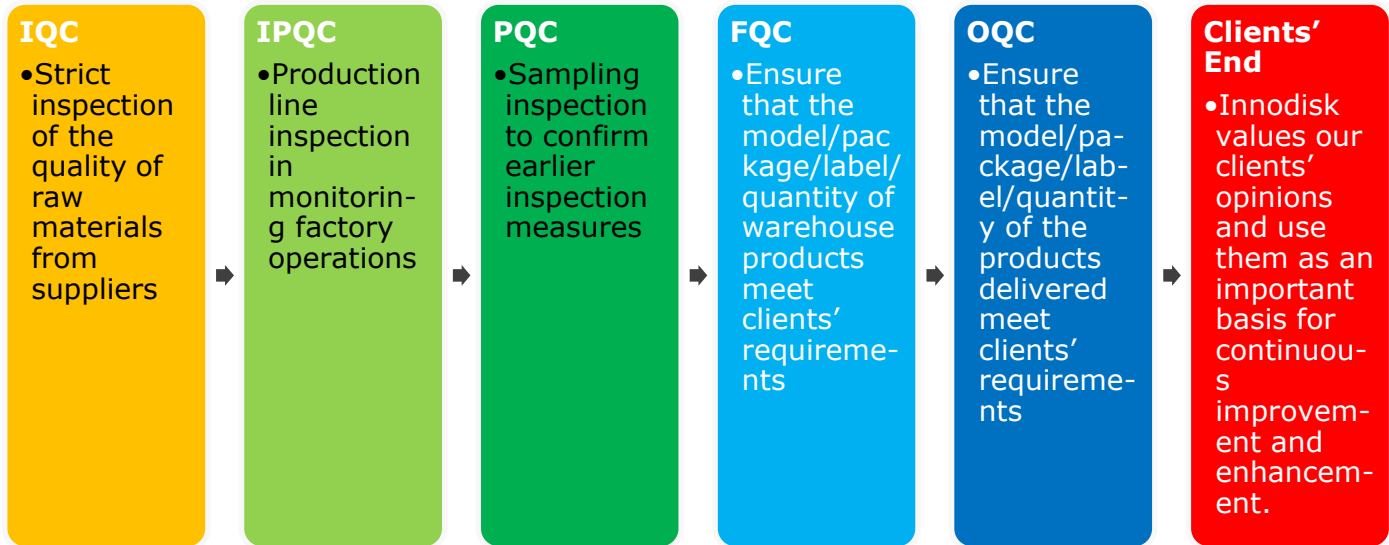- Our sustainable development strategy as below:

Quality Policies **ISO9001**	HSF Policies **IECQ:QC080000**	Information Security Policy **ISO27001**	Environmental Health Safety Policies **ISO14001+ISO45001+ISO14604-1**
Innovative and Reliable Design Professional and Dedicated Services Satisfactory and Trusty Quality Fast and Accurate Delivery	To have effectiveness monitoring To compliance the policy To use green products To satisfy customers	Everyone is responsible for information security	To strengthen eco training To reduce carbon emission To run sustainable management To promote safety awareness To promote employee health To control harm risk To compliance the policy To continue improvement To reduce the pollution To get zero disaster target

ISO9001 X ISO14001 X IECQ QC080000 X ISO45001 X ISO27001 X ISO14064-1
Quality Management System X Environmental Management System X Hazardous Substance Process Management System X Occupational Safety and Health Management System

Check more information on our website.

Product Quality

- Innodisk strongly believes that good quality comes from multiple inspections at various stages of production. From design and development to production and delivery, Innodisk is committed to maintaining good quality in all stages of production. Moreover, Innodisk also actively pursues relevant certificates.

IQC	IPQC	PQC	FQC	OQC	Clients' End
•Strict inspection of the quality of raw materials from suppliers	•Production line inspection in monitoring factory operations	•Sampling inspection to confirm earlier inspection measures	•Ensure that the model/package/label/quantity of warehouse products meet clients' requirements	•Ensure that the model/package/label/quantity of the products delivered meet clients' requirements	•Innodisk values our clients' opinions and use them as an important basis for continuous improvement and enhancement.

- Innodisk strives to provide optimal service for our clients. Absolute Service™: "Service is not just what we do. It is who we are." This is our motto. To serve our clients from around the world and to promote real-time information exchange and positive interaction, we have developed the Myinnodisk online service platform. Clients can view the real-time status of the processing, delivery, maintenance of their orders and the handling status of their complaints 24/7. Clients can also download the latest product information and agent marketing tools for agents at any given time.

Customer Satisfaction Survey

- Innodisk conducts product quality, regulations and management on hazardous substances (HSF), delivery speed, after-sales service, price, technical service, information availability, etc. customer satisfaction surveys annually and automatically sends questionnaires through the system. Deducting the clients whose annual transaction is less than NT$500,000, the recovery rate should at least be 50%. If a client gives less than 3 points on an individual survey item or if the total average given less than 3 points, Innodisk's relevant departments will hold internal discussions and provide our clients with an appropriate response.

- In 2020, we had a total of 1,360 trading partners. Not counting the 709 clients whose annual transaction falls below NT500,000. The number of valid questionnaires was 327, and the total average score was 4.3 (out of 5). The highest average score for an item is 4.7 points (Reply Efficiency), while the lowest average score is 3.5 points (Information Update).

Diagram of Customer Satisfaction Score Curve
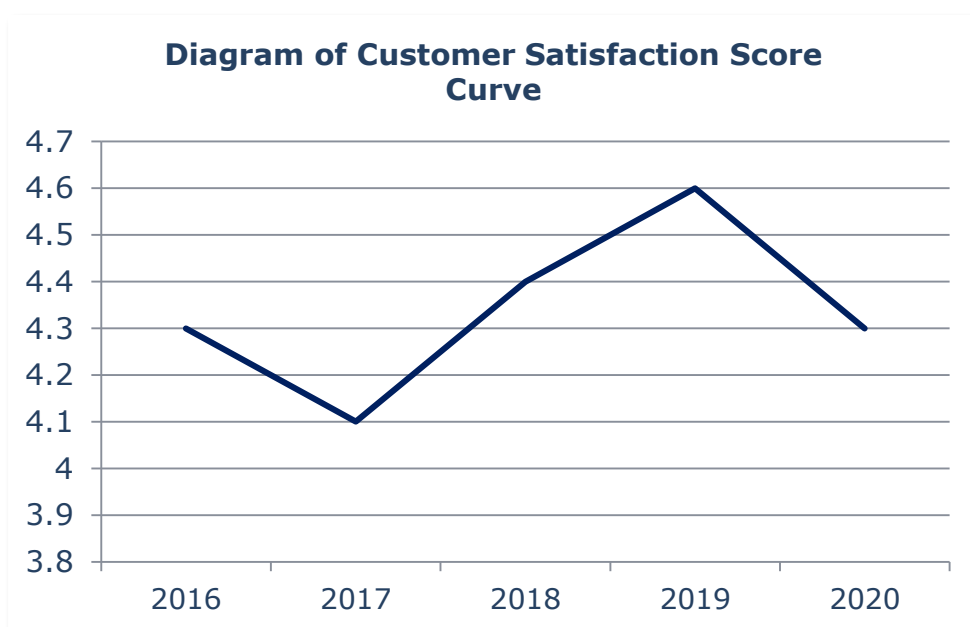
- **Customer Privacy Policies (Non-disclosure Agreement)**
  - Strict compliance to our non-disclosure agreement is one of Innodisk's fundamental commitments to our clients. Any confidential information provided by our clients, whether it be software technical documents or clients' information provided by agents, will be securely protected in accordance with pre-signed non-disclosure agreements tailored to the clients' needs. We make sure that our clients' information safety needs are attended to.

Business Continuity Plan

- Innodisk has identified every possible risk, and make the Business Continuity Plan to ensure the continuous support for our value customers. If there is any major accident makes our factory shutdown, Innodisk can transfer the data to the Yi-Lan site within one hour.

