



# Sustainability Report 2021

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# Message from the Management

The global smartphone market shows a slow sign of sales recovery with the easing of COVID-19 restrictions. However, the semiconductor industry sees a huge increase in demand for integrated circuit (IC) chips driven by the automotive electronics, high-speed computing and 5G cell phone applications. The chip price keeps growing up with the severe shortage of chips in the market and the foundry capacity falls short of supply. In 2021, with the concerted efforts made by all employees and the constant control over chip supply chain risks, our annual revenue reached NT\$5.87 billion, an increase of 10.89% over the previous year, and the net income reached NT\$1.66 billion, an increase of 21.67% over the previous year, with earnings per share of NT\$33.97. Both revenue and net income reached new milestones. In the pursuit of operational performance, Sensortek focuses on the four major aspects, namely, "Corporate Governance", "Environmental Sustainability", "Partnerships", and "Employee and Social Impact", in the hope of creating a more sustainable environment and society through staying close to our core business and a balanced development strategy.

## Corporate Governance

Since its listing on the Taipei Exchange in June 2020, Sensortek was scored by the Corporate Governance Review in 2021, ranked top 20% of listed companies and was included in the TPEX Corporate Governance Index as a constituent stock for the first time. We plan to establish a Sustainability Committee under the Board of Directors in 2023 to oversee and manage the Company's strategies and goals in the promotion of corporate sustainability, continue to uphold the principle of honest management, strengthen corporate governance, protect shareholders' rights and interests, and guarantee their rights and interests of stakeholders.

## Environmental Sustainability

Since its establishment, the Company is committed to complying with the environmental protection policy for environmentally-friendly products. Recently, due to the expansion of operational

scale and staff, we moved our office to a new address in July 2021. In response to the global trend of carbon reduction, the office location was selected by taking account of the office buildings with Green Building Silver Label, and the interior space has been decorated in a way to promote energy saving and carbon reduction; in addition, the greenhouse gas inventory has been implemented pursuant to ISO 14064-1:2018, according to which the action policy of greenhouse gas emission reduction is formulated to reduce the impact of our operations on the environment.

## Partnerships

Although we are a Fabless IC designer that outsources the manufacturing of all products, we are committed to improving the value of customer service through sustainable management of the green supply chain, from the source product functionality and quality to order delivery and technical service. Customer satisfaction surveys are conducted based on comprehensive indicators to provide feedback to the relevant internal departments for improvement, and customer satisfaction keeps improving year by year. We will expand the number of surveyed customers and continue to increase customer service resources.

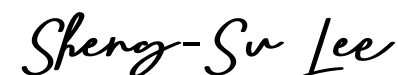
In 2021, optical under-screen sensing solutions were introduced into the high-end models of smartphone manufacturers to increase the proportion of sales of high-value products, while benefiting from the demand for ambient light and color temperature sensor auxiliary camera, sales of applications other than screens has been increased. With the strategy of adjusting prices of all product lines, the revenue of optical sensing products will keep growing constantly. With the shortage of supply from international manufacturers and continuous improvement in product quality and reliability, acceleration sensing products have been used by smartphone manufacturers gradually. In addition, thanks to the price adjustment strategy, acceleration sensor products have increased both price and sales volume, with the revenue also increased significantly. In addition, we also obtained the SONY GP (Green Partner) certification in 2021.

## Employee and Social Impact

Talents are regarded as the foundation of sustainable development for a company. We are committed to building a safe, healthy and friendly workplace and offering competitive salaries and a comprehensive benefit system. In 2021, the average salary of full-time employees not holding executive positions was 2.56 times the average industry standards, and we are among the top semiconductor companies listed on the stock exchange, and listed as a constituent stock in the TPEX Compensation Index. Sensortek accepts the internationally recognized human rights regulations and principles, and formulated a human rights policy in 2021 to provide a diverse and inclusive workplace and equal work opportunities. In the future, we plan to conduct regular risk assessment of human rights issues, adopt various mitigation measures and continuously track improvements.

## Outlook on the Future

This is the first sustainability report issued by Sensortek, and we hope to communicate with our stakeholders through the data presentation and actions taken on various issues. In the future, we will integrate the sustainability promotion into our operational management, set various sustainability goals and put them into our daily operations. Through long-term promotion and continuous improvement, we will work with our partners to fulfill our role as a corporate citizen and create a bright future with sustainability. We will also prepare the risk assessment and strategy planning for climate changes, and disclose climate related risks based on the framework of Task Force on Climate-related Financial Disclosures (TCFD), either qualitatively and quantitatively.



Chairman

# About the Report

Sensortek Technology Corporation (referred to as Sensortek hereinafter) is devoted to the R&D and technical innovations of sensors and continuously enhances the research and development technologies for ambient light as well as distance and weight sensing, which has been developed for many years, while extending such technologies to other sensor applications. In line with the expansion of operations and the expectations of stakeholders, we will start a sustainability promotion plan, examine the operating environment and risks, and set up visions and goals by integrating the operation strategy of sustainable management. The Sustainability Report 2021 (hereinafter referred to as "the Report") is the first sustainability report disclosed by Sensortek, and the information related to the preparation of this Report is described below:

## Disclosure Scope

In the future, before meeting the mandatory disclosure standard of the Financial Supervisory Commission, the Report will be annually issued on a voluntary basis. The reporting period is from January 1 to December 31, 2021, and all operational activities of Sensortek are disclosed in terms of economic, social and environmental aspects. The environmental data are mainly from the head office in Hsinchu, and the main operating venue is in Jubei City, Hsinchu County (including Neihu Office), which will not be specified otherwise in the Report. In addition, we have considered the comparability of information and disclosed data for the last three years. Some performance information is only disclosed for one or two years if we cannot effectively confirm the accuracy of the data because we have not systematically collected relevant information previously or do not have complete information.

## Standard Compliance

We have followed stakeholder identification procedures in accordance with the AA1000 Stakeholder Engagement Standards (AA1000 SES) promulgated by the UK-based AccountAbility organization, and performed information preparation procedures in accordance with the AA1000 v3 based on the principle of accountability. We also follow the referential disclosure standards of the GRI Standards published by the Global Reporting Initiative (GRI) to manage major sustainability issues.

In consideration of the trend of sustainable disclosure, Sensortek has taken the Sustainability Accounting Standards Board (SASB) as the core topic in this report, and followed the SASB standard for the semiconductor industry in the field of technology and communications to prepare this Report. In addition, we have also disclosed some information with reference to stakeholders and issues related to sustainability evaluation.

## Management Style

The data disclosed in the Report and the financial performance are based on the financial statements signed by our accountant. All financial figures are accounted in NT\$, and the financial data is disclosed based on IFRSs. Other data in the Report were compiled and calculated by ourselves, and rounded to the nearest dollar in common practice.

The data or information disclosed in this Report are provided by each responsible department and compiled by the report team. The completed report is sent to the departmental heads and the executive secretary of the Corporate Sustainability Promotion Group for confirmation, and then submitted to the general manager for review and approval. Upon the internal review process, the Report is released on the official website of Sensortek.

## Contact Information

Should you have any questions about this Report, or any suggestions for Sensortek, please feel free to contact us through the following methods.

Company address : F11, No. 6, Taiyuan 2nd Street, Zhubei City, Hsinchu County, Taiwan

Company tel. : +886-3-560-1000

E-mail : [esg@sensortek.com.tw](mailto:esg@sensortek.com.tw)

Company website : [www.sensortek.com.tw](http://www.sensortek.com.tw)

# Sustainability Performance in 2021



## Governance

- The Company ranked top 6%-20% among the listed companies in corporation governance evaluation
- New record was made in revenue and profit for the year, with earnings per share at NT\$33.97 and cash dividends of NT\$30 per share
- The R&D expense reached NT\$550 million, with an increase of 49% over the previous year
- The attendance rates of the Board of Directors/Audit Committee/Remuneration Committee were 100%
- Interim appraisals and annual audits for Suppliers were 100% completed
- 72 patents were obtained (accumulatively) throughout the world
- The "Information Security Committee" was established to effectively promote the information security management policy, to enable the stable and ongoing operation of information security management system



## Society

- The median salary for full-time employees not holding executive positions reached NT\$2,928,000.
- The average salary of full-time employees in non-executive positions was NT\$3,346,000, which was 2.6 times the average industry standards
- The Company was included in the TPEX Compensation Index as a constituent stock
- The total expense on employee compensation and benefits reached NT\$690 million, up 25% from the previous year
- 100% local procurement
- 2,127 hours of training were delivered, up 57% from the previous year
- No employees were found in violation of health and safety laws and regulations over the past three years



## Environment

- The office with Green Building Silver Label was unveiled
- ISO14064-1: 2018 greenhouse inventory was completed independently
- SONY GP (Green Partner) Green Partner certification was obtained

# About Sensortek

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- 9 Product Introduction
- 10 Operation Overview

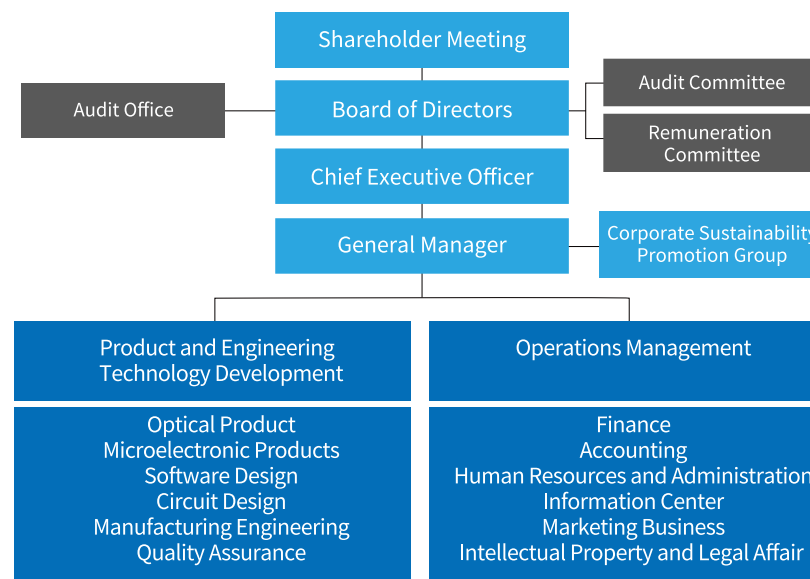
## Company Introduction

Established in 2009, Sensortek is engaged in R&D, design and sales of sensing sensors and focuses on producing "optical sensors" and "MEMS sensors".

Relied on its core competitiveness in R&D and design, the Company adopts IC design as its operational mode, and 100% of products are outsourced to OEMs for manufacturing, and sold through agents. After the products are manufactured, they are shipped to the agents' local warehouses, and then shipped by the agents to the final-end customers (such as the factories of the smartphone manufacturers), where they are assembled into the final product,--smartphones, and then sold to the final-end users worldwide.

In response to the development trend of full-screen smartphones and meeting the demand for color sensors of ambient light sources, we improve the performance of sensors and the accurate color temperature sensing technology for ambient light sources, to provide customers with high-quality and innovative sensor solutions, develop sensing sensors to be installed in the slit between smartphone panel and casing or under-display OLED (Organic Light-Emitting Diodes), enabling the international manufacturers to make various innovations in designing smartphones, and realize the breakthrough growth of the Company.

## Organizational Structure of the Company



Note: Please refer to the 2021 Annual Report for the job descriptions at various departments of Sensortek.

### Company Name

Sensortek Technology Corporation

### Stock Code

6732

### Chairman of the Board

Sheng-Su Lee

### Establishment Date

December 1, 2009

### Listing Date

June 8, 2020

### Company Head Office

F11, No. 6, Taiyuan 2nd Street, Zhubei City, Hsinchu County (Zhubei Taiyuan Technology Park)

### Operation Site

Taiwan

### Markets Served

Taiwan, Mainland China, East Asia

### Capital

NT\$489 million (by the end of 2021)

### Revenue

NT\$ 5.8 billion (2021)

### Number of employees

189 (by the end of 2021)

### Product Lines

#### Optical Sensor

Proximity Sensor  
Ambient Light Sensor  
Color Sensor  
Flicker Detection Sensor