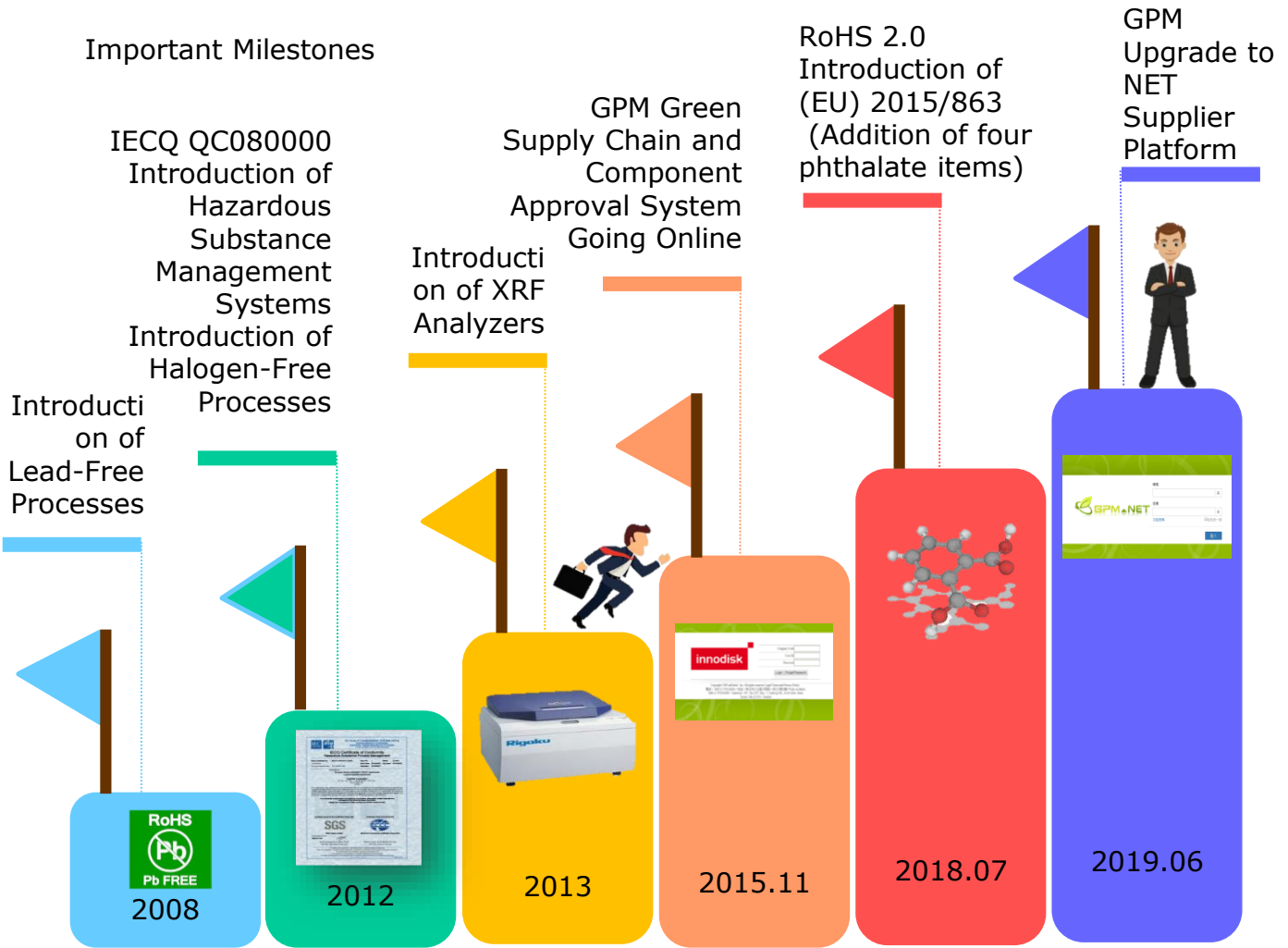| Data Backup every hour	Copy the data to warm site	Annual DR drill	Doing the drill	Saving record
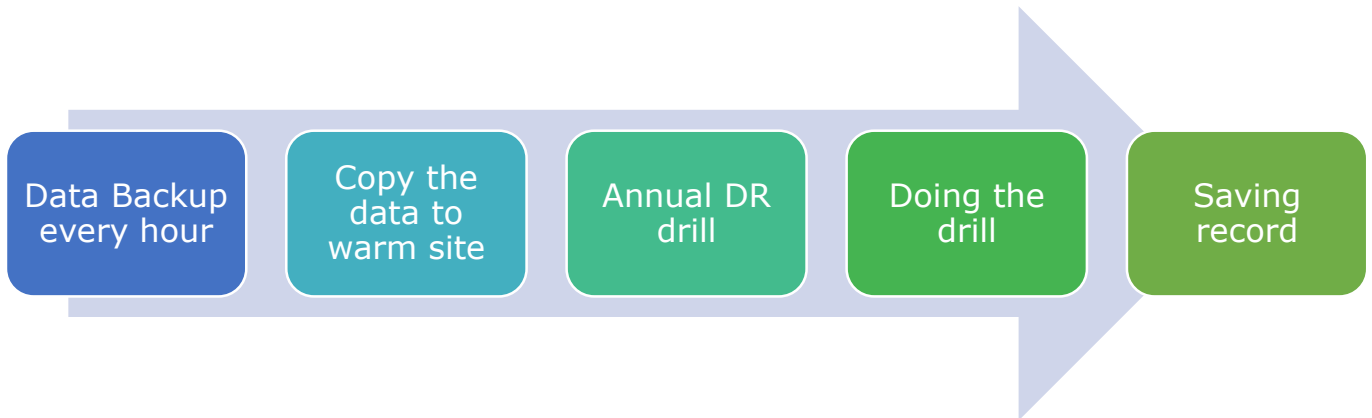
- Apply the PDCA cycle to monitor our BCP, and continue to improve it.

Act

Plan

Check

Do

Environmental Sustainability

Hazardous Substance Management

Important Milestones

Introduction of Lead-Free Processes
2008

IECQ QC080000 Introduction of Hazardous Substance Management Systems Introduction of Halogen-Free Processes
2012

Introduction of XRF Analyzers
2013

GPM Green Supply Chain and Component Approval System Going Online
2015.11

RoHS 2.0 Introduction of (EU) 2015/863 (Addition of four phthalate items)
2018.07

GPM Upgrade to NET Supplier Platform
2019.06

Hazardous Substance Management

- Effective Monitoring
- Implement Regulations
- Hazardous Substance Management
- Green Product
- Customer Satisfaction

Hazardous Substance Policies

Monitor

RD and component engineer

Relevant Department   Green Management   DCC
                       Received approval   Save document
                       sheet

√ **Component Approval**

Resend   Reject

Supplier

√ **Incoming Quality Control**

Receiving Materials   Reject

Pass   Sample receiving

Warehouse   IQC

Implementation

• Declaration of Conformity and CE Label: All electrical and electronic products should be marked with a clearly visible CE label, stating that these products comply with all applicable EU regulations (including EU machinery safety, electromagnetic interference, and RoHS). After products are put on the market, the manufacturer shall keep the above Declaration of Conformity and relevant technical documents for a period of 10 years.

Conformite Europeene

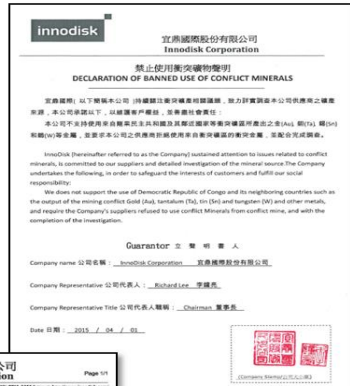**Compliance with the European Standards**

✓ **Complying with RoHS**

CE

EverGreen Plus 2.5 SATA SSD
P/N : D2SL-64GJ20AW2EN
BCA11307240050002   64GB
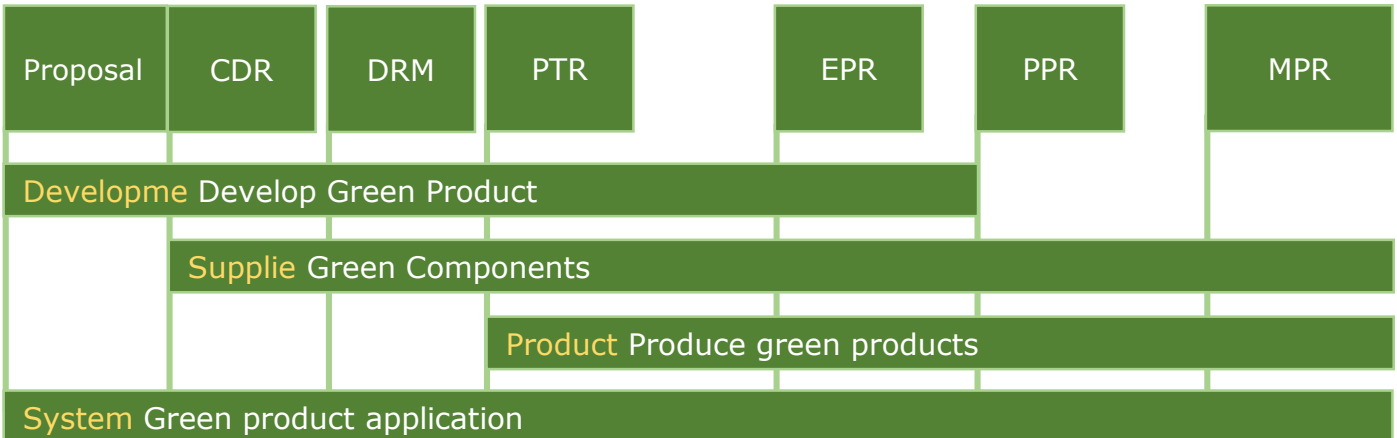Made in Taiwan   FC CE RoHS

Hazardous Substance Policies

RoHS

REACH-SVHC

Banned Use of Conflict Mineral

DMF

PFOA

- **Produce products that are environment-friendly, thereby reducing impact to the environment.**
  - Green Design - Maximize the possibility of recycle and reuse.
  - Green Procurement - Raw materials provided by suppliers must comply with international regulations and clients' requirements.
  - Green Database Management - Effective storage and management of technical files.
  - Green Supply Chain - upstream and downstream should be adequately connected.
  - Green Certification -IECQ: QC080000/ISO14001.

| Proposal | CDR | DRM | PTR | | EPR | PPR | | MPR |

Developme Develop Green Product

Supplie Green Components

Product Produce green products

System Green product application

Establishment of the Green Product Management System

- Innodisk has established HSF MS (HSF Management System) and introduced the green supply chain platform GPM. GPM combines aspects such as materials and components, international regulations, clients' standards, suppliers, etc., and allows suppliers to directly file for green product examination, access control status and specification drawings, etc. After Innodisk's inspection units have inspected, analyzed, and confirmed the degree of compliance with green product regulations, the green design requirements of multinational enterprises can then be combined to provide clients with information on green product management and also incorporate clients' regulations. Moreover, the green product client requirements are then integrated into our management system to serve as references for our daily green product designs.

- In accordance with the IECQ: QC080000 standard and with reference to international regulations and customer needs, Innodisk has formulated the HSF product operation standard QWQA000600. All products shipped by Innodisk are controlled, and the controlled substances are evaluated from time to time and updated for reasonableness. We hope to provide customers with low-toxicity and low-pollution products through green supply chain management, reduce the harm to the human body or the environment, and achieve the purpose of selecting environmentally friendly materials.

> **Innodisk's HSF Products Operating Standard: QWQA000600**

RoHS Controlled Substances:	**Prohibited and Restricted**
• Lead and lead compounds (Pb)	• REACH: Appendix 14 & 17
• Hexavalent chromium (CrVI)	• Substances of Very High Concern (SVHC) Items 1-211
• Cadmium and cadmium compounds (Cd)	• Short chain chlorinated paraffins (SCCPs)
• Mercury and mercury compounds(Hg)	• Ozone Depleting Substances (ODS)
• Polybrominated biphenyls (PBBs)	• Dimethyl fumarate (DMF)
• Polybrominated Diphenyl Ether (PBDEs)	• Asbestos
• Phthalates　(DEHP/BBP/DBP/DIBP)	etc…
etc…	

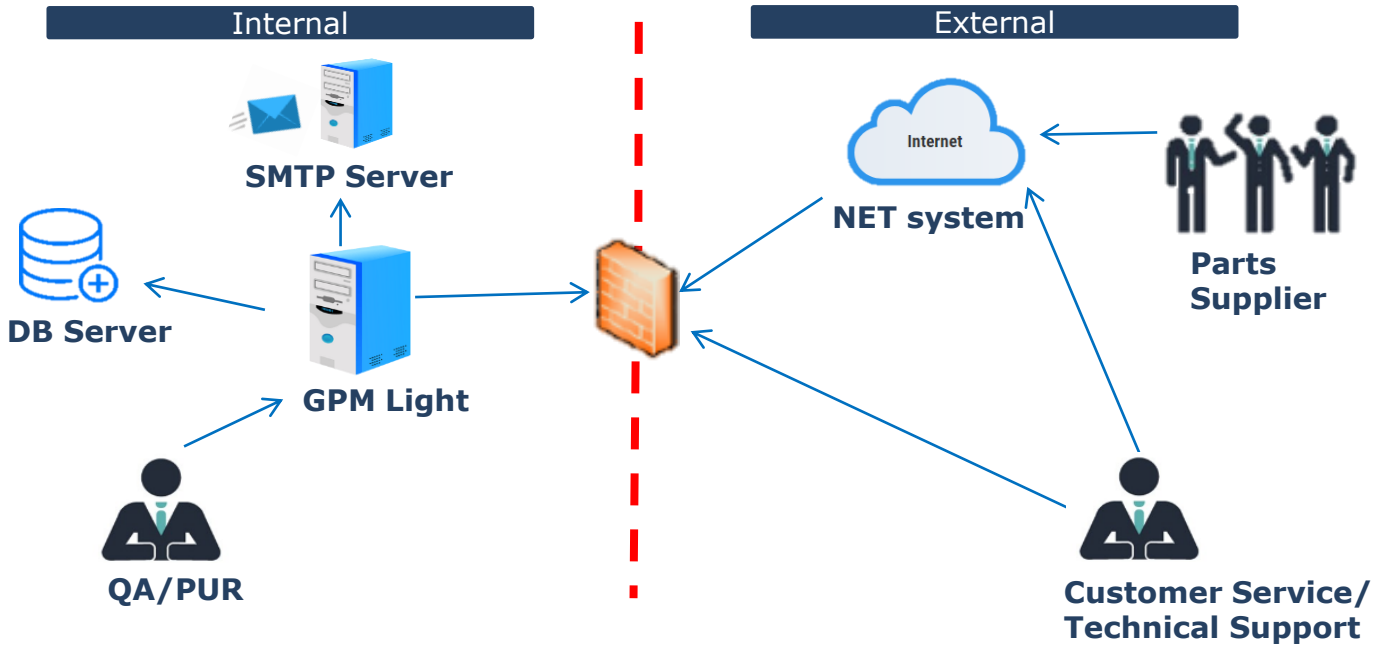**Suppliers** > **Innodisk** > **Customer**

- Provide and guarantee raw material information
- Collect and summarize, confirm the original materials and promise the product's safety
- Meet customer requirements and specifications for hazardous substances

GPM NET Supplier Platform

Green Supply Chain and Parts Recognition System (GPM2.0)

After the introduction of GPM at the end of 2015, the original part recognition and green supply chain management process were transferred from the combination of traditional paper and electronic form to an online system for filling operation and review. As a result, paper and resource waste were reduced, and a complete interaction platform was provided as well.

After one year of introduction, we are committed to the system customization optimization process, separating the part specifications from the green document review process and optimizing the timeliness of restarting after returning.
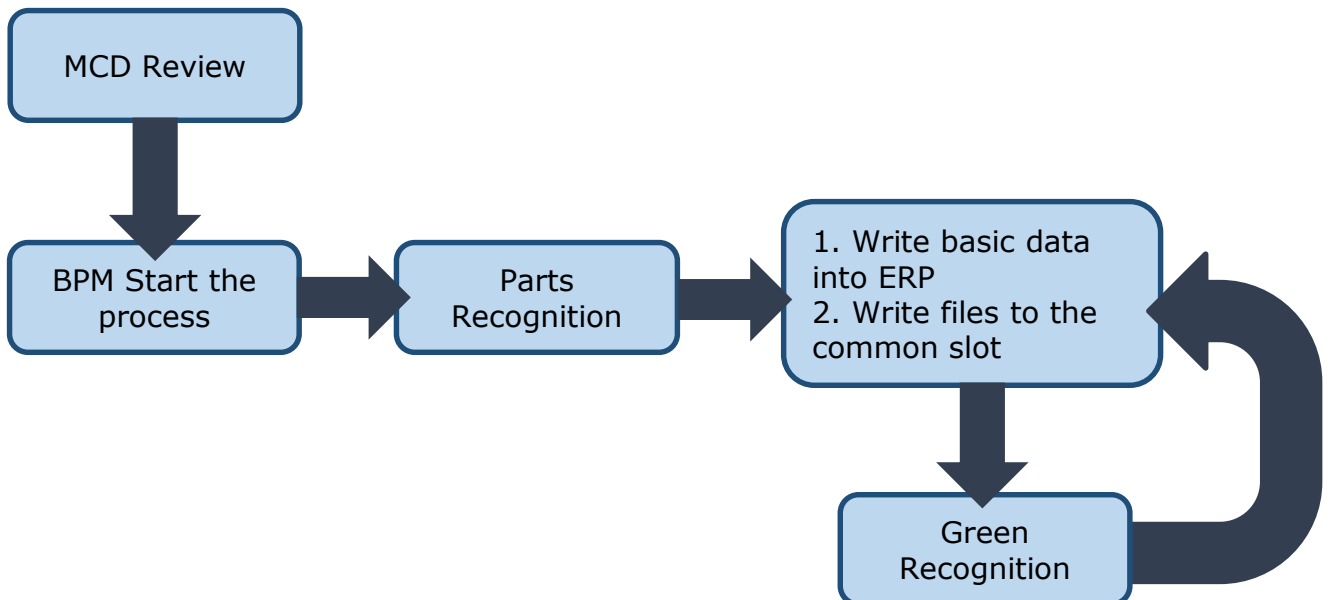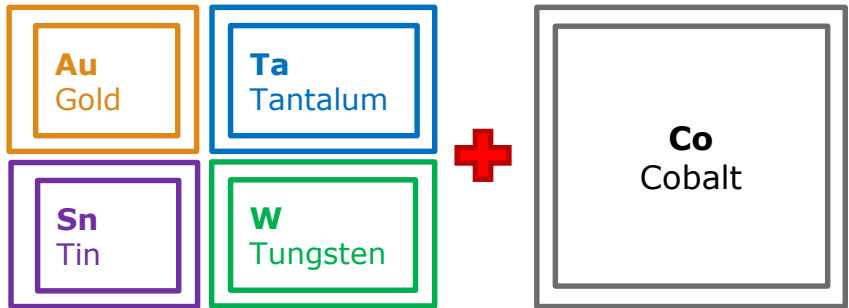
Non-Use Conflict minerals

- Using CMRT (Conflict Minerals Reporting Template) to investigate our suppliers. This ensures that the gold (Au), tantalum (Ta), tin (Sn) and tungsten (W) contained in parts provided by suppliers do not come from "conflict mining zones".
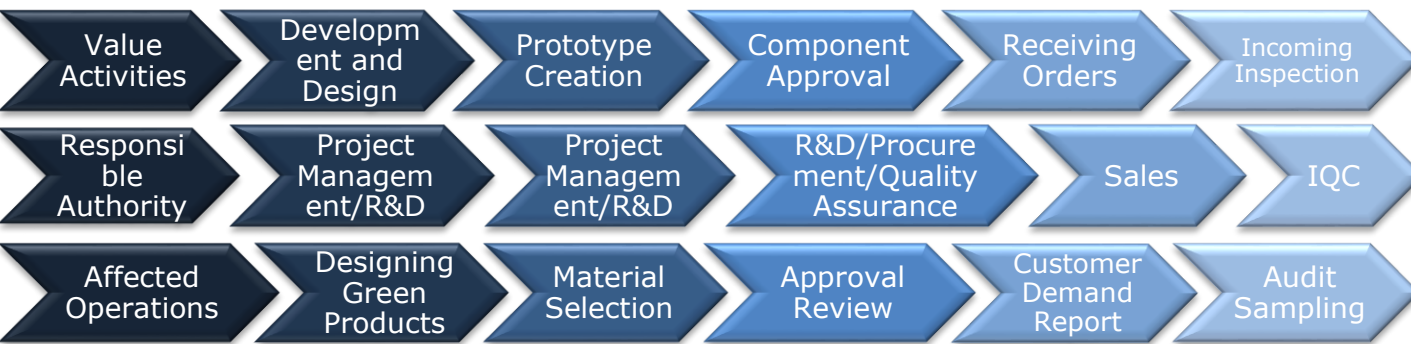

Cobalt Reporting Template (CRT)

- In recent times, improper excavation of cobalt (Co) gradually gained global attention.
  The Democratic Republic of Congo (DRC) is the world's largest producer of cobalt, with more than 50% of the world's cobalt reserves. Cobalt is used for materials such as lithium-ion batteries which constitutes parts from electric cars, mobile phones and laptop computers. Demand for cobalt is estimated to greatly increase in the next few years. Cobalt is extracted through mechanical and manual mining operations, with recent reports highlighting the unsafe working conditions in manual mining and concern for child labor.

- As part of the supply chain, it is our duty to complete relevant investigations. Innodisk hopes to work with its suppliers in achieving corporate sustainable development, as well as ensure that its products do not contain conflict minerals and conduct comprehensive cobalt investigations.

Au Gold	Ta Tantalum		Co Cobalt
Sn Tin	W Tungsten	➕	

Innodisk's Internal Value Chain and Effects of Non-Hazardous Substances

Value Activities	Development and Design	Prototype Creation	Component Approval	Receiving Orders	Incoming Inspection
Responsible Authority	Project Management/R&D	Project Management/R&D	R&D/Procurement/Quality Assurance	Sales	IQC
Affected Operations	Designing Green Products	Material Selection	Approval Review	Customer Demand Report	Audit Sampling

Manufacturing Site at Yi-Lan: Silver Class of Green Building Labeling

- **Innodisk adheres to the support of sustainable development of the environment. When the Yi-Lan Site was built, we started to move in the direction of green buildings.**
  - We designed the blueprint of the building from an environmental protection perspective. The green space was expanded, the solar panel building space was reserved, and the double-glazed glass with good lighting and low radiation was applied. While protecting and greening the environment, the wide viewing angle and friendly environment can be better taken into account to create the comfort of employees in the workplace.

Energy saving   Ecology

綠建築標章
GREEN BUILDING

Health   Waste reduction

◉Interior building materials decoration

◉ Energy saving air conditioning

◉ Greening the environment

◉ Light environment

◉ Ventilation environment

◉ Sound environment

◉Energy-saving lighting

◉ CO2 reduction

◉aily environment

◉ Life water saving

◉Soil water retention

Environment & Health

Environment/Occupational Safety/Health Management

- **Commitment to the Environment, Occupational Safety, and Health Management**
  - Environment management
  - Environmental policy
  - Waste management
  - Air pollution management
  - Water management
  - Environmental laws conformity
  - Expenditure on environmental safety & health
  - Occupational safety & Health
  - Energy management

- **Environment Management**
  - Since its establishment, Innodisk has not only devoted itself to researching and developing industrial control products but also strives to becoming a leading corporation of the industry. As environment preservation as our biggest responsibility, Innodisk pursued and successfully obtained ISO14001 certification in 2012 and is constantly committed to achieving sustainable development for our planet. We also obtained ISO45001 certification in 2018 and ISO14064-1 certification in 2020.