#### MEMS Sensor

Accelerometer Sensor



#### Capacitive Sensing Sensor

Specific Absorption Rate Sensor  
Capacitive Touch Sensor



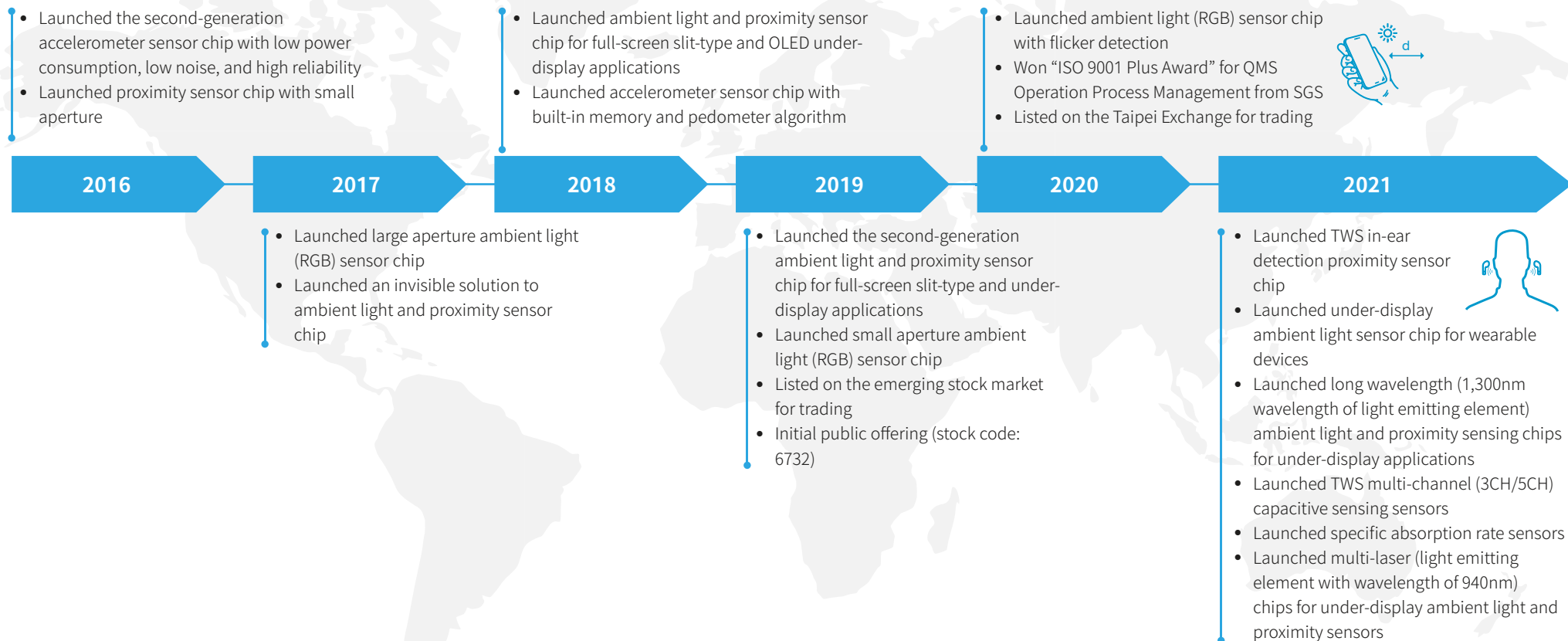
## Advantages and Competitiveness

Sensortek is dedicated to developing sensing sensors for consumer electronics. At the beginning, we started to explore the smartphone sensor market for second- and third-tier smartphone brands in China. We continue building our R&D capacity and learning about the needs of our customers, and have gradually established a collaborative product development and design model with leading smartphone manufacturers, so that we can keep abreast of the future product development and functional requirements of first-tier manufacturers.

Sensortek has been engaged in the field of sensing technologies for many years, and we have R&D talents across different fields such as circuit design, mechanical design, optical design, and micro-electrical process to develop unique processes and circuit technologies. At present, we have obtained many patents. To solve the problem of high screen resolution with low light penetration, the "Sensor Performance Enhancement Program" has been developed to introduce a solution for ambient light color temperature and ambient light flicker sensors, so as to make the camera effect of smartphones closer to a real environment and to expand the applications of the product beyond smartphone screens.

In addition, we keep working with our domestic wafer manufacturers to improve the quality and reliability of our accelerator sensors and the manufacturing process of our production platform, so that we can enter the supply chain of sensors for existing smartphone customers and develop sensors for various smart-phone applications; we also develop screen applications for wearable devices and in-ear proximity detection for wireless Bluetooth headsets, in order to keep a growth momentum and provide customers with comprehensive sensor solutions.

### Milestone













## Product Introduction

Sensortek is mainly engaged in the research, design, development and sales of sensors. A sensor can receive external environmental, physical, chemical and optoelectronic signals, and intelligently sense distances and changes in ambient light and gravity, then convert them into telecommunication signals for processing to optimize the activation, brightness, color and orientation flipping of the display for different user scenarios. Therefore, the sensors are important components to connect with the external environment, such as ambient light, orientation, gravity, pressure, temperature, humidity or face recognition, which are important applications for the sensors.

Our products are mainly used in smartphones, tablet computers, wearable devices and other consumer products. In response to the ever-changing smartphone screens, Sensortek continues to develop narrow slit and under-screen solutions to meet the global development trend of smartphones towards full-screen and extremely narrow bezel designs.

Indicator No.	Item	2019	2020	2021
TC-SC-000.A	Total output of sensors (Unit: 1,000 PCS)	724,772	833,309	806,370
TC-SC-000.B	Percentage of products made in own plants <sup>Note</sup>	0	0	0

Note: Sensortek is an IC design company and its main business activities are wafer design and sales, with no production lines and 100% products are outsourced for manufacturing.

Type	Optical Sensor				MEMS Sensor	Capacitive Sensing Sensor	
Product Name	Ambient Light Sensor, ALS	Color Sensor	Proximity Sensor, PS	Flicker Detection Sensor	Accelerometer Sensor, GS	Specific Absorption Rate Sensor	Capacitive Touch Sensor
Function	<p>It applies to ambient light sensing applications to adjust panel brightness and ensure comfort and saving energy</p> 	<p>It can be used to detect the ambient light intensity and ambient color temperature at the same time to automatically adjust the brightness and color performance of the screen or camera to make the effect closer to the real use scene and environment</p> 	<p>The proximity sensor is used to shutdown the panel and avoid inadvertent contact</p> 	<p>It can be used to detect the flicker frequency of ambient light sources or other electronic device screens to eliminate flicker lines when taking pictures</p> 	<p>It can be used for screen rotation, posture detection and pedometry</p>  	<p>It can be used to detect whether the human body is close to the antenna of the smartphone, so that the smartphone can adjust the transmitting power and control the radiation field to adjust the beam direction, and keep the electromagnetic wave emitted beam far away from the human body.</p> 	<p>It can be used to detect the distance between the device and the ear, and automatic enable or disable the device to save energy</p> 
Application	Consumer electronic products such as smartphones, tablets, TVs and smart watches.	Smartphones or related electronic devices	Consumer electronic products such as smartphones and tablet computers	Front and rear cameras of smartphones	Consumer electronic products such as smartphones, tablets, and wearable devices	Smartphones	TWS headphones with in-ear detection design

## Operation Overview

### Market Conditions

In recent years, to attract consumers, smartphone screen sizes keep growing larger. The front cameras could be lifted or flipped or placed under the screen. Some manufacturers may adopt abnormal-shape screen cutting technology to make the front camera in fringe shape, water-drop shape or drilling hole shape to reduce or even eliminate the bezel on the phone. Recently, in addition to high- and mid-end smartphones, our products can also be used in low-end models. In addition, to deal with the lower OLED screen penetration, the light sensitivity shall be improved while eliminating the interference of screen display luminescence on the ambient light detection for the under-screen optical sensing technology. Ambient light sensing has been upgraded from simple light intensity sensing to ambient light color (RGB) sensing, which not only adjusts the display color temperature to increase reading comfort, but also accurately detects the color temperature of the ambient light source and assists in the white balance of the rear camera to better match the real usage scenario and environment.

In the global smartphone market, with the ease of the COVID-19 restrictions, the sales of smartphones slightly increased over 2020. In addition, benefiting from the development of smartphones towards full-screen design, and the increase of OLED smartphone penetration rate, the products of Sensortek have been used by brand smartphone manufactures into their high-end models thanks to the excellent features and quality and the supply capacity of our company. The prices of the ambient light sensing

and proximity sensor for applications under high sensitivity screens have been increased. To meet the needs of customers in auxiliary functions of smartphone cameras, ambient light RGB color temperature and flicker sensors are used in rear cameras and the applications of optical sensors beyond smartphone screens have been expanded.

### Operating Performance

Sensortek has served brand customers to grasp the development trends of smartphone screen. With the advanced sensing technology, we are able to make products for the high-end models of brand customers and expand the applications of our products beyond screens. We keep improving the quality and reliability of our accelerometer sensors, which reliable and trustworthy quality is widely praised by smartphone manufacturers. They adopt them in their products. In addition, due to the shortage of sensors and price adjustment, both business revenue and net profit hit a record high in 2021.

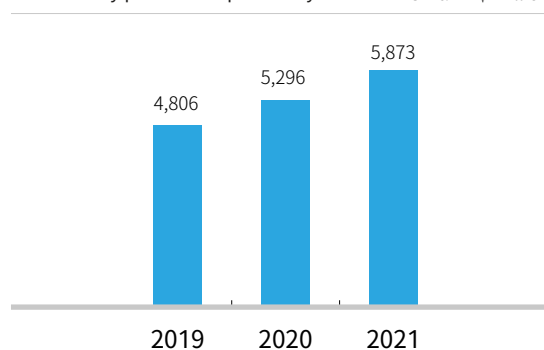
In 2021, Sensortek realized annual revenue of NT\$5.873 billion, an increase of 10.89% over 2020. With the continuous increase in gross profit, Sensortek's operating income reached NT\$1.9 billion in 2021, an increase of 23.61% over 2020, and earnings after tax was NT\$1.661 billion in 2021, increased by 21.67% over 2020. Earnings per share after tax reached NT\$33.97 in 2021. For other detailed operating results, please refer to the financial overview chapter of the 2021 Annual Report.

### Revenues and profit in previous years

Unit: NT\$ thousand

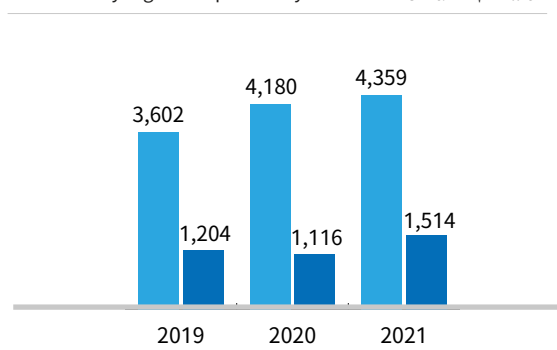
	2019	2020	2021
Operating revenue	4,806,152	5,296,054	5,873,003
Operating costs	2,787,280	3,168,226	3,181,972
Gross profit from operations	2,018,872	2,127,828	2,691,031
Operating expenses	521,636	590,639	791,559
Selling expenses	94,669	97,111	117,352
Administrative expenses	91,050	124,270	123,427
Research and development expenses	335,877	369,258	550,780
Impairment loss	40	-	-
Net other income (expenses)	-	-	598
Net operating income	1,497,236	1,537,189	1,900,070
Non-operating income and expenses	10,827	12,928	70,613
Profit from operations before tax	1,508,063	1,550,117	1,970,683
Tax expense	185,163	184,663	309,334
Profit	1,322,900	1,365,454	1,661,349
Other comprehensive income	-	1,602	48,935
Comprehensive income	1,322,900	1,367,056	1,710,284
Earnings per share	29.24	28.81	33.97

Revenues by products in previous years Unit: NT\$ million



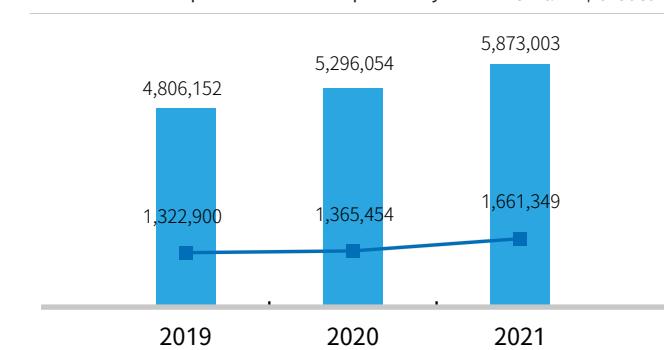
■ Sensor IC

Revenues by regions in previous years Unit: NT\$ million



■ Hong Kong and others ■ Taiwan

Revenues and Net profits after tax in previous years Unit: NT\$ thousand

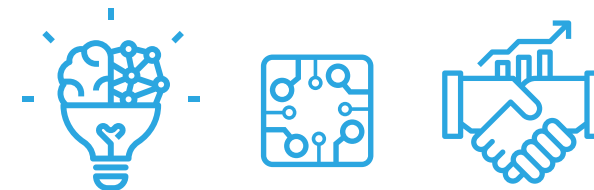


■ Revenue — Net profits

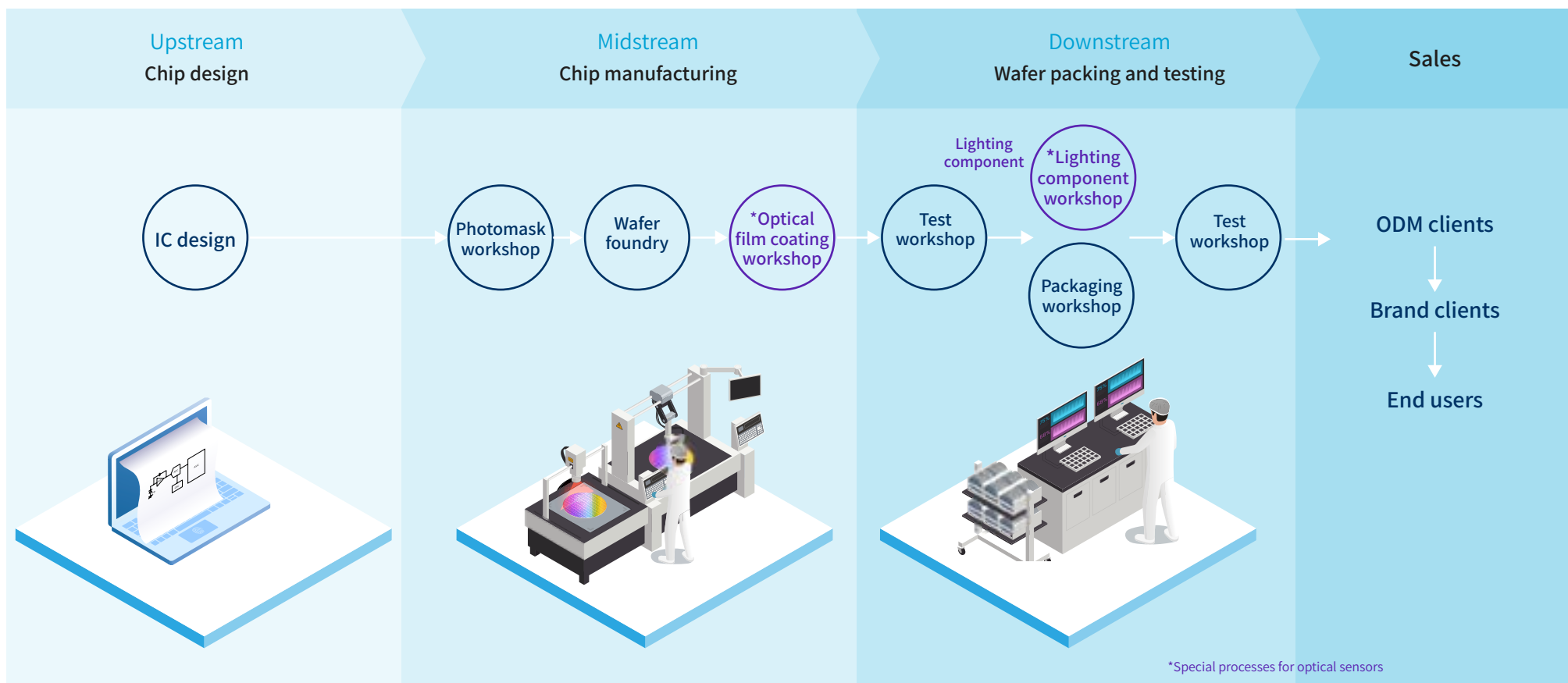
## Role in the Industry Chain

As a professional sensor design company in the upstream of the semiconductor industry chain, Sensortek is responsible for the design of integrated circuits and systems. The subsequent production is outsourced to professional foundries for wafer fabrication, and then to professional packaging and testing companies for wafer inspection, dicing, packaging and IC testing. During the production process of wafer products, we have built long-term partnerships with mid- and downstream