- **To save energy, we have long encouraged our colleagues to adopt the following energy-saving measures.**
  - Sign appropriate power capacity contracts with Taiwan Power according the nature of Innodisk's power usage.
  - At the end of each month, confirm the power usage of each power-using site to ensure safety.
  - Use T5 energy-saving lamps throughout the factory.
  - Use LED light for fire indicator light.
  - Cut off unnecessary public power consumption during lunch breaks.
  - Air conditioning in the factories are parallelly connected to reduce the number of water chillers in operation.
  - Uniformly set the on and off time of air conditioners to save power.
  - Set air conditioning at 24-26 degree Celsius in summer, and 26-28 degree Celsius during non-summer periods.
  - Cut off the power supply during consecutive holidays to reduce standby power consumption.
  - Regularly check the switchboard to maintain good power efficiency.
  - Eliminate old equipment and use products with energy-saving stamps.
  - Use curtains to reduce power consumption.
  - Provide employees with environment-friendly utensils to reduce the use of disposable utensils.

Waste Management – Xizhi Site

- **Waste Management**
  - There are 3 main types of industrial waste from Innodisk general industrial waste, hazardous industrial waste, and recyclables. The general industrial waste consists of domestic garbage and is handled by the qualified cleaning company entrusted by the site's management center. The hazardous industrial waste includes printed circuit boards containing metal components, as well as its refined powder, and liquid waste that has a flashpoint lower than 60 C. The recyclables include waste plastic, scrap iron, waste tin, waste dry cell batteries, waste paper, waste plastic bottles, and waste aluminum and foil packaging.

Xizhi Site — Unit: Ton

Yi-Lan Site — Unit: Ton
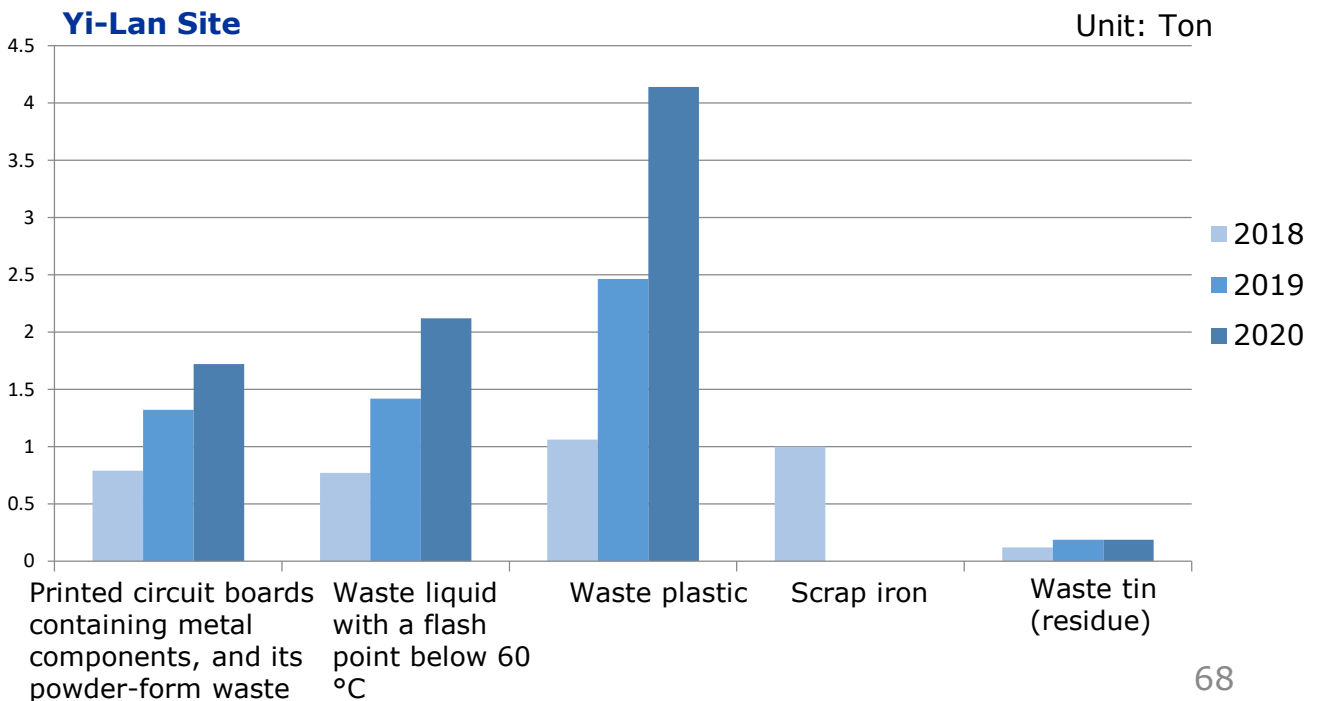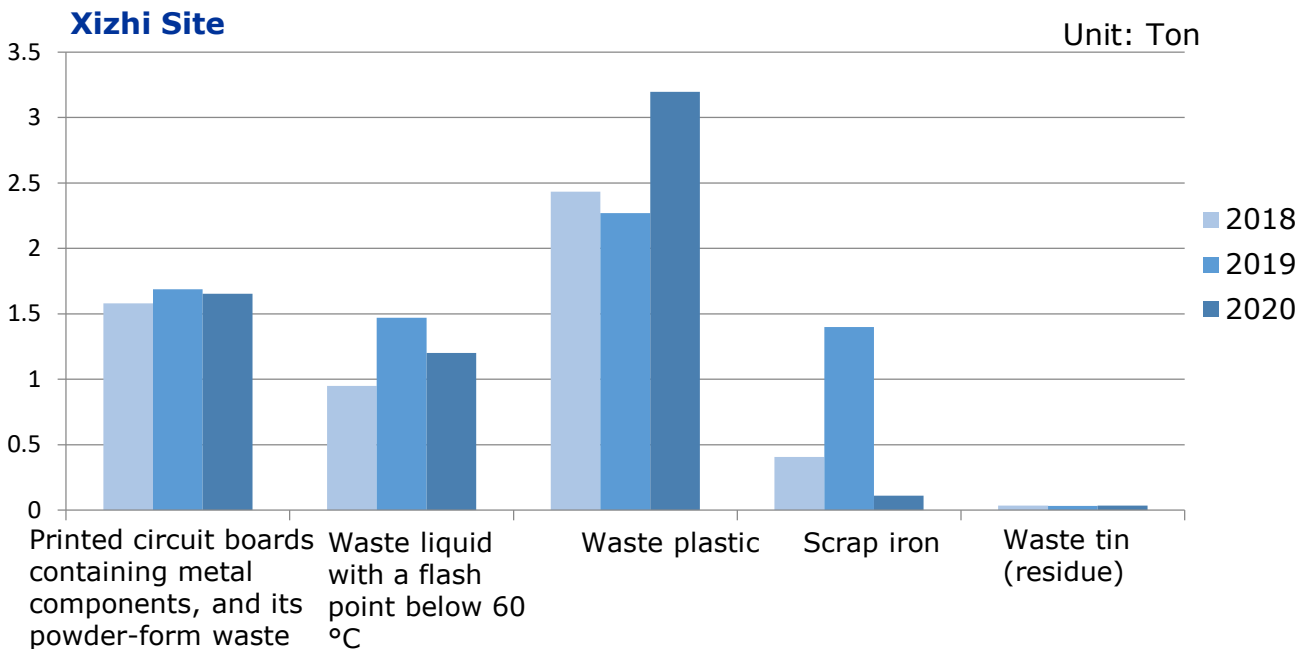
Air Pollution Management
Water Resource Management

- **Air Pollution Management**
  - Waste gases produced from Innodisk's manufacturing process do not contain significant air-polluting particles and are not restricted by the Environmental Protection Administration. However, as we are committed to environmental protection, Innodisk insists on entrusting qualified examination institutions in conducting pollutant particle tests on our emissions every year. The test results every year all comply with the restrictions set by the Environmental Protection Administration.

XiZhi Site	2018	2019	2020	YiLan Site	2018	2019	**2020**
TSP (µg/m^3) Test Results	41	37	51	TSP (µg/m^3) Test Results	79	61	25
Restrictions	500	500	500	Restrictions	500	500	500
Conformity	P	P	P	Conformity	P	P	P

- **Water Resource Management**
  - Innodisk does not use water in our manufacturing process. All our water usage comes from employees' daily usage, with the water source coming from tap water. All water readings are gathered from the buildings' public water meters since Innodisk does not install private meters. The registered amount is calculated by applying proportionate calculations to the amount recorded on the public meters. As the number of other building users has increased, public water usage has significantly increased. For that reason, the calculated water usage of Innodisk has increased over the years. In addition, Innodisk has installed inductive faucets are installed in washrooms to save water and hand dryers are also used to reduce the use of paper towels.

XiZhi Site	2018	2019	2020	YiLan Site	2018	2019	2020
Total CBM	5,984	5,902	4,328	Total CBM	3,695	4,227	5,766
Average CBM/person	13.2	13.1	9.62	Average CBM/person	28	28	38

Note: Divided by a total of 450 people   Note: Divided by a total of 150 people

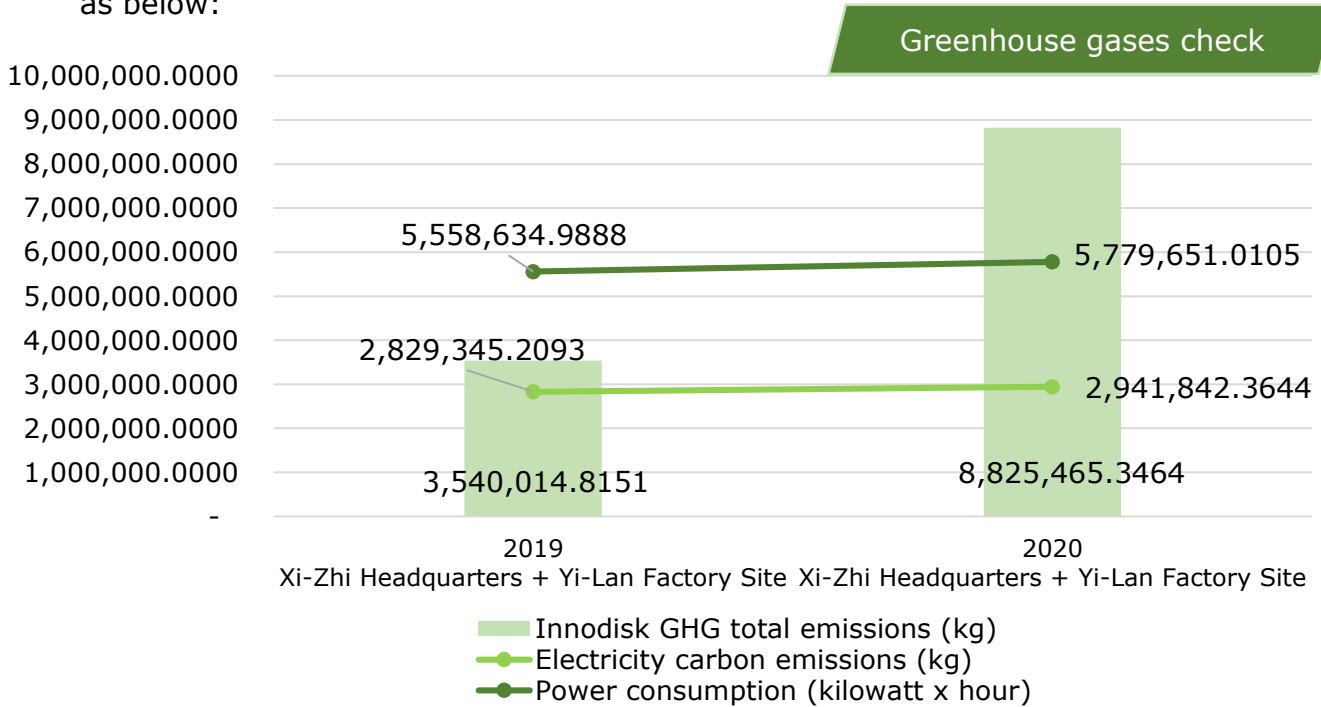- **Occupational Safety and Health laws conformity**
  - No noncompliance with environmental laws and regulations happened in 2020.
- **Occupational Safety & Health Expenditure**

	XiZhi Site			YiLan Site		
	2018	2019	2020	2018	2019	2020
Waste Disposal Information	84,000	222,800	215,950	115,720	387,000	520,998
Working Environment Monitoring	19,740	32,000	43,545	18,480	45,045	43,260
Air pollutant Detection + Ambiant Noise (Yi-Lan)	11,000	9,450	9,450	15,000	15,000	15,750
Drinking Water Quality Testing	13,800	10,800	10,800	7,200	3,600	3,600
PPE procurement (including first-aid kit)	46,150	24,437	187,497	8,000	22,232	19,420
GHS Label Printing	0	6,000	0	0	0	0
Total	174,690	174,690	467,242	164,400	472,877	603,028

Energy Management

- Our main energy source production process is from purchased electricity. ISO14064-1 was introduced in 2020 to disclose the greenhouse gas consumption of the two factory sites of the company. In 2020's check, the company's total emissions increased due to the newly exposed carbon emissions of the company's main raw material purchases. Our main energy source production process is from purchased electricity. The indirect greenhouse gases are plotted as below:
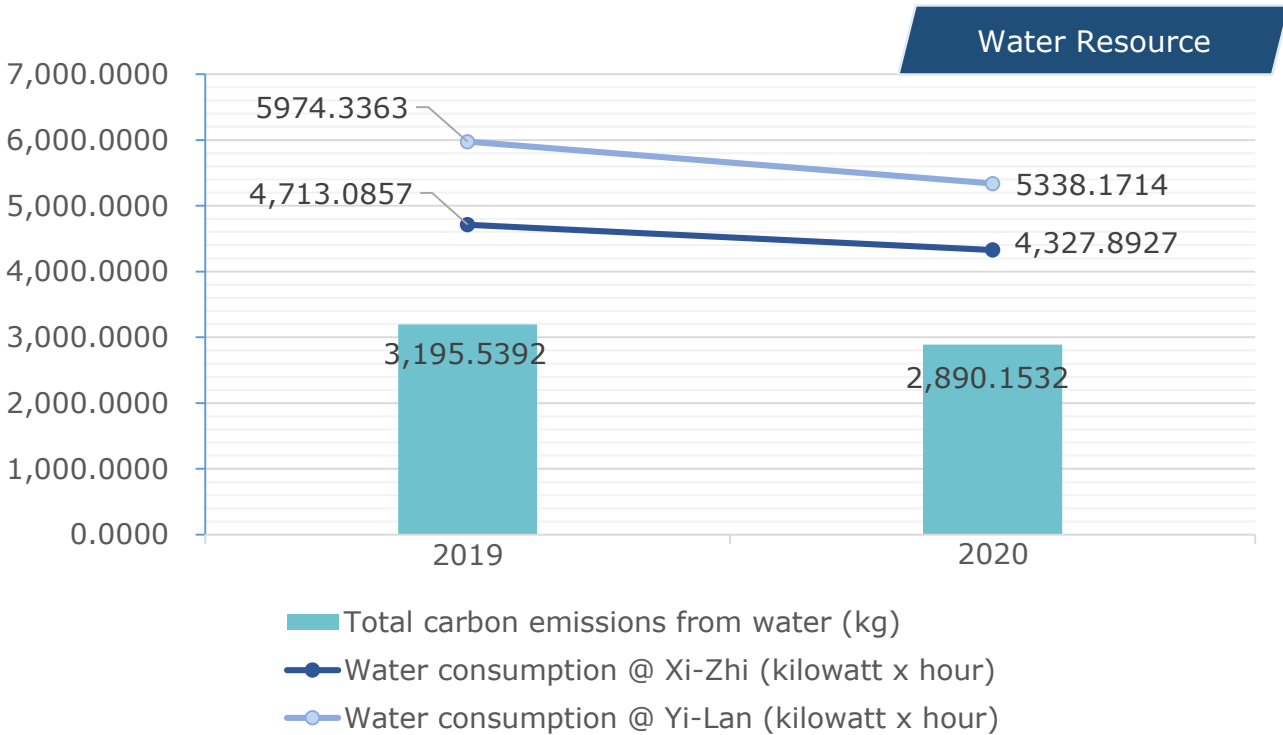
Greenhouse gases check

	2019 Xi-Zhi Headquarters + Yi-Lan Factory Site	2020 Xi-Zhi Headquarters + Yi-Lan Factory Site
Innodisk GHG total emissions (kg)	3,540,014.8151	8,825,465.3464
Electricity carbon emissions (kg)	2,829,345.2093	2,941,842.3644
Power consumption (kilowatt x hour)	5,558,634.9888	5,779,651.0105

- The types of greenhouse gas emissions calculated by Innodisk's check include CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3. This year, since the source of raw material emissions is also included in the disclosed emissions sources, the base year is set to be 2020. In 2015, the total emissions in the base year were 8825.465 metric tons of CO2e, and third-party verification was completed in accordance with the ISO14064-1:2018 version.

- Innodisk checked the two factories that accounted for 100% of revenue, namely Xizhi Headquarters and Yi-Lan Site.

- Please refer to the following table for the emissions of Scope1 and Scope2 in 2020:

Unit: CO2e-t

Site	Scope1 Emissions	Scope2 Emissions	Revenue/GHG Scope1 Emissions	Revenue/GHG Scope2 Emissions
Xizhi	34.8367	1712.8720	205300928.5849	4175443.2408
Yi-Lan	71.8102	1228.9703	99595899.0371	5819505.8771
Total	106.6469	2941.8424	67062457.5370	2431129.5828

Energy Management

- Innodisk has no plant wastewater, so only domestic water was produced.
- The water usage calculation method of the Xizhi Headquarters is to apply proportionate calculations to the amount recorded on the public meters in the Science Park Building, and the Yi-Lan Site has a private water meter.

Water Resource

Chart values:
- 5974.3363
- 4,713.0857
- 5338.1714
- 4,327.8927
- 3,195.5392 (2019)
- 2,890.1532 (2020)

Legend:
- Total carbon emissions from water (kg)
- Water consumption @ Xi-Zhi (kilowatt x hour)
- Water consumption @ Yi-Lan (kilowatt x hour)

- **Occupational Safety and Health**
    - To prevent occupational injuries, Innodisk periodically examines our machines and conducts educational training on general occupational safety and health and fire fighting to increase employees' awareness of safety and health. Danger signs are also installed in the factory to prevent occupational injuries. In addition, in order to ensure that the working environment meets the safety and health standards, measurements on the quality of drinking water, noise, organic solvent concentration, carbon dioxide concentration, illuminance, etc. of employees' working are regularly conducted to ensure the quality of our working environment, as well as to protect the employees' health, and to prevent occupational health problems.
    - The distribution board is locked and regulated to prevent electric shocks due to accidental activations of the board.
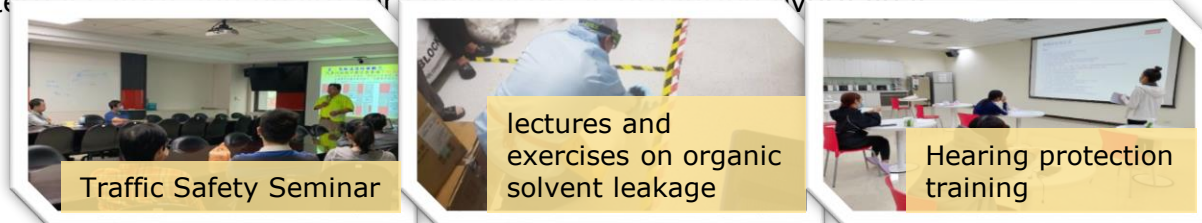
Occupational Safety and Health

- **Occupational Safety and Health**
Apart from traffic accidents that occurred when commuting to and from work, no occupational accidents occurred at Innodisk in 2018. In addition to occupational safety issues, Innodisk pays even more attention to the employees' health. Innodisk invites specialists to provide consultation at the factory every month. Innodisk also organizes lectures on health every quarter to discuss issues on safety and health for the employees. In addition, Innodisk provides our employees with biyearly medical examinations, which is better than required by the Labor Standard Act. Innodisk also successively holds activities to promote health, implements a smoke-free policy at work, provides nursery rooms for female colleagues, and creates a safe and hygienic dining environment.
To increase colleagues' knowledge on safety and health and prevent occupational accidents, educational training on general labor safety and health, lectures on fire fighting, lectures and exercises on organic solvent leakage, and on-job training on external safety and health for supervisors is organized every year.