companies alongside the industry chain, and have worked with wafer manufacturers to optimize the micro-electro-mechanical (MEMS) process. In addition, we have worked with packaging companies to develop packaging methods for optical mechanism design and accumulate sufficient custom molds and test fixtures to ensure sufficient production capacity and flexibility.



## Position of Sensortek in the Semiconductor Industry Chain



# Management of Sustainability Issues

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- 17 Correspondence between key sustainability issues and sustainability disclosure standards

## Identification of Important Stakeholders

In compliance with the GRI Standards, Sensortek has developed a four-stage process for managing material sustainability issues based on the four reporting principles (i.e. “Stakeholder Inclusiveness, Sustainability Context, Materiality and Integrity”) (see the table below).

The process of managing critical sustainability issues aims to evaluate the impact of critical sustainability issues by investigating the background of operational activities and products, continuously evaluating and discussing them, and making the critical sustainability issues as an important basis for determining Sensortek's operation strategies and goals. In line with the

concerns of important stakeholders, we will conduct an operational impact analysis, and based on the results of the analysis, we will formulate management policies and short-term goals to initiate the first step of sustainable management of Sensortek to meet the expectations of stakeholders..

Sensortek would examine the scope of impact of each issue and verify the boundary of management objectives before formulating management guidelines for each issue, which will serve as a reference for subsequent sustainable information disclosure boundaries.

## Summary of Sustainability Management Results for 2021

### Stage 1 Identification of Key Stakeholders



Using the AA1000 SES standard's 5 components, 10 executives from Sensortek participated in the ESG project for stakeholder evaluation and 4 important stakeholder categories were determined after discussion with senior executives.

### Stage 2 Collecting and Identifying Sustainability Issues



In order to understand the concerns and expectations of important stakeholders regarding various sustainability issues proposed by Sensortek, we have developed 19 surveys on sustainability issues by referring to global sustainability disclosure standards, industry benchmarking companies, and sustainability reports both at home and abroad.

### Stage 3 Opinion Survey on Concerns



In 2021, a questionnaire survey was sent to key stakeholders through the responsible departments. 75 questionnaires were returned to learn about their concerns of different sustainability issues.

### Stage 4 Impact Analysis and Decision on Important Sustainability Issues



An impact analysis meeting on sustainability issues was held, in which senior executives considered the actual and potential impact of each issue on the environment, society and governance in Sensortek's business based on the results of the survey on the concerns of important stakeholders, and conducted an impact analysis with the severity and likelihood as the evaluation dimensions. The analysis results were discussed, and 12 major sustainability issues were identified.

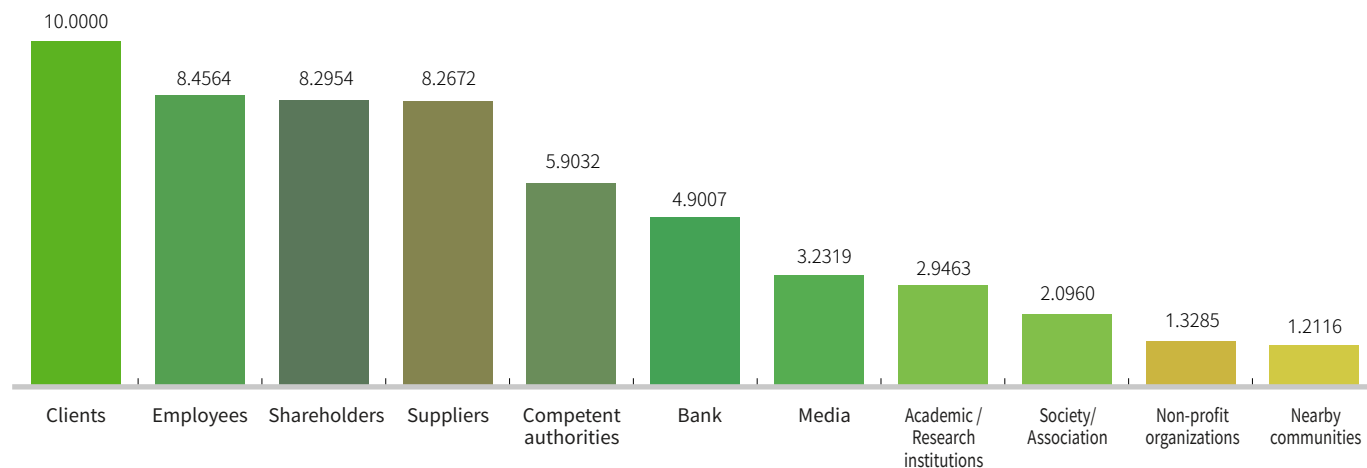
## Identification of Important Stakeholders

In accordance with the AA1000 SES stakeholder engagement standard, 10 executives and related colleagues who participated in the ESG project conducted the evaluation and rated the types of stakeholders' relevance to SEG in five categories, including "responsibility, influence, tension, diversified perspectives, and dependability". After reviewing the consolidated score and

discussing the results, we identified four categories of important stakeholders for 2021, including customers, employees, shareholders and Suppliers, and the scores of the five categories are shown in the chart below.

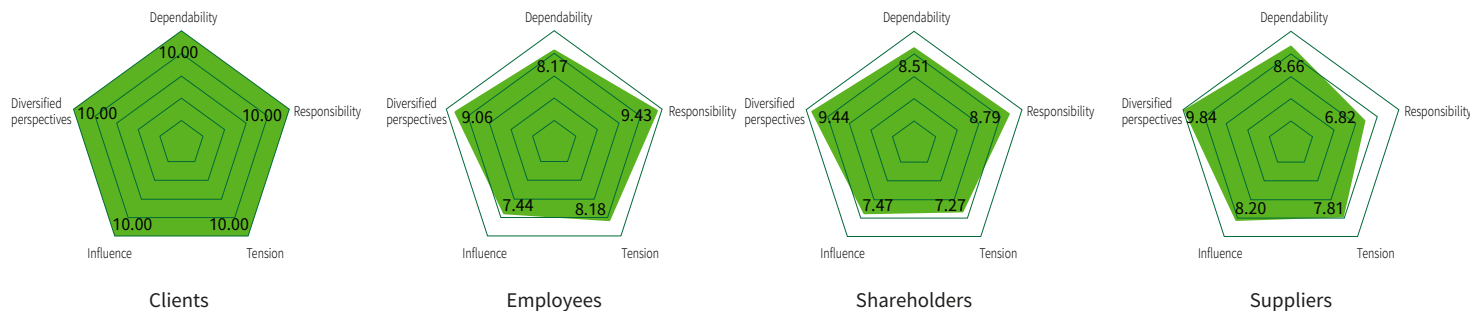


Stakeholder Identification Results







Note: The vertical axis values are based on the results of each executive's evaluation by statistically distinguishing their relative importance and summarizing the analysis results of the 5 components.

Results of the Evaluation of the 5 Components for Important Stakeholders



## Significant Stakeholder Engagement

Stakeholder Type	Significance to Sensortek	Responsible Department	Engagement Method/Frequency	Engagement Results
 Clients	<p>As a pioneer in making sensors for consumer electronics, Sensortek is actively innovating and developing sensors for various applications and improving the quality and reliability of our products to provide customers with comprehensive solutions, in hope of innovating and developing competitive products that cannot be replaced in the market.</p>	Marketing/ Quality Assurance Departments	Customer satisfaction survey (annually) Customer audits (from time to time)	To track and improve customer relation management and product quality
 Employees	<p>Professional and stable human capital is a key element to maintain good business operation, which in turn enhances organizational competitiveness. Therefore, we provide diversified and innovative compensation and benefit programs to meet the expectations of different employees and to enhance the overall contribution of individual employees to the team so as to achieve the operational goals of Sensortek.</p>	Human Resources and Administration Department	<ul style="list-style-type: none"> <li>Employee Benefits Committee (quarterly)</li> <li>Performance interview (Per six months/annually)</li> <li>Education and training (from time to time)</li> <li>Employee-employer meeting (quarterly)</li> <li>Announcement on internal website or e-mails (from time to time)</li> <li>Employee complaint e-mail/Feedback e-mail of Employee Benefits Committee (from time to time)</li> </ul>	<p>To announce various employee benefits (e.g. health checkups and group insurance), Employee Benefits Committee information, education and training course information and performance management operations from time to time</p> <p>To receive opinions from employees through employee complaint and feedback e-mails</p>
 Shareholders	<p>The responsible investment increasingly attracts attention, and investors also increase concern about the sustainability of Sensortek. Sustainable management and information transparency are important for Sensortek's development at this stage, and continuous communication with shareholders and key investors about its sustainability planning and execution is a key factor to continuously drive Sensortek's sustainable growth in the future.</p>	Financial and accounting department	<ul style="list-style-type: none"> <li>Legal person presentations (from time to time)</li> <li>Ordinary shareholders' meetings (annually)</li> <li>Announcements on public information websites/ company website (from time to time)</li> </ul>	<p>To explain operating results to investors and respond to their concerns through annual shareholders' meetings and legal person presentations from time to time</p> <p>To publish important information in a timely manner, such as the information on corporate governance and operating results that are concerned by shareholders and investors</p>
 Suppliers	<p>Supply chain management and carbon management become an important trend in the technology industry. As a professional sensor design company in the upstream of the semiconductor industry chain, Sensortek has built long-term partnerships with mid- and downstream companies in the production process of chips, and in the upstream of the industry chain, we should assume the role of improving the strength of the supply chain. Through the upstream-downstream cooperation, we have developed a management model for sustainable development in both environmental and social aspects.</p>	Manufacturing engineering/ quality assurance departments	Quality meetings (monthly) Supplier Audit (every six-month/annually)	Daily production status tracking and improvement, process improvement and yield requirements, new process progress and platform connection between both parties

## Survey and Identification of Critical Sustainability Issues

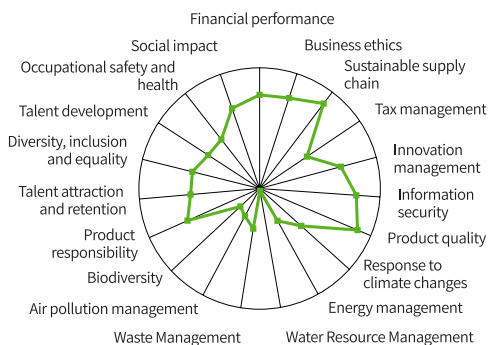
### Survey on Major Sustainability Issues

With reference to global sustainability disclosure standards, industry benchmarking companies, and domestic and international sustainability reports, Sensortek has prepared 19 surveys related to sustainability issues and will conduct a survey on the concerns of important stakeholders in July 2022 to learn about the concerns and expectations of important stakeholders for sustainability issues proposed by Sensortek.

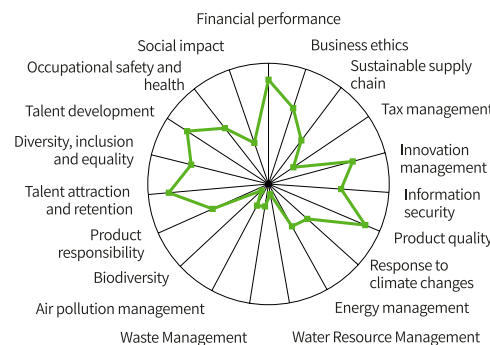
In the survey, 75 questionnaires were collected actually, and based on the results of the questionnaires, the issues concerned by various stakeholders were summarized by the extent of concern as shown below.