Traffic Safety Seminar

lectures and exercises on organic solvent leakage

Hearing protection training

- **Statistics on Occupational Injuries**
To achieve higher standard management of occupational safety and health management, Innodisk has in March 2014, filed an application for the accumulative records on the occupational accident-free working hours. As a result, as of December 2020, we accumulated more than 5.96 million hours. Furthermore, in May 2020, Innodisk received its fourth record certificate for occupational accident-free working hours from the Industrial Safety and Health Association (ISHA) of the R.O.C. With the above achievements, Innodisk unites our colleagues to work in a safe and secure manner as we strive to achieve our goal of creating an occupational accident-free working environment. In 2020, no occupational accidents occurred to any of our contractors.
No occupational accidents or incidents regarding industrial safety occurred in our factories. Hence, the disabling injury frequency rate (DIFR) and disabling injury severity rate (DISR) counted are both zero. (The three traffic accidents that occurred to our employees when commuting to and from work in 2020 are not counted.)

Factory Site	Year	# of people involved in disabling injuries	# of days involving disabling injuries	Total working hours	Disabling Frequency Rate (FR)	Disabling Severity Rate (SR)	Frequency-Severity Indicator (FSR)
Xi-Zi	2018	0	0	983,009	0	0	0
	2019	0	0	954,395	0	0	0
	2020	0	0	909,261	0	0	0
Yi-Lan	2018	0	0	80,000	0	0	0
	2019	2	4	261,656	7.64	15.29	0.34
	2020	0	0	300,128	0	0	0

Notes on definitions:
FR= number of people involved in disabling injuries x a million working hours/total working

hours xa million working hours/total working hours $FSI = \sqrt{\frac{FRxSR}{1000}}$

SR= number of days involving disabling injuries x a million working hours/total working hours

Work-Life Balance

■ **In Compliance With**
- Four Major Projects of the Occupational Safety and Health Act
- Occupational Safety and Health Training
- On-Site Occupational Physician/ Health Nurses Services
- First aid personnel Stand by

■ **What We Provide**
- AEDs Equipment
- First Aid Kits
- Lactation Rooms

Law & Regulations

Health Management

WORK LIFE

Friendly Environment

Health Promotions

■ **What We Provide**
- Health Advisory
- Health care
- Health check report evaluation

■ **What We Arrange**
- Health Promotion Events
- InnoLife Health Magazines
- InnoLife Music
- Services from Blind Masseurs

■ **Four Major Projects of the Occupational Safety and Health Act**

- **Workload Management**
  - Monthly Evaluation and Analysis: Employee Overwork Hours
  - Yearly Evaluation and Analysis: Workload Scale Questionnaire
  - Occupational Medical Health Consultation-cardiovascular disease risk assessment in the next 10 years, work and personal burden assessment
  - 100% completion rate of the questionnaire survey

- **Maternity Protection**
  - Maternity Protection for needed from HR Department
  - Health Risk Assessment, Workplace Environment and Job Assessment
  - Arrangement of Health Consultations with Occupational Physician
  - 8 Under Maternity Protection with a completion rate of 100%

- **Human Factors**
  - Occupational Physician/Health Nurses: On-Site working environment visits
  - Yearly Evaluation and Analysis: Musculoskeletal Consciousness Assessment Form
  - 100% completion rate of the questionnaire survey

- **Wrongful Harm at Workplaces**
  - Yearly Evaluation and Analysis: Workplace Illegal Infringement and Hazard Identification Risk Assessment Form, Supervisor's Independent Checklist
  - Evaluation Method: 1~2 people are randomly selected according to the department for investigation
  - 100% completion rate of the questionnaire survey

73

Work-Life Balance

- **On-Site Physician Services**
- On-Site Services
    - Employee Health Consultation: 15~20 minutes per person
    - Operation Site Hazard Recognition and Risk Assessment
- On-Site Frequency
    - Xizhi Site: Once per month, 3 hours per session
    - Yi-Lan Site: Once per quarter, 2 hours per session
- 72 Accepted Physician Consultations
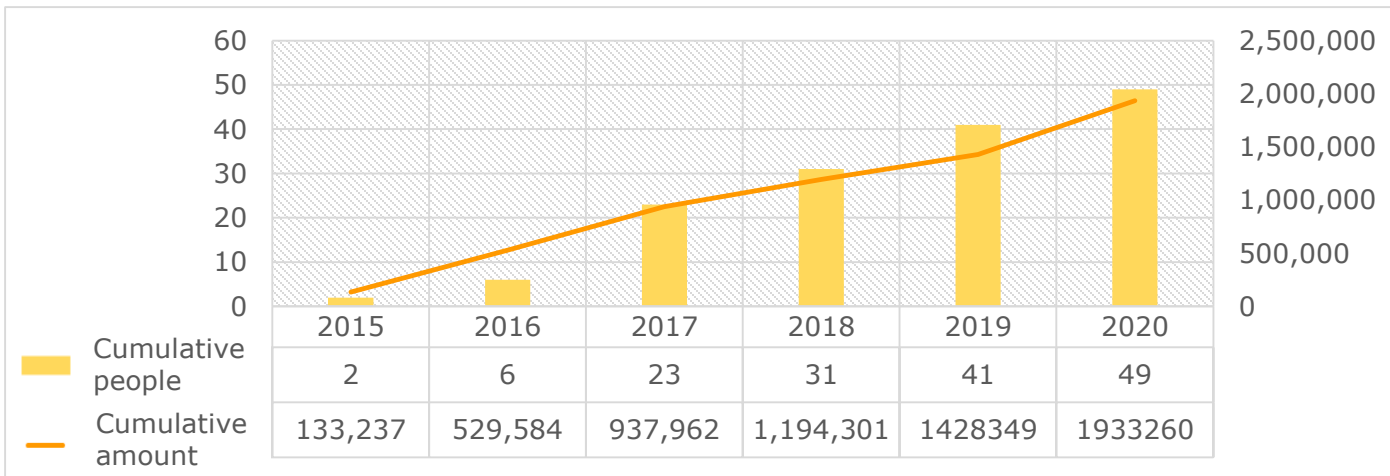

- **COVID-19 Pandemic Prevention Measures**
- All staff is required to take body temperature before entering work building(s).
- Colleagues with colds such as respiratory symptoms and fever should cooperate with occupational health care and report their physical condition daily.
- Epidemic prevention announcements are regularly sent out to keep up with the epidemic prevention measures of the government and the company at any time.
- Visitors are strictly controlled, and in-person meetings in conference rooms are moved to online or video conferences.
- Dining partitions and dining diversions in the staff restaurant are established.
- Indoor ventilation is well maintained, and environmental disinfection is increased.
- The health promotion activity plan is adjusted to online promotion.
- A total of 9 departments participated in the promotion of the handwashing dance "Beat the COVID! WE CAN MAKE IT!" and each of them showed the correct hand washing exercises that were amusing and were a great way to promote correct the way of washing hands.

Work-Life Balance

■ **Happiness Project: Life is Better With More Babies**

• Since 2015, Innodisk has fulfilled its corporate social responsibility to encourage childbirth and reduce the burden of parenting by colleagues.

• Maternity Subsidies:

– For the second birth (and above), an additional NTD30,000 subsidy will be provided.

– The total amount of subsidy is NTD 510,000

• Parenting Allowance :

– Any child born during the working period will receive a monthly subsidy of 6% of salary between 0 and 6 years old. If there is more than one newborn, the maximum subsidy amount is 10% of the salary.

	2015	2016	2017	2018	2019	2020
Cumulative people	2	6	23	31	41	49
Cumulative amount	133,237	529,584	937,962	1,194,301	1428349	1933260

■ **Scholarships for Children**

• Starting in 2019, new scholarships for children have been added to encourage the children of employees with excellent academic performance at school.

• Amount of school rewards per academic year:

– NTD 1,000 for an elementary student, NTD 2,000 for a junior high student, NTD 3,000 for a high school/vocational student, and NTD 4,000 for a college and research institute student.

• The number of applicants: 59 people in 2019 and 67 people in 2020.

• A total of NTD 189,000 were awarded for studying for the last two years.

Health Promotion Activities

No.	時間	主題	滿意度調查	2020
		2020 年 健康促進活動		
1	2020/1/20	千萬別愛上四高	92.9	33
2	2020/3/16~3/31	健康與職場安全知識問答		300
3	2020/4	日常急救一定要知道		360
4	2020/6~9	大家做夥來拍片專屬 Innotube		72
5	2020/6	EIP 運動集氣每日一讚		自由參加
6	2020/7/27	基本救命術	97.4	17
7	2020/8/10	無毒一身輕	96.8	21
8	2020/9/16	吃對全營養 人生才精彩	97.8	21
9	2020/11/12	安全駕駛&路權觀念	97.8	15
10	2020/12/9	睡眠呼吸中止症	94	19
11	2020/12	歡樂聖誕週		50
			96.5	908

Say No to 4 Highs

No Drugs, Be Healthy

Eat Healthy and Happy

CPR+AED First Aid Courses
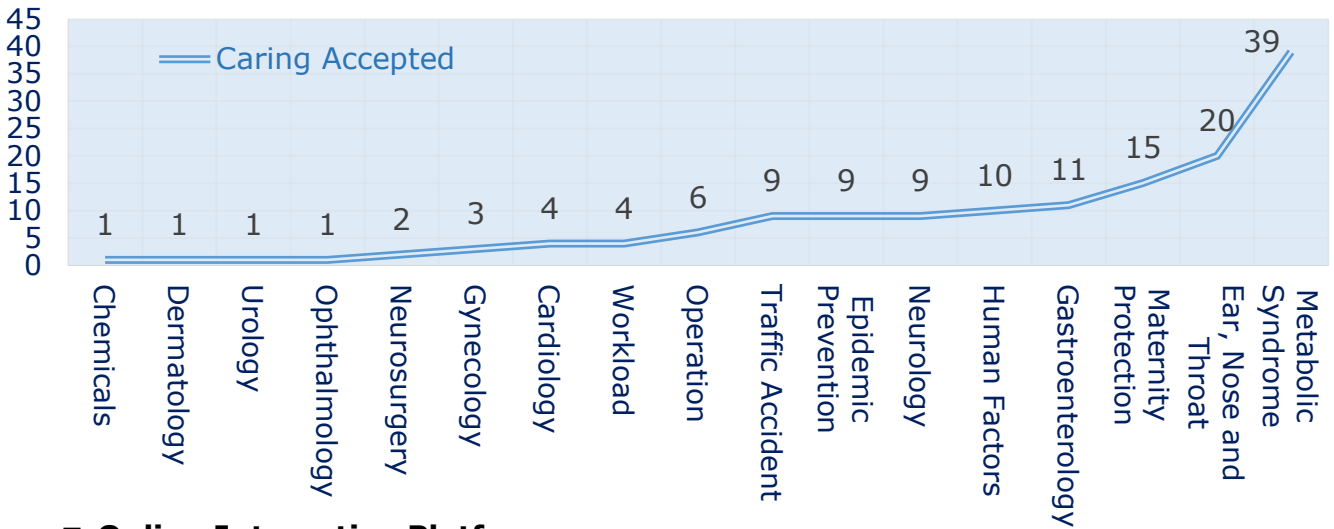

Sleep Apnea Intro

Merry Christmas Week

Health Management

■ Health Care

- Occupational nurses provide health care, health education, tracking and recording based on department head notices and HR BP notices.

- Health Care items include personal health problems, body and mind, flu, three highs, blood pressure control, human factors, maternal protection, workload management, etc.

- 145 accepted Health Care.

Chart: Caring Accepted

Category	Value
Chemicals	1
Dermatology	1
Urology	1
Ophthalmology	1
Neurosurgery	2
Gynecology	3
Cardiology	4
Workload	4
Operation	6
Traffic Accident	9
Epidemic Prevention	9
Neurology	9
Human Factors	10
Gastroenterology	11
Maternity Protection	15
Ear, Nose and Throat	20
Metabolic Syndrome	39

■ Online Interactive Platform

- "Exercise together with energy" platform was established to allow colleagues to share health-related knowledge and exercise results, promote the atmosphere of exercise, so that colleagues can develop the habit of exercising, strengthen their physical health, and encourage each other those who do not usually exercise to gradually develop "health 333".

Albee Ho   2021-03-09 11:11

I would like to highly recommend the "Duck House" in Wu-Jie, Yi-Lan. The environment was clean. The ducks were adorable, friendly, and very well taken care of. (Photos from the Internet)

👍 3   💬 2

Nicole Han @2021-03-09 18:18
Thanks, Albee! The new layout is fantastic!

Albee Ho @2021-03-09 11:13
Admission is free!!. And You can purchase a BIG pack of feed for only NTD$10!!

Nicole Han   2021-03-09 18:17

Low carb diet intro from VOGUE magazine.

👍 2   💬 0   🔗 網站連結 Link

Je Lin   2020-11-02 08:47

I completed my FIRST EVER marathon on October 25. I finish it in over 5 hours, which was not a good time. I enjoyed it, though. There were a lot of mountain paths, which I was not familiar with. I only practiced running on a plain path, so I had a hard time running a mountain. I'll be attending New Taipei City Wan Jin Shi Marathon in March next year. I am practicing running on mountain paths and hope to finish the Wan Jin Shi Marathon in 4 and a half hours.

Johnny Lin   2020-09-07 11:36

I brought my family to Mt. Dajian last Saturday. I went jogging along a river that evening. On Sunday, I brought my kids climbing on Mt. Yuemei. I must have lost at least 10 kg after such an intense exercising schedule. What a happy time with my family.

Nicole Han @2020-09-07 18:06
Aww, it was so sweet. I bet that you have lost 10 cm of your bare waist size.
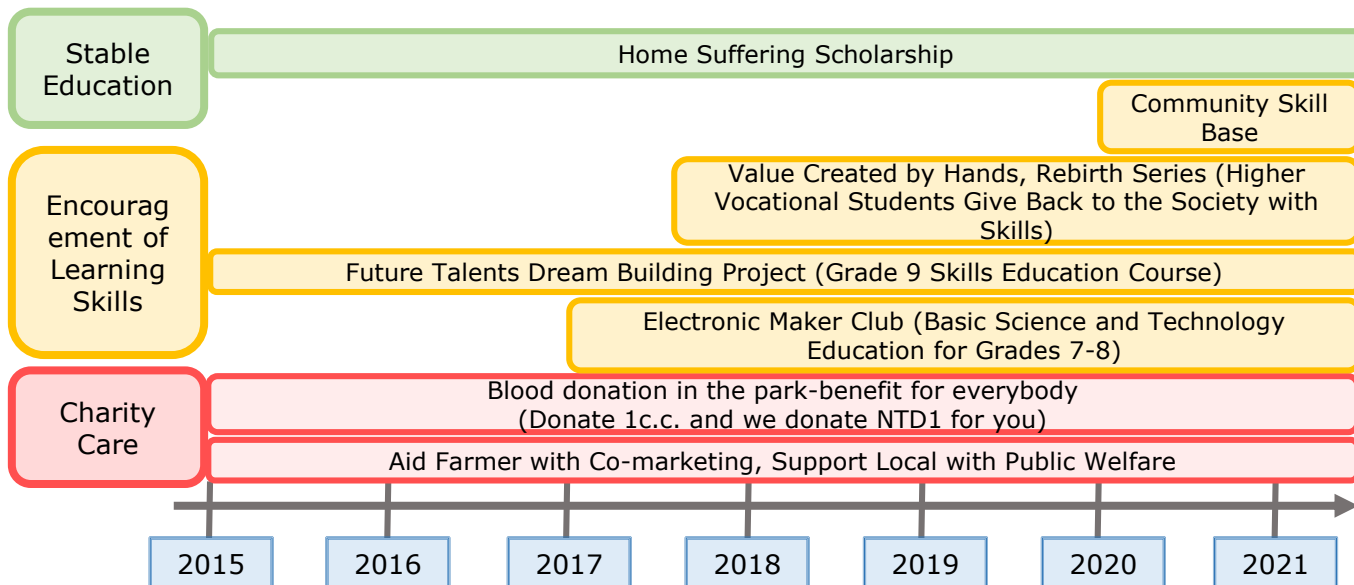
Corporate Responsibility

Innodisk Keeps Spreading Love in our Community

- **In embracing its "charity" and "responsibility" business philosophy, Innodisk established the "Innodisk Education Foundation" in 2015.**

  – In the past six years, we have determined three major directions listed in the title. Based on these directions, we have launched various services, in both horizontal and vertical ways, in order to get closer to more children and to accompany them to grow up together. We are here to help them cultivate a positive outlook on life and a positive learning attitude through different activities and find their own learning goals and development directions.

  – In 2020, coronavirus pneumonia was raging. Instead of stepping back, we have expanded the service area, increased the service items, innovated the content of the plan, combined with the joint efforts of more schools, private units, and government departments. As a result, we were awarded by the Ministry of Education. Everyone in Innodisk shows professionalism, practices by helping society, and is willing to donate more to make new achievements in education and public welfare.

Main execution plan of Innodisk Education Foundation

Stable Education						
	Home Suffering Scholarship					
						Community Skill Base
Encouragement of Learning Skills				Value Created by Hands, Rebirth Series (Higher Vocational Students Give Back to the Society with Skills)		
	Future Talents Dream Building Project (Grade 9 Skills Education Course)					
			Electronic Maker Club (Basic Science and Technology Education for Grades 7-8)			
Charity Care	Blood donation in the park-benefit for everybody (Donate 1c.c. and we donate NTD1 for you)					
	Aid Farmer with Co-marketing, Support Local with Public Welfare					
2015	2016	2017	2018	2019	2020	2021

Innodisk Accompanies Our Children with Love, Support, And Guidance

- "Family Suffering Scholarship", to accompany the students who have experienced family changes in the Taipei-Keelung metropolitan area to continue to study stably, complete their studies, and enhance their ability to take care of themselves in order to meet their daily needs.

  In 2020, we have accompanied 41 students, held 2 regular large-scale activities and 6 group activities, and served 123 people. Through individual analysis of children, unique care will be planned, and various services and companionship will be carried out accordingly. Corporate activities and volunteers were combined to train children's abilities. A show was planned to express their abilities to the public at a specific time to increase their self-confidence and learn interpersonal interaction. For Innodisk people, subsidies and ability development are two essential elements to educate our children.

- In response to the epidemic's impact on family income this year, we planned several work-study opportunities for students to participate. They were able to improve their ability and give back to society while earning a salary

- This year, the 7 students who graduated from high school and vocational schools all entered public and private universities. And 2 of them were admitted to the voluntary department through the Star Plan.

- Innodisk colleagues actively participated in student assistance activities, with a total of 278 donations, a total amount of NTD 921,000, 10 volunteers dedicated, and 45 hours served to stabilize the children's schooling jointly.

  Love from every colleague allowed more children to be supported, cared for, and well taken care of.

Innodisk brings technology to children with eye-opening exprience

- Technology and our lives are becoming more and more inseparable. Innodisk has been trying to DIY their pieces and learn new knowledge from play. Since 2017, Innodisk has cooperated with the Department of Industrial Education of National Taiwan Normal University to organize the "Powertech"-Bionic Mechanical Animal Society in New Taipei, Yi-Lan. From handling the briefing, teacher training, equipment package provision, and the holding of various competitions, students were eventually encouraged to participate in the national competition. The school-year content has been recognized and affirmed by the schoolteachers. In 2020, there were a total of 12 schools with 220 students participating, and a total of 218 bionic mechanical beasts were completed.

- **Co-Investment by Partner Schools**

  – For the cooperation between enterprises and schools, most of the expenses are borne by the enterprises; however, the "Powertech"-Bionic Mechanical Animal Association was invested by the school and Innodisk. Innodisk drove schools to invest in the courses for our children. New Taipei Municipal Jhangshu International Creative Technical High School and County Suao Junior High School in Yi-Lan listed such courses as school characteristic courses. Jhangshu International Creative Technical High School even took root down and led Xizhi's elementary school students to experience the technology together. In the course development, enterprises take the lead, schools participate and jointly invest. We all hope to spread the seeds of science and technology, and our children's future will radiate glory due to science and technology.

![innodisk]

Innodisk encourages our children to be exposed to skills with non-stop learning attitude

Vocational Education Program in ninth grade

| Dream-Building Handbooks | Master Salons | Love Charity | Industry visit | Competition Awards |

- In the past, most people believed that junior high school students had good grades in high school while those in higher vocational schools had poor grades. However, with the advent of the Internet generation, the learning channels have become diversified, and grades are no longer the main consideration in choosing the next stage of learning. Only when children continue to learn based on their own interests can they move forward with the changing of the generations. Therefore, we have deepened the ninth-grade technical education curriculum for junior high schools to make the curriculum rich and diversified, which allows talented students to have the opportunity to be seen.