### Results of Survey on Issues Concerned by Stakeholders

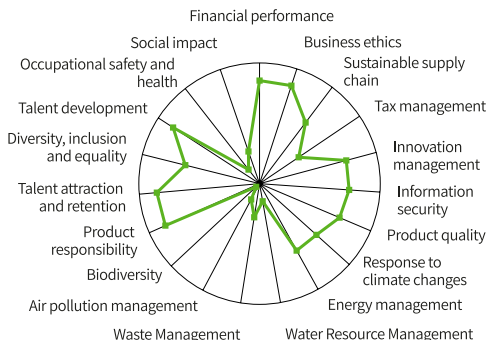
#### Clients



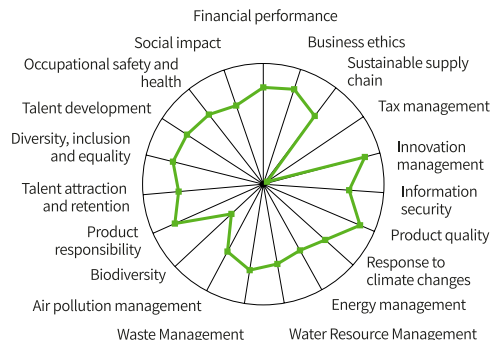
#### Employees



#### Shareholders



#### Suppliers

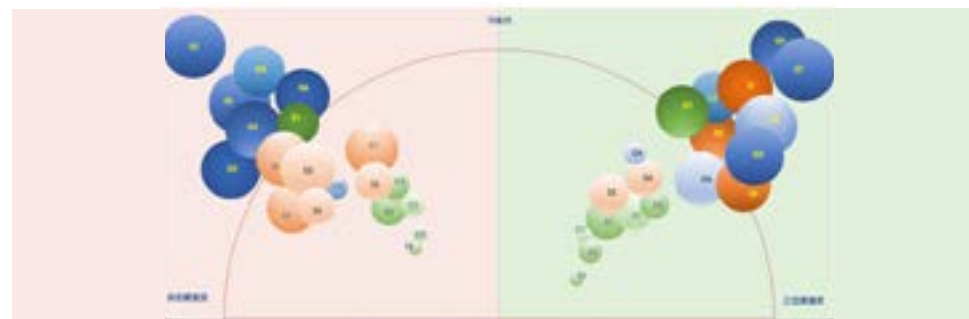


### Identification of Key Sustainability Issues

After completing the survey on the concerns of important stakeholders on sustainability issues, the directors at the division level or above evaluated the possible positive and negative impacts of each issue in terms of "severity" and "likelihood", and examined whether or not Sensortek would cause impacts on stakeholders, environment, and society due to related sustainability issues. Twelve valid questionnaires were collected from the survey, and the evaluation results and the concerns of key stakeholders on each sustainability issue were summarized to draw a sustainability impact analysis chart (as shown below).

Upon comprehensive discussion and evaluation of sustainability issues, taking into account the concerns and requirements of government agencies, shareholders, external sustainability evaluation and customers, a total of 12 sustainability issues, including financial performance, business ethics, innovation management, information security, product quality, diversity, inclusion and equality and talent development, sustainable supply chain (Procurement of Raw Materials), climate change response, energy management, product responsibility (product life-cycle management), and talent attraction and retention (recruitment and management of global professionals), have been identified as the major issues for the sustainable management proposed by Sensortek.

As a result of the identification of major sustainability issues, Sensortek will continue to plan for 2022 and develop a long-term management policy to plan and promote related programs to reduce possible impacts and to serve as a basis for future sustainability disclosure.



G1	G2	G3	G4	G5	G6	G7	E1	E2	E3	E4	E5	E6	E7	S1	S2	S3	S4	S5
Financial performance	Business ethics	Sustainable supply chain	Tax management	Innovation management	Information security	Product quality	Response to climate changes	Energy management	Water Resource Management	Waste Management	Air pollution management	Biodiversity	Product responsibility	Talent attraction and retention	Diversity, inclusion and equality	Talent development	Occupational safety and health	Social impact

Note : Green background color represent key sustainability issues



## Correspondence between key sustainability issues and sustainability disclosure standards

GRI Standards is the most important international standard for sustainable information disclosure, while the Sustainability Accounting Standards (SASB), a standard developed from an investor's perspective, has gained much attention in recent years. The products and processes of Sensortek correspond to the "Technology and Communications" in the semiconductor industry.

The significant sustainability issues identified were corresponded to the GRI Standards and SASB as a basis for subsequent sustainability promotion in response to the concerns of stakeholders, investment institutions and the FSC's corporate governance policies, and the results of the correspondence of significant sustainability issues are shown in Table 12 below.



## Correspondence between major sustainability issues and GRI/SASB standards

Important Disclosure Issues	Corresponding GRI Standards theme or SASB indicator	Significance to Sensortek
Financial performance	GRI 201 Economic Performance 2016	As a listed company in Taiwan, Sensortek continues to strengthen the implementation of corporate governance to achieve the economic significance of sustainable development and to meet the expectations of its stakeholders, and then innovates and improves its operations, continues to achieve good financial performance, and protects the rights and interests of its investors.
Business ethics	GRI 205 Anti-Corruption 2016 GRI 307 Compliance to Environmental Protection Regulations 2016 GRI 419 Compliance to Social and Economic Regulations 2016 TC-SC-520a.1 Intellectual Property Rights Protection and Competitive Behavior	Establishing a culture of good integrity and business ethics is the foundation of corporate governance. All employees shall follow the Company's rules and regulations, perform their duties with integrity, demonstrate the Company's values and protect the rights of stakeholders, which is the key to the Company's sustainable and stable growth.
Innovation management	Self-defined topic	In view of the future trend of the semiconductor industry, the functions of consumer electronic products are changing rapidly, and the continuous improvement of the technology and innovation of the sensor chips is the key element, which can create higher economic value for Sensortek's electronic technology and meet the market demand and changes immediately.
Information security	Self-defined topic	Information security is an important issue that the semiconductor industry must address in the context of sustainable business operations. Taiwan occupies a key position in the global semiconductor supply chain, and in the face of numerous information security risks, Taiwan should continuously pay attention to information security issues, promote internal and external information security protection software and hardware deployment, and emphasize information security management and protection of customer privacy and trade secrets.
Product quality Product responsibility	GRI 416 Customer Health and Safety 2016 TC-SC-410a.1 Product Life-cycle Management	To provide quality products and services, the product life cycle shall be taken into consideration as much as possible in designing the products, so as to reduce the material consumption, and to meet the needs and expectations of our customers, which is a key factor for the sustainable growth of Sensortek.
Diversity, inclusion and equality	GRI 406 Non-discrimination 2016 GRI 412 Human Rights Assessment 2016	Sensortek is committed to building an equal, inclusive, friendly, safe and healthy working environment, protecting employees' rights and respecting them according to the laws.
Sustainable supply chain	GRI 204 Procurement Practices 2016 TC-SC-440a.1 Procurement of Raw Materials	All upstream and downstream Suppliers are important partners of Sensortek, and the sustainable performance of Suppliers has a significant connection and influence on Sensortek's business.
Climate changes Energy management	GRI 305 Emissions 2016 TC-SC-110a.1, TC-SC-110a.2 Greenhouse Gas Emission GRI 302 Energy 2016 TC-SC-130a.1 Environment: Energy Management for Manufacturing	In response to the global climate changes, Sensortek attaches importance to energy and greenhouse gas management and incorporates the issue into the Company's future sustainable strategy planning.
Talent attraction and retention	GRI 401 Employee-Employer Relationships 2016 GRI 405 Employee Diversity and Equal Opportunities 2016 TC-SC-330a.1 Recruiting and Managing Global Professionals	We continue to provide excellent compensation and benefits and strengthen our talent development program to share corporate growth with employees.
Talent development	GRI 404 Training and Education 2016	

# Issues Concerned by SASB

- 19 Greenhouse Gas Emissions
- 20 Process Energy Management
- 21 Water Resource Management
- 22 Employees Health and Safety
- 24 Recruiting and Managing Global Talents
- 30 Product Life-cycle Management
- 31 Procurement of Raw Materials
- 34 Protection of Intellectual Property Rights and Competitive Practices

## Greenhouse Gas Emissions

Sensortek is a professional IC design company. All of our operations are in our office building for the design, development and sales of our products. Manufacturing-related operations such as wafer fabrication, packaging and testing are delegated to professional foundries, and therefore air pollution, waste water, waste and greenhouse gas emissions that may cause environmental impact could not be generated.

In response to the international trend and the policy promoted by the FSC, Sensortek has completed its 2020 and 2021 greenhouse gas emissions self-examination, which covered direct greenhouse gas emissions under Category 1, acquired power under Category 2, and upstream transportation and distribution of products under Category 3 and waste IC disposal under Category 4, taking into account operational characteristics. The major bulk of such emissions are air conditioning refrigerant fugitive emissions under Category 1 and purchased power under Category 2. The total emissions in 2020 was 176.08 tonnes of carbon dioxide equivalent (tonnes CO<sub>2</sub>e) and 1,458.91 tonnes CO<sub>2</sub>e in 2021; in addition, the floor area (m<sup>2</sup>) was used as the basis for calculating the greenhouse gas emission intensity, which was 0.775 tonnes CO<sub>2</sub>e/m<sup>2</sup> in 2021. The main reason for the significant increase in emissions in 2021 compared to 2020 is the relocation to a new office in the second half of 2021, where the floor area is nearly four times more than that of the former office, so a larger chiller is used, and HFC-23 automatic fire suppression equipment was purchased for the new computer room due to firefighting needs.



### Greenhouse gas emissions (by scopes)(Unit:tonnes CO<sub>2</sub>e)

Greenhouse gas		2020	2021
Scope 1	Direct greenhouse gas emission	18.5305	1,202.5531
Scope 2	Purchased electricity power	156.7028	254.1511
Scope 3	Upstream transportation and distribution of goods	0.5565	1.7557
Scope 4	Disposal of waste ICs	0.2900	0.4506
Total greenhouse gas emission		176.0798	1,458.9105
Intensity of greenhouse gas emissions (Unit: tonnes CO <sub>2</sub> e/m <sup>2</sup> )		0.1961	0.7755

Note 1: The denominator of emission intensity is calculated based on floor area because the office was moved in the second half of 2021, so the weighted average floor area was calculated based on the number of days used by the old and new offices in 2021.

Note 2: GHG emission intensity calculation formula = GHG emissions (tonnes CO<sub>2</sub>e) ÷ average floor area (m<sup>2</sup>)  
Floor area in 2020 was 897.855 m<sup>2</sup>, and the average floor area in 2021 was 1,881.33 m<sup>2</sup>

### Disclosure issue: Greenhouse gas emissions

Indicator No.	Item	2019	2020	2021
TC-SC-110a.1	(1)Total global greenhouse gas emission (Scope 1) (Unit:tonnes CO <sub>2</sub> e)	No inventory	18.53	1202.55
	(2)Total emission of perfluorinated compounds (PFCs) (Unit:tonnes CO <sub>2</sub> e)	0	0	0
TC-SC-110a.2	Description of short-, medium-, and long-term strategies or plans for managing Scope 1 emissions, reduction targets, and their performance analysis	<ul style="list-style-type: none"> <li>Sensortek is mainly engaged in IC design, research and development and sales without wafer fabrication, packaging, testing and other related semiconductor processes, so there is no emission of PFCs</li> </ul>		
		<ul style="list-style-type: none"> <li>In 2021, Scope 1 greenhouse gas emissions accounted for 82.55% with the emission sources as septic tank methane, disposable fire extinguishers and air-conditioning facilities in machine rooms and escape of refrigerator refrigerant, which can hardly be reduced. In the future, we will continue to evaluate the feasibility of Scope 1 emission reduction, such as the use of environmentally friendly refrigerant equipment to replace refrigerators and chillers.</li> <li>Due to the move to the new office in the second half of 2021, there will be more changes in the reporting scope, so the year of 2022 will be used as the base year for greenhouse gas emissions management in the future. In addition to the regular annual inventory of greenhouse gas emissions, a plan will also be made to reduce the Scope 2 greenhouse gas emissions caused by purchased electricity power.</li> </ul>		

Note 1: The global warming potential (GWP) of each greenhouse gas is based on the IPCC's sixth assessment report (AR6) released in 2021  
Note 2: The source of Scope 1 emission coefficient is determined by referring to the EPA greenhouse gas emission coefficient management table 6.0.4

Note 3: Scope 1 share formula = Scope 1 emissions ÷ (Scope 1 emissions + Scope 2 emissions)

### Direct greenhouse gas emissions (by emission type) (unit: tonnes CO<sub>2</sub>e)

Greenhouse gas	2020	2021
Methane (CH <sub>4</sub> )	13.5315	15.1394
Hydrofluorocarbons (HFCs)	4.9990	1,187.4137
Total	18.5305	1,202.5531

Note: There is no CO<sub>2</sub>, N<sub>2</sub>O, PFCs, SF<sub>6</sub>, NF<sub>3</sub> gas emissions from the direct emissions of Sensortek.

## Process Energy Management

Indicator No.	Item	2019	2020	2021
TC-SC-130a.1	(1) Total energy consumption (including fuel and electricity) (GJ)	1,016.37	1,123.75	1,822.58
	(2) Proportion of electricity consumption in total energy consumption	100%	100%	100%
	(3) Proportion of renewable energy in total energy consumption	0%	0%	0%

Note 1: Unit conversion: 1 kWh (degree) = 860 Kcal, 1 Kcal = 4.186798 J, so 1 kWh (degree) = 3.6 × 10<sup>-3</sup> GJ.

Note 2: There is no process equipment, and 100% of the energy was consumed by office.

### Energy management

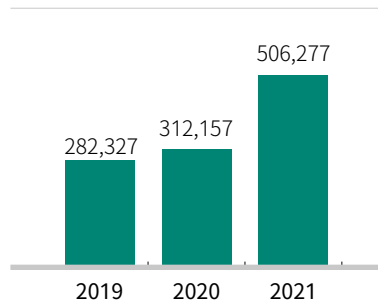
As a professional IC design company, Sensortek has no energy consumption for manufacturing, packaging, testing and other production machines, and our operation is mainly carried out in office space. Air conditioning accounted for the largest share of the total energy consumption, along with lamps, computers IT equipment, and laboratory equipment. In the second half of 2021, we moved to the new office in a building with the Green Building Silver Label, which has been certified for daily energy saving, air conditioning system testing, adjustment and balancing, ventilation environment and light environment.