- The epidemic in 2020 did not stop this project. We still cooperated with 15 junior high schools in New Taipei City and Yi-Lan to provide 12 majors, including catering, food, housekeeping, power machinery, electronic and electrical, civil engineering, and agriculture, with a total of 70 classes, 543 students learning skills for a whole year. Innodisk's employees supported the whole project a lot. From master salons to love charity missions, Innodisk employees always accompanied our children to learn and grow. One of the biggest achievements was our children's great performance in the skill competitions in New Taipei City and Yi-Lan. As a result, 72 students in the cooperating schools won the Honorable Mention Awards or even better awards. We also gave out nearly NTD 80,000 cash prize to our winning children for encouragement. We sincerely believe that these children can be recognized by others due to their excellent skills and love learning continuously.

Innodisk creates a new platform for children with continued innovation and integration

- 2020 was a year of bumper harvest for the "Value Created by Hands, Rebirth Camps". In New Taipei City, Yi-Lan, and Tai-Tung, we cooperated with six higher vocational schools to hold seven tiers of camps with a total of 177 students participated. With technical guidance (46 people) and professional teachers (13 people), 274 small household appliances of various types and 109 computers were regenerated. The "new" appliances were provided to local households needing to improve their daily lives and to elementary and junior high schools for newly-added information equipment.
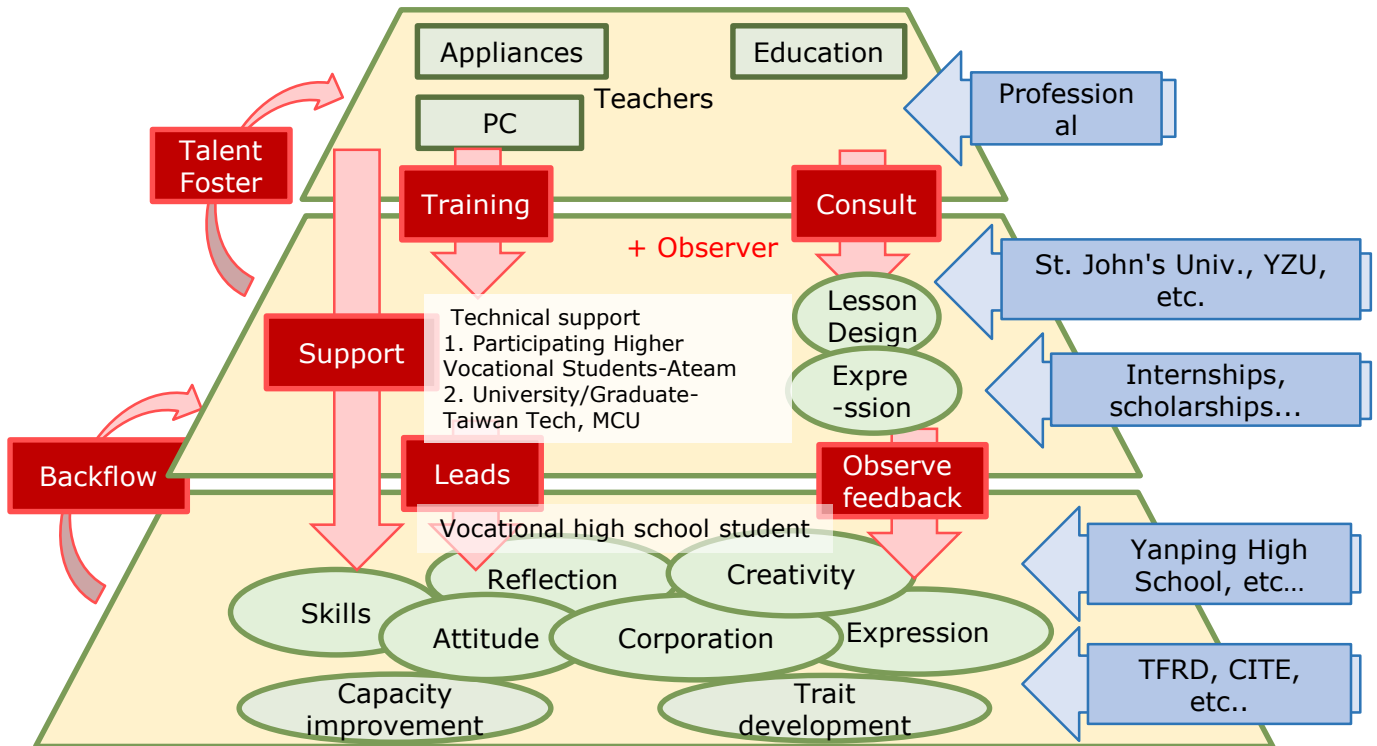
- In addition, Gigabyte, AAEON, Lannar Electronics, DIGITIMES, Taipei Inn Group, and other companies have joined together, kept calling on colleagues to provide home appliances that are malfunctioning/worthy for use in the camp. In addition to supporting computer regeneration with professionals, Bestyield International also assisted in training college students and served as a technical guide for the computer camp. Fortinet also provided obsolete components, which could be used to upgrade or replace components when the computer was regenerated. Nichino also let us handle the "Agricultural Machinery Regeneration" camp for the automotive department. With everyone's support, "Value Created by Hands, Rebirth Camps" has become a new platform for education, environmental protection, and assistance. Everyone on this platform can contribute something and gain something.

Innodisk builds a base in the community with a deep and strong connection

- Innodisk has always dreamed of building a base in the community so that children who want to learn skills from junior high to high school can learn more after school. So, in 2020, in conjunction with Ming Chuan University, New Taipei Municipal Jhangshu International Creative Technical School, Nan Oau Senior High School in Yi-Lan County, and Kuo Yuan Ye Education Foundation, we set up computer basic assembly and maintenance community bases in Xizhi and Nan-Oau respectively.

- In the first phase of the Xizhi base, 36 students signed up, while 29 students attended classes in the Nan-Oau base. Students attended classes on fixed Saturday every month and learned about basic computer components, how to disassemble and assemble, hardware testing, and software installation. A check test was given, and 22 students in the two classes passed. They will be assisting the school in cleaning and organizing the hardware. They practiced, learned, and gave back to society.
- Innodisk also invested engineers in assisting in curriculum design, planning, teaching plan preparation, and teaching. Five of our colleagues devoted 48 hours to make this base operate smoothly. At present, the first step has been firmly established, and the teaching will continue to affect society positively.

Innodisk calls for more caring people with love and persistence

Innodisk Employees Engage in Education/Charity Services for 2020:

- **Aid Farmers/Public Welfare Co-marketing:**
  - At the beginning of the year, the COVID pandemic affected the export of Taitung sugar apple. We immediately mobilized our colleagues to purchase and purchased a total of 4,800 kg of sugar apple. After the epidemic slowed down, we immediately invited public welfare units to enter the company to set up stalls for a total of 3 sessions. We support our local farmers by purchasing their products.

- **Take Actions:**
  - With the joint efforts of the Welfare Committee and the Foundation, the calligraphy master "Spring Couplet To Pass Love" charity writing activity was organized at the beginning of the year, and all the proceeds were donated to the "Taiwan Light Children Association". Sweetheart Chocolate and the family members of the patients of the Taiwan Foundation For Rare Disorders were invited to lead the activities. As a result, the pressure of colleagues was relieved, and the public welfare units were benefited from the activities. In cooperation with the Lannar Culture and Education Foundation, during Mother's Day, a cake was presented to thank the mothers of foster families in New Taipei City. During the blood shortage period in July, the park charity blood donation activity was carried out, and nearly 100,000 c.c. of blood was raised. As long as there is a need, Innodisk always contributes money and effort to implement the concept of beauty and goodness together.

Innodisk spreads love with care and kidness

- Life was not easy in 2020. However, Innodisk's employees invest more in education and public welfare. Our society needed our help, and that's why we were there. We did it right. The input of 154 people and 655 hours are just tangible volunteer hours that were counted. There is even more intangible support behind building a beautiful society.

GRI Index

GRI Content Index

GRI Standard Disclosure	Title	Page.
102-1 Name of the organization	Innodisk CSR Report Overview	3
102-2 Activities, brands, products, and services	Worldwide Operations & Business Coverage / 16 Years of Innodisk	9 & 10
102-3 Location of headquarters	Worldwide Operations & Business Coverage	9
102-4 Location of operations	Worldwide Operations & Business Coverage	9
102-5 Ownership and legal form	Labor Rights	33
102-6 Markets served	The Benefits We Offer & Applications and Technologies	14~17
102-7 Scale of the organization	Worldwide Operations / Innodisk Org Chart / Workforce Structure	9, 25, 30
102-8 Information on employees and other workers	Workforce Structure	30
102-9 Supply chain	Supply Chain	45
102-10 Significant changes to the organization and its supply chain	Supply Chain	45
102-11 Precautionary Principle or approach	Business Continuity Plan	57
102-12 External initiatives	None	-
102-13 Membership of associations	None	-
102-14 Statement from senior decision-maker	Statements	4
102-15 Key impacts, risks, and opportunities	Business Continuity Plan	57
102-16 Values, principles, standards, and norms of behavior	Organizational Principles & Code of Ethics	39
102-18 Governance structure	Innodisk Org Chart	25
102-35 Remuneration policies	Labor Rights	33
102-36 Process for determining remuneration	Labor Rights	33
102-40 List of stakeholder groups	Communication Mechanisms for Stakeholders	49

GRI Content Index

GRI Standard Disclosure	Title	Page.
102-41 Collective bargaining agreements	None	-
102-42 Identifying and selecting stakeholders	Communication Mechanisms for Stakeholders	49
102-43 Approach to stakeholder engagement	Identifying Stakeholders & Relevant Negotiation	51
102-44 Key topics and concerns raised	Identifying Stakeholders & Relevant Negotiation	51
102-45 Entities included in the consolidated financial statements	Financial Information	24
102-46 Defining report content and topic Boundaries	Identifying Stakeholders & Relevant Negotiation	51
102-47 List of material topics	Identifying Stakeholders & Relevant Negotiation	51
102-48 Restatements of information	No restatement	-
102-49 Changes in reporting	No change	-
102-50 Reporting period	Innodisk CSR Report Overview	3
102-51 Date of most recent report	Innodisk CSR Report Overview	3
102-52 Reporting cycle	Innodisk CSR Report Overview	3
102-53 Contact point for questions regarding the report	Innodisk CSR Report Overview	3
102-54 Claims of reporting in accordance with the GRI Standards	Innodisk CSR Report Overview	3
102-55 GRI content index	GRI Content Index	88
404-1 New employee hires and employee turnover	Employee Development & Educational Training	36
404-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development & Educational Training	36
404-3 Parental leave	Employee Development & Educational Training	36