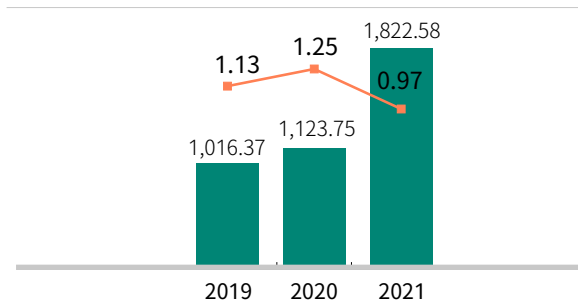
In 2021, 100% of the energy used was non-renewable electricity purchased from Taipower, at 506,277 kWh, an increase of 62% over 2020. This is mainly due to the nearly fourfold increase in the size of the new office area and the significant increase in lamps, computers, information equipment, and laboratory equipment compared to the old building in response to the demand for future operational expansion.

In terms of energy intensity, since the energy-saving facilities in the office have been properly planned, the energy intensity was 0.97 (GJ/m<sup>2</sup> of floor area) in 2021, a 23% decrease compared to 2020.

Total energy consumption in previous years Unit: kWh



Total energy consumption in previous years Unit: 1 billion GJ



■ Non-renewable electricity power

■ Non-renewable electricity power ■ Unit energy consumption (GJ/floor area m<sup>2</sup>)

### Energy Reduction

In order to reduce energy consumption and carbon emission continuously, in 2022, we will add heat insulation film to the outdoor windows of the west office and install thermal insulation panels on the outside of the windows at a constant temperature and humidity warehouse in the hope of reducing energy consumption. Sensortek will use 2022 as the base year, and will continue to evaluate the feasible energy reduction potential and targets.

### Energy Saving Measures in 2021

Item	Content	Energy equivalent saved in the year (GJ)
To use energy-saving lighting facilities	All replace with LED lights	205.29
Lighting control	To turn off lamps during launch break	10.62
Setting of air-conditioning control system	To set auto-start and auto-shutdown schedules and link with the security system to avoid air conditioner from keeping on after work	103.42
Improvement of air-conditioning facilities	The new office has a high-ceilinged space, and the fan coils are equipped with forced air return equipment to increase the cooling effect and reduce air conditioning energy consumption.	180.00
Energy saving management for computers	To set the computer screen to turn off automatically after two minutes of no use	18.00
Behavior management	To promote energy-saving behaviors from time to time (such as turning off meeting devices, air-conditioning equipment and lamps after meeting)	7.2

## Water Resource Management

Indicator No.	Item	2019	2020	2021
TC-SC-140a.1	(1) Water taking amount : percentage of water amount taken from water resource shortage zones to the total water taking amount (high and very high)	0%	0%	0%
		Hsinchu County, where SEGA's operations are located, is not in a high or very high risk area according to the WRI Water Stress Assessment Map.		
TC-SC-140a.1	(2) Water consumption : percentage of water from the water resource shortage zone (high and very high) to the total water consumption	0%	0%	0%
		Sensortek is an IC design company without production or manufacturing activities. No processes would consume water due to evaporated or consumed, and thus this item is not applicable.		

Sensortek outsources 100% of its manufacturing activities to other companies. Therefore, no water consumption or waste water is generated in its processes. All water consumed is domestic water from Taiwan Tap Water Company. The building in which SEGA is located has a Silver Green Building Label, and the water conservation measures for the base, water resources (domestic water conservation), and domestic wastewater have all been certified by relevant organizations. The faucets, toilets, and urinals used in the building are all water-saving products, and the amount of water discharged from the faucets is adjusted to the appropriate amount to prevent water waste.



In 2021, 1.85 million liters of water were taken, an increase of 0.69 million liters over 2020, since the company was moved to new office in the second half of 2021, which has an area of four times that of the old one and increased water consumption for air-conditioning water tower.

The water consumption is measured by floor area. In 2021, the water taking intensity was 0.0010 ML / m<sup>2</sup>, reduced by 24% over 2020, since the floor area of the new office is 4 times of that of the old office.

### Water Taking Amounts in Previous Years

Water taking source	Type	2019	2020	2021
Water from third parties (Unit: 1 million liters)	Fresh water	1.05	1.16	1.85

### Water Consumption in Previous Years

Year	2019	2020	2021
Water taking intensity (Unit: 1 million liters/average floor area)	0.0012	0.0013	0.0010



## Employees Health and Safety

Indicator No.	Item	2019	2020	2021
TC-SC-320a.1	To describe the ways and results to assess, monitor and reduce employees' exposure to hazardous environments	<ul style="list-style-type: none"> <li>To conduct annual risk assessments to identify and qualify hazards in the office.</li> <li>To detect the CO2 concentration in the office every six months.</li> </ul>		
TC-SC-320a.2	Total amount of damages caused by violations of employee health and safety laws and regulations (NT\$)	0	0	0
		<ul style="list-style-type: none"> <li>No employees were found in violation of health and safety laws and regulations over the past three years</li> </ul>		

### Safety Management Mechanism

The core operating activity of Sensortek is IC design. The operating environment of the Company is in office space. All of the manufacturing activities are outsourced to professional foundries. Therefore, in its operating activities, there is no hazardous chemical, fire-related work, limited space or high-risk work.

The Human Resources and Administration Department is responsible for occupational safety and health. In accordance with the requirements of the Occupational Safety and Health Management Act, the Human Resources and Administration Department has assigned a Class A occupational safety and health manager, who is committed to providing a safe, clean and healthy office environment and is responsible for formulating, planning and promoting measures related to safety and health management issues.

### Occupational Safety and Health Education and Training

For all employees, we conduct an annual occupational safety and health training course to inform them of the possible hazards in the office environment, electrical safety, general knowledge of firefighting and first aid, and traffic safety, to increase their awareness of safety and health.

Course Type	Number of Attendants
Regular promotion	184
Basic knowledge	184
Hazardous operations	184
Emergency response	184
Management system	184



### Safety Management Promotion

#### Environmental Monitoring and Safety Management in Office

CO2 concentration detection is conducted every six months in the office environment and noise, lighting, temperature and humidity are measured and office environment risks are assessed every year.

#### Plan for Protecting Executives from Unlawful Infringement

All entrances and exits are equipped with access control and surveillance devices to prevent improper intrusion by outsiders, which may pose a threat to our employees. We have provide an internal "Unlawful Infringement and Sexual Harassment Complaint E-mail" as a channel for complaints, and regularly send out "Unlawful Infringement Questionnaires" every year to make sure that no employee is treated inappropriately, and that no employee is ostracized or misfit for work because of gender, age, nationality or religious beliefs.

#### Man-made Hazards Prevention Process

We ask our employees to complete the Musculoskeletal Symptom Questionnaire in conjunction with annual employee health checks. According to the results of the injury and illness investigation, employees with confirmed or suspected hazards will be further analyzed, evaluated, and improved, and musculoskeletal-related education and training courses will be arranged or relevant health education information and massage services will be provided from time to time for prevention and improvement measures.

#### Prevention Plan and Process for Diseases caused by Abnormal Workload

Every year, we ask our employees to fill out the "Abnormal Workload Checklist" to assess their workload in conjunction with employee health checkups, and then arrange for clinical staff to visit and check high-risk employees or those with a family history of hypertension and other diseases on a regular basis.

In line with the Group's health promotion activities, such as sports competitions, Happy Sports 531, and hiking activities, Sensortek encourages its employees to exercise more to improve their physical conditions and to reduce their physical and mental stress.

#### Maternal Health Protection Plan and Process at Workplace

For the employees who have been pregnant or gave birth within a year, we arrange clinical staff to visit and take care of them regularly and make appropriate work deployment. The office is equipped with a breastfeeding room to provide a safe and secure environment for mothers returning to work after childbirth.



### Work-related Injuries

In the past three years, no work-related injury occurred, and the number of cases of fatality, high-consequence work-related injury, recordable work-related injury was 0. In the future, we will continue to optimize the office environment to provide a safe and healthy workplace for all employees.

### Health Checkup

We provide a full subsidy of NT\$3,000 per person every year and arrange qualified medical teams to conduct employee health checkups at our office. 169 employees received health checkups in 2021, with a participation rate of 94%.

In addition, we have contracted with a professional health consulting company to send nursing staff to our company to provide on-site services three times a month and doctors to our company to provide medical advice three times a year, so that we can ensure the health and safety of our employees.



### Firefighting Management

- Firefighting management personnel is assigned to check power consumption and fire sources every day; and inspect firefighting and evacuation facilities and fire safety equipment on a monthly basis.
- Every year, we request professional firefighting agencies to carry out dynamic tests of office smoke gates, smoke detectors and fire radio to ensure that all fire protection facilities are functioning properly.
- Every year, 10 employees are sent to participate in fire training to familiarize themselves with emergency response measures and the use of fire extinguishers and indoor fire hydrants.
- A self-defense fire department is teamed up to carry out training and evacuation drills for all employees every two years in conjunction with the escape drills of the Taiyuan district.



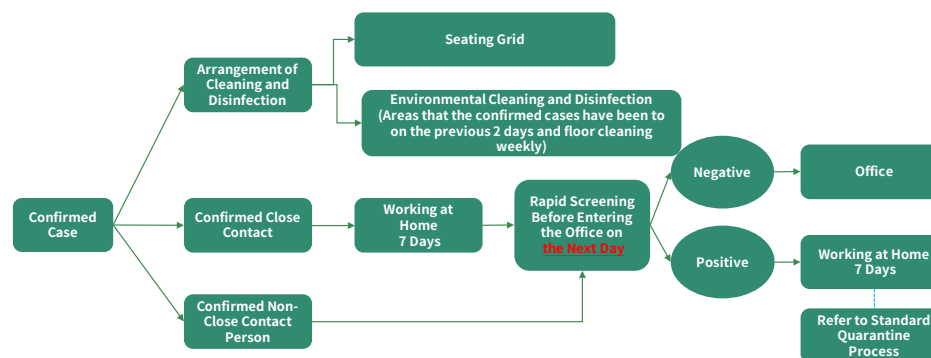
### Epidemic Prevention and Management

In recent years, the COVID-19 wave has surged both domestically and internationally. If we are not careful, it will seriously affect the safety and health of our employees and company operations. We have made related disease control regulations and measures to reduce the risk of the spreading of COVID-19 inside our company.

- Shift management: Employees are divided into shift A and shift B to work at office and home alternately, so as to reduce the contact between employees in the office.
- Management of employees and visitors :
  - » Face recognition and temperature measuring devices are installed at the entrance of the Company to prevent any one whose temperature is higher than 37.5°C from entering the office.
  - » The unnecessary visits by Suppliers and visitors are suspended. If necessary, a visitor shall apply for approval and complete the visit procedures of the Company (real-name registration, health statement, temperature measuring and wearing mask) before entering the Company.
- Meeting management: All meetings in person are suspended. Any meeting shall be held online.
- Office management: All employees shall wear masks as long as they are in the office and the common area is closed down to avoid large gatherings.
- Business trip management: The business trips of employees between Hsinchu and Taipei are suspended.



### Standard Work Flow for Employee Condition Confirmation



Definition: Other persons at the same shift as the confirmed cases

## Recruiting and Managing Global Talents



Indicator No.	Item	2019	2020	2021
TC-SC-330a.1	(1) Percentage of foreign employees	0%	0%	0%
	(2) Percentage of dispatched employees	3.2%	2.3%	2.1%

Sensortek believes that talents are the foundation of sustainable development. We strive to create an open management model and a two-way communication platform to encourage the creativity of our employees and create a brighter future with our customers with the technological advancement, so that our employees can explore their potential in their work and climb up their career ladder. Also, we attract and retain key talents by creating a healthy and happy work environment and offering excellent compensation and benefits.

Sensortek has adopted an "open management model" and emphasizes teamwork. We keep honest and open with our employees, and accept suggestions from all parties through communication and brainstorming. We also encourage our employees to challenge themselves across different fields. Through work diversification and cross-disciplinary approach, we help our employees to better know the Company's overall operations and processes, and provide them with opportunities to participate in cross-disciplinary and cross-technology projects to improve their interaction and work experience. By working together, our employees can learn from each other through brainstorming, move towards diversification, and make every effort to set common goals.

### Talent Recruitment

Sensortek offers fair employment opportunities, prohibits discrimination and fights against child labor or forced labor, which are firmly implemented and deeply rooted in our corporate culture. Every employee can enjoy a fair opportunity for promotion and employment, and discrimination and harassment are prohibited within the Company. All employees are hired, assigned and promoted

based on their abilities and qualifications, regardless of race, class, language, ideology, religion, party affiliation, national origin, place of birth, gender, sexual orientation, age, marriage, appearance, facial features, physical and mental disabilities, zodiac sign, or blood type.

### Recruiting Process and Channels

Our employees are recruited based on the principle of "Recruiting Based on Skills and Appointing the Right People in the Right Place", and employees are recruited according to our actual business needs. The requested departments shall make recruitment applications for employees, and then the Human Resources and Administration Department will coordinate the internal transfer or externally public recruitment of suitable candidates. Our talent recruitment is conducted in accordance with the Basic Labor Act, the Gender Equality Act, the Employment Service Act and other relevant regulations in a fair and open way. Candidates who are qualified from the recruitment process shall sign employment contracts to protect their work rights and interests.

Through different recruitment channels, such as online recruiting platform, talent hunting firms and recommendations by employees, Sensortek has developed multiple sources of human resources to meet the needs of current operations and future planning and R&D of the Company.

During the COVID-19 epidemic, we made good use of video tools to conduct online interviews so that the recruitment process was not affected by the epidemic, and we were able to break geographical restrictions and accumulate human capital in new fields, and continue to build the talent pool in the sensor field for the domestic market.

In addition, we offer internship/R&D positions as alternative military service every year, in hope of integrating school and industry resources to enhance sensor technology capabilities and international competitiveness of the Company, so that students can transfer their knowledge and skills to industry practices, deepen their learning cycle, get in touch with and adapt to corporate culture in advance so as to improve their workplace competitiveness. We can also take this opportunity to prioritize the training and teamwork to find out potential talents and provide them with job opportunities upon completion of their internship or service period to become formal employees of Sensortek.

In view of the challenges of recruiting talents for the technology industry due to the growing number of young children and the shortage of semiconductor talents in Taiwan, Sensortek regularly conducts company-school cooperation, symposiums and technical seminars with academic institutions such as National Taiwan University, National Central University and National Tsing Hua University, so that students have more in-depth exchanges and interactions with Sensortek, which not only raises the Company's reputation and corporate image, but also enhances the willingness of the students to work for Sensortek after graduation.



### Overview of Human Resources

By the end of 2021, the Company employed 189 employees in total, of which 133 (70.37%) were male and 29.63% were female; by age, 19.05% of the employees were under 30, 78.84% were between 31 and 50, and 2.12% were over 50; by contract, 184 employees were under indefinite contracts and 5 under fixed-term contracts, whose job was IC visual inspection. At present, no outsourced employee is employed in operation activities.

The R&D capacity is the core competitiveness of Sensortek. Therefore, in 2021, R&D and engineering technicians accounted for 70.90% of the total number of employees, mainly working in electronic and electrical field, and female executives accounted for 12.50%. Although most of R&D employees and executives are male, we will continue to identify and recruit female employees and create a gender-equal work environment to increase the percentage of female executives. In addition, we respect the work rights of people with physical and mental disabilities and follow relevant laws and regulations. In accordance with Article 38 of the Protection of the Rights and Interests of People with Physical and Mental Disabilities Act, the Company has employed at least one person with physical and mental disabilities, and meet the requirements, to provide fair and diversified employment opportunities.

### Manpower Mobility

In terms of new recruits and retention, the Company newly employed 34 employees in 2021, of which 22 were male (new recruitment rate of 16.54%) and 12 were female (new recruitment rate of 21.43%); the total number of resigned employees was 16, of which 8 were male (resignation rate of 6.02%) and 8 were female (resignation rate of 14.29%). Although the resignation rate of women was higher than that of men, the new recruitment rate of women was also better than that of men.

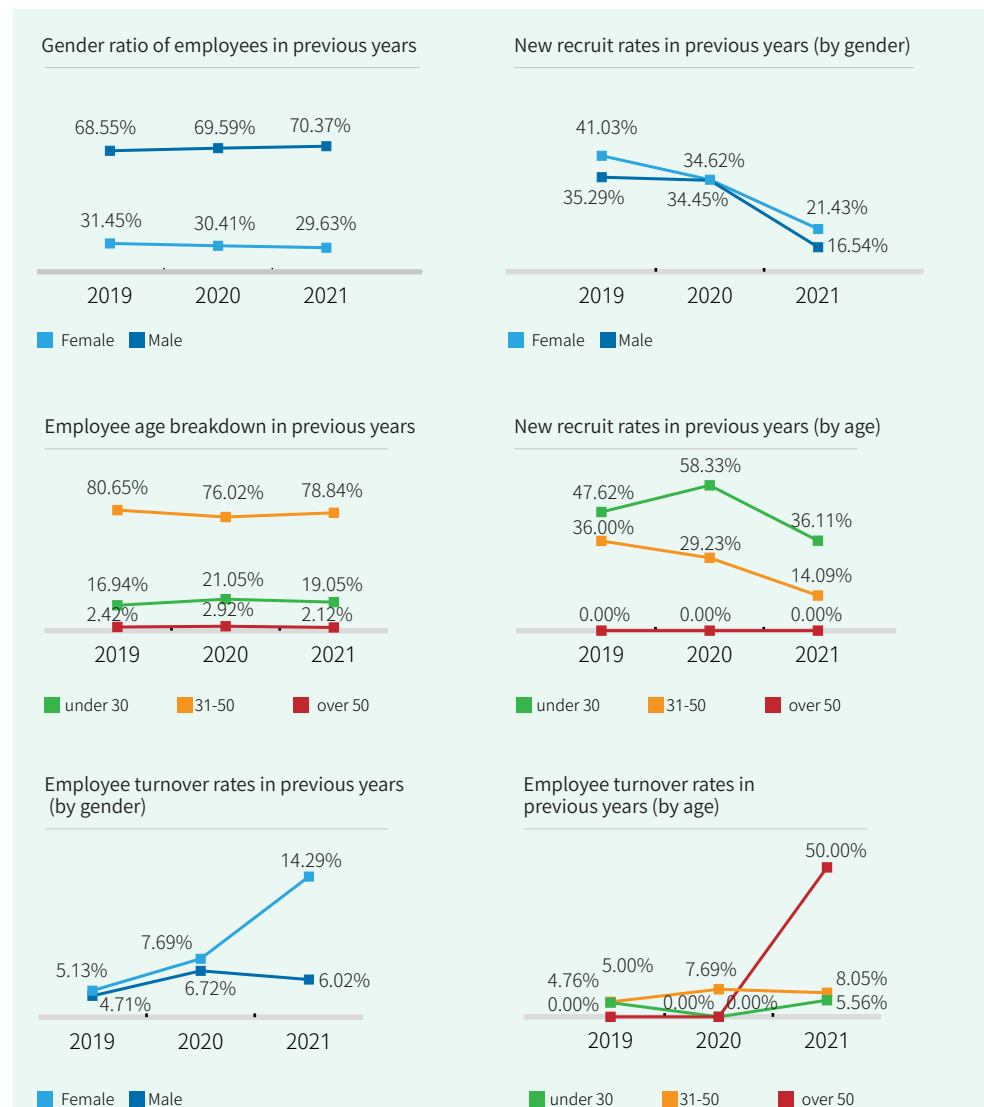
By age, the new recruitment rate for employees under 30 was 36.11%, it was 14.09% for employees of 31-50 years old, and 0% for employees of over 50 years old; and the resignation rate was 5.56% for those under 30 years old, 8.05% for those of 31-50 years old, and 50% for those of over 50 years old (2 persons). Since Sensortek only has a history of 12 years, the employees are relatively young, and the business of the company is still growing, so the resignation rate is relatively low compared to the whole industry, and the new recruitment rate is higher than the resignation rate.

By 2021, local employees was up to 99.5% of total employees at Sensortek, based on our corporate social responsibility to create job opportunities for local residents and promote local economic development.

### Resignation Rate Management

Sensortek would continue to review talent management and retention strategies according to the feedback from resigned employees. When an employee submits an application for resignation, the immediate executive and the Human Resources and Administration Department will interview the employee to understand the reason for the resignation and assess whether the job content, workplace or internal transfer are implemented in a timely manner to retain the employee through analyzing the individual expertise and willingness. A questionnaire will be sent to the resigned employees with a view to collecting the resignation reasons and suggestions to the Company, which will serve as an important basis for future revisions of our retention strategies and improvements.

In 2021, the Company saw its resignation rate slightly increased by 1.44%, mainly due to the growth of Taiwan's semiconductor industry in 2021 and the fierce competition for talents, which has doubled the resignation rate in many constituent companies and raised salaries to attract talents, affecting the retention of talents. Accordingly, Sensortek is also conducting relevant evaluation and planning, and has planned to make structural salary adjustment in the first quarter of 2022, optimize work-life balance, provide competitive salaries and benefits and improve executives' capabilities to provide employees with career development opportunities, and continuously implement the performance appraisal system to enhance the retention rate of high-quality talents.



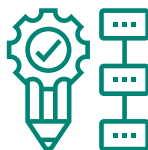
### Newcomer Mentor System

To help new employees quickly understand their duties, work flows and corporate culture, Sensortek has developed the "Newcomer Interview Process Optimization" and "Newcomer Training" programs to enable new employees to learn about the corporate culture, industrial environment and relevant occupational safety knowledge through the interview and newcomer training process.





During the first week after a new employee's arrival, his or her immediate executive shall designate a person in the department who is familiar with the duties of the new employee as the mentor, and the mentor and the executive shall arrange and plan a 90-day mentor program for the new employee, including documentation reading, work assignments, work description, estimated progress and target achievement. After completing the program in 90 days, an initial examination shall be carried out based on the above indicators, in which the executive and mentor shall attend and the new employee shall report the training results and describe his or her contributions that may be made to the organization and work concept. The examination results shall be included in the proposal prepared by the mentor to learn about the understanding of the new employee to the company culture and comments shall be made by the executive to improve the working skills of new employees.

### Performance Appraisal

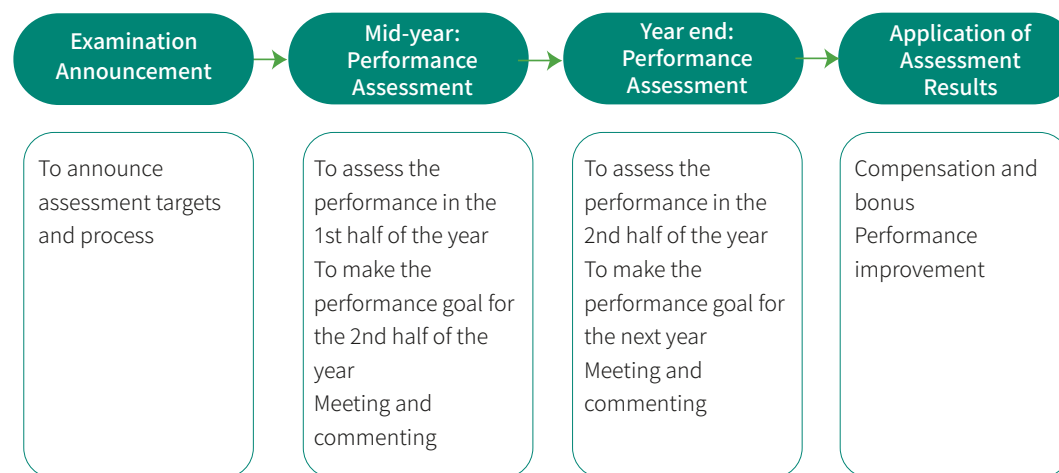
In order to improve the performance of individuals and the organization, Sensortek has developed a performance management system that respects the diversity and differences among all employees, defined an equal performance management system and assessment procedures, implemented two-way communication and employee development plans, conducted assessments for all employees as a basis for employee development and training, job promotions, salary adjustments and employee compensation payments, and performance-based salaries and rewards. Each year, based on the performance assessment results and the career development needs of the employees, the executives and employees will jointly formulate "personal development plans" to fully use the advantages and abilities of our talents.



Through the online performance and learning management platform, employees could use the target management method to set their first-half and second-half in the middle and at the end of a year and conducts regular performance reviews every six months. Through the two-way communication with executives, the executives will score the performance appraisal, interview the employees, provide comments and finally confirm the results and provide feedback and make improvements based on employees' opinions in order to unify the goals of the Company and the employees, and in 2021, the percentages of male and female employees received performance appraisals were 100% (excluding new employees who have been on the job for less than 3 months and employees under fixed-term contracts). Within two weeks of arrival, new employees will confirm their goals with their executives and will be evaluated at the end of the first three months.

One week prior to the arrival of new employee	The arrival date of new employee	Probationary Period Examination Meeting	Feedback Mechanism
 <ol style="list-style-type: none"> <li>The mentor and immediate executive shall plan the 90-day mentor program for new employees</li> <li>Submit the plan to the Human Resources and Administration Department for reference</li> </ol>	 <ol style="list-style-type: none"> <li>Deliver the 90-day mentor program to new employees</li> <li>The mentor meets with new employees regularly (weekly or monthly)</li> </ol>	 <p>To hold probationary assessment meetings to learn about the progress of the 90-day mentor program</p>	 <ol style="list-style-type: none"> <li>Constant assistant by mentor</li> <li>Close the case upon the confirmation by the Human Resources and Administration Department</li> </ol>

### Performance Assessment Process



### Competitive Remuneration

In order to attract, motivate and retain talents, Sensortek offers comfortable and secure working environment and a comprehensive benefit system covering remunerations, rewards and diversified benefits. Salaries and rewards are combined with the Company's operation and personal performance, so that employees and the Company can share the operational achievements.

We have developed the "Remuneration Guidelines" and uphold the principle of fairness and reasonableness to provide reasonable and competitive salaries and benefits through the structure and institutionalization of salaries to retain outstanding talents and promote the steady corporate growth. The employees are advised of the Company's remuneration system through internal training to new employees and internal mail announcements. The compensations for management shall be submitted to the Remuneration Committee and the Board of Directors for approval to enhance the transparency of corporate governance and remunerations.

The remuneration at Sensortek includes fixed monthly salary, fixed year-end bonus and fixed percentage of operating bonus based on profits. In addition, according to Article 18-1 of the Company's Articles of Association, if there is a profit in the year, a share 1% to 25% of the earnings shall be set aside for employee remuneration, and a share of less than 1% of the earnings shall be preserved for director remuneration. The fixed monthly salary is adjusted with the industry standards and labor market statistics, while taking into account the position, job nature, professional competency and job market supply and demand. The variable remuneration includes employee compensation and operating bonuses. Through the variable remuneration system, some part of the remuneration is linked with the operating performance to motivate the employees and the Company to achieve their goals.

In addition, according to the regulations of the FSC, the salaries of full-time non-executive employees are disclosed, the median salary is NT\$2,928,000 and the average salary is NT\$3,346,000, which is 2.6 times more than the average salary (NT\$1,309,000) of the industry, indicating that Sensortek offers competitive salary.

Since the salaries of R&D and engineering employees are obviously better than those of administrative and junior employees, and most of the R&D and engineering employees are male while most of the administrative/junior employees are female, the average salary of male employees is obviously higher than that of female employees when calculating average salaries by genders. Sensortek expects to reduce the difference in average salaries by increasing the percentage of female employees in R&D and engineering positions.

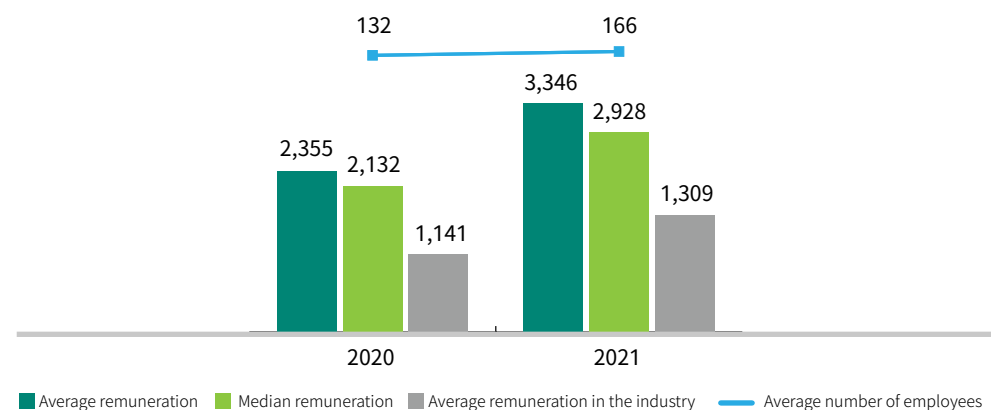


Item		2019	2020	2021
Minimum basic salary ratio	Ratio	1.13	1.09	1.08
Average basic monthly salary	First-level executive (male/female)	-	-	-
	All executives (except for 1st-level executives and above) (male / female)	1.43	1.38	1.49
	Non-executives (male/female)	1.52	1.60	1.65
	Average monthly salary of full-time employees (male/female)	-	1.62	1.66
	Median average monthly salary of employees (male/female)	-	1.68	1.82
Average of basic monthly salary + annual bonus	Annual salary for first-level executives or above including bonus (male/female)	-	-	-
	Annual salary for all executives (except for first-level executives or above) including bonus (male/female)	1.48	1.58	1.73
	Annual salary for employees other than executives (male/female)	1.51	1.73	1.84
	Average bonus for full-time employees (male/female)	-	2.35	2.68
	Median average bonus for full-time employees (male/female)	-	2.36	2.47

Note: There is only one female first-level executive, so the salary proportion is not disclosed due to confidentiality requirements.

Full-time payroll for non-executive employees

Unit: thousand



## Diversified Employee Benefits

In addition to providing regular employee vacations, labor insurance and universal health insurance in accordance with the law, Sensortek also offers a wide range of benefits.



### Pension System

In accordance with the "Labor Pension Act", all Taiwan employees of Sensortek contribute 6% of their monthly salaries into their personal pension accounts set up by the Labor Insurance Bureau. Employees may make voluntary contributions ranging from 0 to 6% of their retirement benefits to a personal pension account based on their willingness, which will be deducted from their total income for the year.

Since the foreign employees hired before 2021 have obtained permanent residency status from short-term residency, the Basic Labor Act applies to their short-term residency, and 2% of their monthly salaries are set aside as a pension fund and deposited in the name of the Labor Pension Fund Supervisory Committee into a designated account at the Bank of Taiwan. Unless the total pension has been contributed sufficiently, if the employee works until retirement application, the contributed pension shall be paid to the employee according to the laws.

### Baby-care Leave without Pay

Sensortek is committed to promoting a balance between work and family for our employees. In addition to the legal leave rights that are equal for both male and female employees, such as maternity leave and paternity leave, we have also developed a perfect leave management system so that employees can flexibly take their leaves for family care, and when they need long-term leave in case of serious injuries or illnesses, they can also apply for leave without pay to meet the needs of themselves and their families, so that they can work at ease. Due to the small number of employees and their relatively young ages, only 18 employees were eligible for baby-care leave without pay in 2021, and no employee applied for it; only 9 employees were eligible for the leave in 2020, and no employee applied for it.

In accordance with the Act of Gender Equality in Employment Act, the regulation on baby-care leave without pay has been formulated, and all employees could apply for the leave based on the following rules :

- Both husband and wife are on the job at the time of application
- The employee has worked with the Company for more than 6 months
- Before the youngest child reaches 3 years old
- For the baby-care leave without pay, the duration shall not be less than 6 months and up to 2 years in principle. During the leave, the Company will contact the employee actively and arrange related matters for the employee to return to his or her position smoothly and re-adapt to the workplace.

List of Labor Pensions		
Targets	Foreign employees	Domestic employees
Applicable law	Basic Labor Act	Labor Pension Act
Contribution method	The Company: To deposit 2% of the total income of an employee as the pension fund on a monthly basis in the name of the Labor Pension Fund Supervisory Committee into a special account at the Bank of Taiwan.	Company: To deposit 6% of the monthly salary of an employee into the personal pension account at the Labor Insurance Bureau. Employee: To deposit another 0-6% of the monthly salary into the personal pension account
Proportion of employees participating in the retirement program	100%	

Note: The monetary assets in the old labor pension fund shall be authorized to the Bank of Taiwan in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (Such assets will be deposited at domestic or foreign financial institutions for investment in equity securities listed on the stock exchange or private placements, such as securitized commodities of domestic or foreign real estate). The use of the assets will be supervised by the Labor Pension Fund Supervisory Board, and the Company has no right to operate or manage the fund.



## Product Life-cycle Management

Indicator No.	Item	2019	2020	2021
TC-SC-410a.1	Percentage of sales of products containing substances declared in IEC 62474	0%	0%	0%
TC-SC-410a.2	Processor energy efficiency at the system level: (1) Servers, (2) Desktops, (3) Laptops	The products of Sensortek are not used in commercial hosts and personal computers, therefore, this disclosure indicator is not applicable.		

### Chemical Management Mechanism

Sensortek has established an "Environmental Substances Management Team" to promote the management of environmental substances and ensure that the products comply with environmental protection regulations. In 2021, we passed the SONY Green Partner (GP) certification, and through regular internal product testing every year, we also clearly marked "RoHS GP" on our product labels to indicate that all products are free of harmful materials, so that our customers can use our products at ease.



We have developed the "Environmentally Restricted Substances Management Procedure" to strictly control substances with high impact on the environment. We review BOMs and environmental testing reports of all products to ensure that the raw and packaging materials used are Hazardous Substances Free (HSF) and comply with customers' environmental requirements and the latest international environmental regulations.

### Supplier Chemical Management

We regularly update the latest environmental regulations for the "HSF (Hazardous Substance Free) Customer Rules and Regulations List" through the official websites of international environmental organizations, chemical policy promotion websites and e-newsletters, seminars on environmental issues from time to time, and environmental regulations of our customers. We take the initiative to issue and collect questionnaires to and from our Suppliers and ask them to provide material testing reports to ensure that our products meet the latest international and customer environmental regulations and responsibilities.

- Issuance of chemical restriction declaration: Issuance of "Supplier Declaration of Not Using Environmentally Hazardous Substances" with a 100% signing rate in 2021.
- Regular material test reports: Suppliers are required to submit annual material test reports for the 10 RoHS controlled substances and Halogen Free (HF) regulations, including lead (Pb), cadmium (Cd), mercury (Hg), hexavalent chromium (Cr6+), polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), di(2-ethylhexyl) phthalate (DEHP), benzyl butyl phthalate (BBP), dibutyl phthalate (DBP), diisobutyl phthalate (DIBP), and two halogen substances such as chlorine (Cl) and bromine (Br).

- Environmental substance requirements table: Suppliers are required to provide the inventory results and survey table required by the new international and customer environmental substance requirements

International Environmental Standards
The latest EU RoHS Directive, REACH SVHC restricted substances
Halogen Free
SONY Green Partner (GP) certification

Environmental Substances Management Team	Duties
<b>Management representative</b>	The top executive in quality assurance department To develop and review matters related to environmental management system
<b>Audit team</b>	Quality system department Supplier management department To audit, plan and carry out environmental quality, correct any non-compliance matters, confirm and track preventive measures and make report on management audit meetings
<b>Information collection team</b>	Customer service department To collect, update and report related regulations and matters requested by customers
<b>Substance management team</b>	Quality system department To survey operations related to environment 1.To receive education and training required by the environmental management system, related international environmental protection regulations and specifications of customers 2.To confirm the environmental substance testing data of all materials used for all products in the supply chain including wafers and packaging plants, such as RoHS and halogen. 3.Supplier environmental data review: To provide the latest "Sensortek Environmentally Restricted Substances List" To request new Suppliers to sign the "Supplier Declaration of Not Using Environmentally Hazardous Substances"
	Product engineering department To select green products for product development
	Manufacturing management department To control the list of environmentally qualified Suppliers and procurement

## Procurement of Raw Materials

### Supplier Classification

As a professional sensor design company in the upstream of the semiconductor industry chain, Sensortek is responsible for integrated circuit and system design, and the subsequent manufacturing is commissioned to professional wafer foundries for fabrication, and then to professional packaging and testing company for wafer inspection, cutting, packaging and IC testing. Optical sensors must be fitted with appropriate light-emitting components, such as light-emitting diodes (LEDs) or laser diodes (VCSELs), design the optical mechanism, and the packaging method corresponding to the development, in order to optimize the product features and meet the needs of different customers.

Due to the characteristics of highly customized products, the tools required for production, such as packaging molds and test fixtures, have to be specially developed for the downstream packaging and testing stages. Therefore, Suppliers are divided into four categories, including raw materials Suppliers (for wafers, light-emitting components and printed circuit boards), outsourced processing Suppliers (for optical film coating, cutting, packaging and trial production), production tool Suppliers (for packaging molds and test fixtures) and general procurement Suppliers (for computer software and hardware equipment, parts and consumables, and engineering testing services).

### Raw Material Risk Management

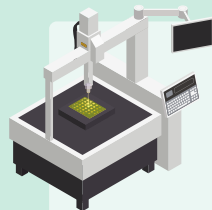
The manufacturing management department of Sensortek proposes the stock quantity according to the inventory status and the delivery schedules of Suppliers, and then follows the procurement procedures to place orders and track the progress of delivery; at the same time, the safe inventory shall be adjusted according to the market demand, and the Supplier evaluation is conducted regularly to mitigate the risk of delivery interruption.

Indicator No.	Item	Description
TC-SC-440a.1	To describe the risk management for using key raw materials	100% wafers, one of main materials, are outsourced to the foundries for manufacturing. Although the rare earth metals mentioned in SASB are not directly used, they are the key materials for foundries. Therefore, the supply capability of foundries is a procurement risk issue for Sensortek, and we also continue to control and manage the risks of Suppliers through regular evaluation.

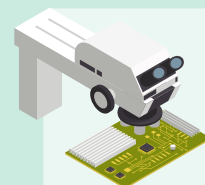
### Supplier Classification



**Raw materials Suppliers**  
(for wafers, light-emitting components and printed circuit boards)



**Outsourced processing Suppliers**  
(for optical film coating, cutting, packaging and trial production)



**Production tool Suppliers**  
(for packaging molds and test fixtures)



**general procurement Suppliers**  
(for computer software and hardware equipment, parts and consumables, and engineering testing services)

### Raw Material Risk Management

Market demand survey



Confirmation of production cycle changes



Confirmation of Supplier delivery schedule



Safe inventory adjustment



Regular review

## Supplier Management

To strengthen the Supplier management mechanism, Sensortek has established a "Supplier Management System Platform" for use by all evaluation departments. The performance information of the management process, from the audit of new Suppliers to the regular evaluation of qualified Suppliers, is recorded in the system. Based on a clear management mechanism, unqualified Suppliers are excluded to stabilize the production and quality alongside the supply chain.



### Conflict Minerals Management

Sensortek adopts the Conflict Minerals Reporting Template (CMRT) prepared by the Responsible Minerals Initiative to investigate Suppliers to ensure that the metals used in their products are not sourced from conflict zones in the Democratic Republic of Congo or neighboring countries, and to continuously monitor upstream procurement to avoid acquiring conflict metal materials.

### Local Procurement

On a basis of the principle of reducing the carbon footprint of transportation and boosting the local economy, by 2021, 100% of materials related to the operation of Sensortek were sourced locally (Taiwan), except for specific materials required for future products that may come from other countries, and we look forward to working with local Suppliers in the future.

### New Supplier Evaluation

In accordance with the "Supplier Management Procedures", the manufacturing engineering department of Sensortek will find new Suppliers with professional engineering capabilities that can meet our production requirements, and set up an evaluation team to review their capabilities. The team members shall include quality assurance and manufacturing engineering departments. According to the key points of the new Supplier evaluation, the evaluation shall be carried out and the Suppliers that can meet the evaluation conditions will be officially included in the Approval Supplier List (AVL). In 2021, 5 new Suppliers were selected, 100% of which have signed the "Supplier Declaration of Not Using Environmentally Hazardous Substances" and provided RMI Conflict Minerals Survey Forms

#### New Supplier Evaluation Sustainability Project

- The new Supplier shall pass ISO 9001, ISO 14001, ISO 45001, IATF 16949 or other international quality system certification.
- All products and process materials shall be in compliance with the "Sensortek Management Regulation on Environmentally Restricted Substances", and the "Supplier Declaration of Not Using Environmentally Hazardous Substances" shall be signed.
- RMI Conflict Minerals Survey Form shall be provided to disclose the source of the minerals in a responsible manner.

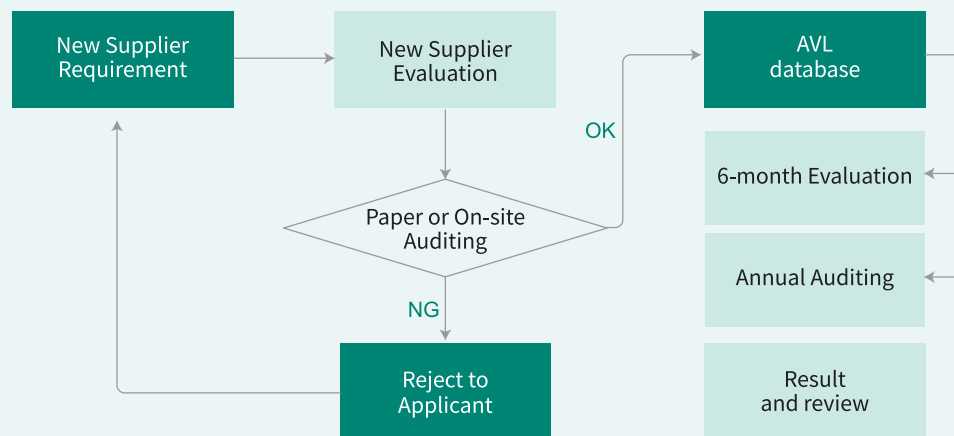
### Approval Supplier Management

All of our major Suppliers are well-known manufacturers both at home and abroad, and it is important to maintain long-term partnerships with them. In order to ensure that our Suppliers can continue to provide stable products and engineering services. In principle, we evaluate approval Suppliers every six months and audit every year to ensure the stability of new product manufacturing capabilities and fully learn about the current conditions of our Suppliers.

If it is not possible to conduct on-site audit due to geographical or other factors, the Supplier's quality assurance department shall provide self-assessment and relevant audit documents, which will be reviewed and approved by Sensortek.

#### Approval Supplier Evaluation

- Six-month evaluation
  - » Process capacity evaluation (delivery/quality/yields/services)
- Annual audit
  - » On-site quality system audit
  - » QSA (Quality System Audit)
  - » QPA (Quality Process Audit)
  - » Environmental friendly product management





### Audit Frequency

Approval Supplier	Six-month evaluation	Annual audit
Material Suppliers	V	V
Wafer Suppliers, outsourcing Suppliers	V	V
Production tools		
Others		

### Evaluation Items

Frequency	Evaluation Items	Weight
Every six months	Delivery	30
	Quality	60
	Process yields	
	Engineering services	10
Year	Quality System Audit (QSA)	100
	Quality Process Audit (QPA)	100

### Evaluation Criteria and Grades

Grade	Score	Definition
A Grade	≥ 80 分	Approval
B Grade	79 ~ 65 分	Conditional Approval
C Grade	< 65 分	Dis-approval

Note: In case of C Grade, the evaluation team shall evaluate the Supplier again for confirmation. If the Supplier still fails in the second evaluation, it will be removed from the approval Supplier list.

### Management Results

Statistics of audits in 2021	Material Suppliers	Outsourced processing Suppliers
Six-month evaluation	100%	100%
Annual audit	100%	100%

Note: In 2021, 22 Suppliers were audited, all of which had completed interim evaluation and annual evaluation. Production tool Suppliers are not important for processes, so they were not audited

### Supplier Mentor

Sensortek holds regular (weekly and monthly) meetings with Suppliers to discuss quality and environmental management, production lead time, and product engineering development progress, and to identify areas for further improvement. For Suppliers who fail to pass the evaluation, after all deficiencies corrected, the evaluation team will re-examine them again; if they still fail to meet the requirements after re-validation, they will be removed from the approval Supplier list.

## Protection of Intellectual Property Rights and Competitive Practices

Indicator No.	Item	2019	2020	2021
TC-SC-520a.1	Total amount of losses from anti-competitive practices in violation of relevant laws and regulations (in NT\$)	0	0	0

Intellectual properties are the core competitiveness of Sensortek. To address the management needs and meet the goals of intellectual property rights, we formulate the Measures for the Information Confidentiality and Intellectual Property Rights and the Patent Measures to regulate the protection and acquisition of rights, the use of rights, incentive and other aspects. Through proactive intellectual property management, we motivate employees to keep innovative and create high-quality intellectual properties to strengthen our operational competitiveness. In addition, we respect the intellectual properties of others and require our employees to comply with the confidentiality requirements of our customers and Suppliers, and to carefully evaluate the development of intellectual properties of others, so as to reduce the risk of breach of contract and infringement of rights.

### Trade Secrets Management

We have defined requirements and standards for company-related confidential information, required employees to sign confidentiality contracts, and developed business secrets protection courses. Internally, we have built an information security environment for confidential information to control the flow of information, and when we disclose or receive other confidential information, we require of our employees to sign and comply with the confidentiality agreement.



- New employee education and training: New employees should complete online learning course within two weeks upon their arrival, covering the introduction of intellectual property rights and the company's patent application and incentive system. In 2021, 34 new employees completed 100% of the company's new employee online learning course.
- Information flow control: The information from our R&D employees is centralized in a data center with security measures to strictly control the confidential information. In case of external disclosure required, a permission shall be applied for and the information shall be provided through specific transmission channels to avoid access and leakage by unrelated personnel.

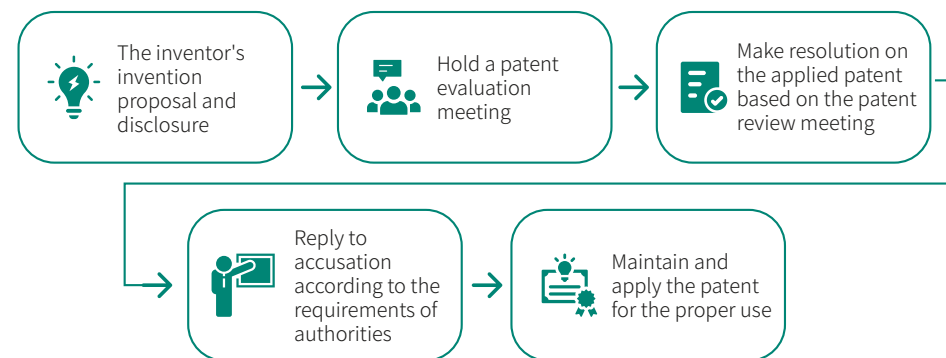
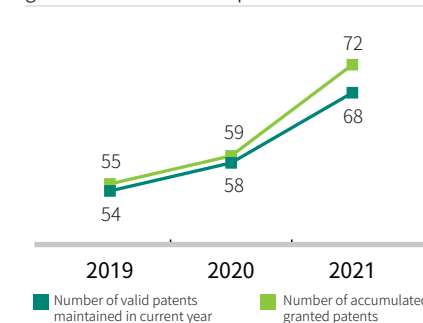
### Trademark Management

The Sensortek's name and LOGO are registered as trademarks and are maintained in accordance with the laws in order to prevent others from registering in advance in major markets and countries and to protect the company's name and LOGO.

## Intellectual Property Management Plan

- Management of trade secrets: We have developed annual ongoing courses for all employees on intellectual properties and protection of trade secrets to improve employees' awareness of confidentiality, and conduct audits to ensure that relevant personnel obey confidentiality provisions.
- Patent management: According to the R&D strategy and direction, patent search is conducted in advance to facilitate the planning of subsequent patent applications. In addition, we continue to raise our R&D employees' awareness of the importance of patent application to ensure that we can effectively improve the quality and management efficiency of our patents.
- Trademark management: For new market countries, evaluation is conducted to determine whether the trademark shall be registered to provide a more complete protection of trademark rights.

Patent applications in previous years and the granted and maintained patents



### Patent Management Process

Sensortek encourages innovative research and development and carefully reviews employees' inventions and innovative proposals. In addition to hold patent evaluation meetings, we also assist R&D departments in preparing patent application strategies to protect the Company's R&D achievements and related rights.

- Based on our "Patent Measures", we have designed "Proposal Incentive" and "Incentive for Award" to encourage employees to make innovations and help the Company accumulate patent rights and improve competitiveness.
- From 2017 to December 2021, a total of 75 patent applications have been filed worldwide, and in addition to 10 invention innovation proposals in 2021, 72 patents had been obtained, covering major markets and countries such as Taiwan, the United States, and the Mainland of China.

# Other Governance Issues

- 36 Corporate Governance
- 38 Tax Governance
- 39 Risk Management
- 40 Operation Integrity
- 41 Innovation management
- 44 Product quality
- 46 Information Security Policy

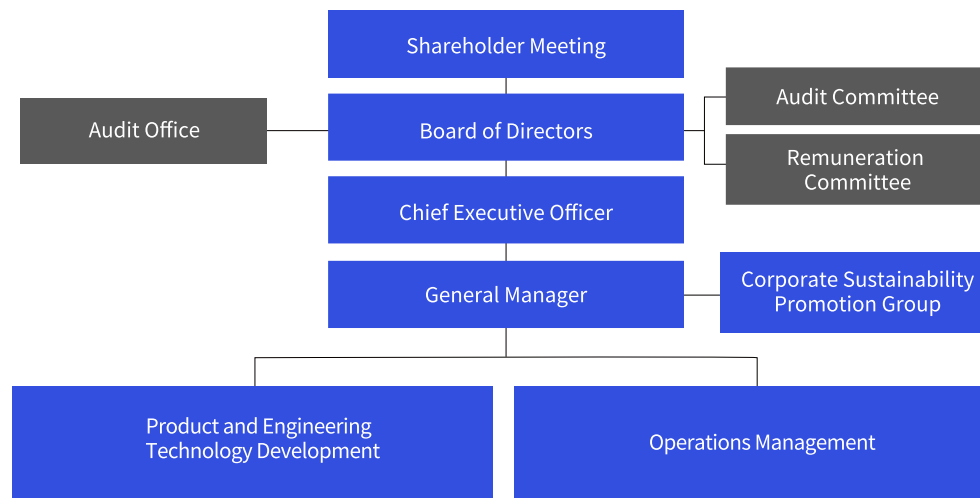
## Corporate Governance

In order to protect shareholders' rights and interests, strengthen the functions of the board of directors, perform the functions of committees, respect the rights and interests of stakeholders, and enhance the transparency of information, Sensortek complies with the provisions of relevant laws and regulations in corporate governance and internal management mechanism based on the Code of Corporate Governance Practices for Listed Companies.

### Composition and Operation of the Board of Directors

The supreme management organ of Sensortek is its Board of Directors, under which an Audit Committee and Remuneration Committee are established to assist the Board of Directors in fulfilling its supervisory duties and ensuring the transparency of operational and financial information in order to protect our shareholders' rights and interests. The Board of Directors currently consists of seven directors, three of whom are employees of Sitronix and Sensortek, one external director and three independent directors (42.86%), and the three independent directors form the Audit Committee and Remuneration Committee to perform supervisory duties. Of the seven directors, there is one woman director (14.29%). The directors are not related to each other in a spousal relationship or in the second degree by consanguinity.

The Board of Directors will hold regular meetings at least once a quarter, and 5 meetings were held in 2021 with the attendance rate of 100%. The Board of Directors will also conduct board-related training in accordance with the "Key Points of the Continued Education for Directors and Supervisors of Listed Companies", and continue to improve the Board's understanding of regulatory amendments and emerging issues to enhance the effectiveness of corporate governance.



### Diversity of Board of Directors

The seven members of the board of directors of Sensortek have diverse backgrounds, including industry experience in semiconductor-related fields, accounting experience, and financial and asset management expertise.

Name	Gender	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
Sheng-Su Lee	Male	●		●	●	●	●	●	●
Vincent Mao	Male	●		●	●	●	●	●	●
Chu-Yuen Yang	Male	●		●	●	●	●	●	●
Hua-Cheng Tseng	Male	●		●	●	●	●	●	●
Chun-Yi Hsu	Male	●	●	●	●	●	●	●	●
Shu-Chun Huang	Female	●		●	●	●	●	●	●
Jen-Chi Lu	Male	●	●	●	●	●	●	●	●

### Audit Committee and Remuneration Committee

To improve corporate governance and operations, Sensortek has established an Audit Committee, which consists of all independent directors and is responsible for overseeing the financial reporting process in order to effectively monitor internal controls and check financial reports of the Company. In 2021, the Audit Committee held 5 meetings with the attendance rate of 100%.

In order to implement corporate governance and improve the remuneration system for directors and managers, Sensortek has established a Remuneration Committee in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", which is composed of all independent directors, and has defined organizational rules and regulations to oversee the remuneration system for directors and managers in order to faithfully perform their duties and make proposals to the Board of Directors for review. In 2021, the Remuneration Committee held three meetings with the attendance rate of 100%.

Name	Audit Committee		Remarks
	Member	Attendance Rate	
Jen-Chi Lu	●	100%	Audit Committee Convener
Chun-Yi Hsu	●	100%	
Shu-Chun Huang	●	100%	

Name	Remuneration Committee		Remarks
	Member	Attendance Rate	
Jen-Chi Lu	●	100%	
Chun-Yi Hsu	●	100%	
Shu-Chun Huang	●	100%	Remuneration Committee Convener

### Performance Assessment of Board of Directors

On the meeting of the Board of Directors on August 4, 2020, Sensortek approved its Rules for Performance Evaluation of Board of Directors, to carry out an internal performance assessment for the Board of Directors, individual directors and functional committees once per year, and the assessment results shall be reported to the 1st quarter meeting of the Board of Directors to continuously improve the operation efficiency of the Board of Directors.

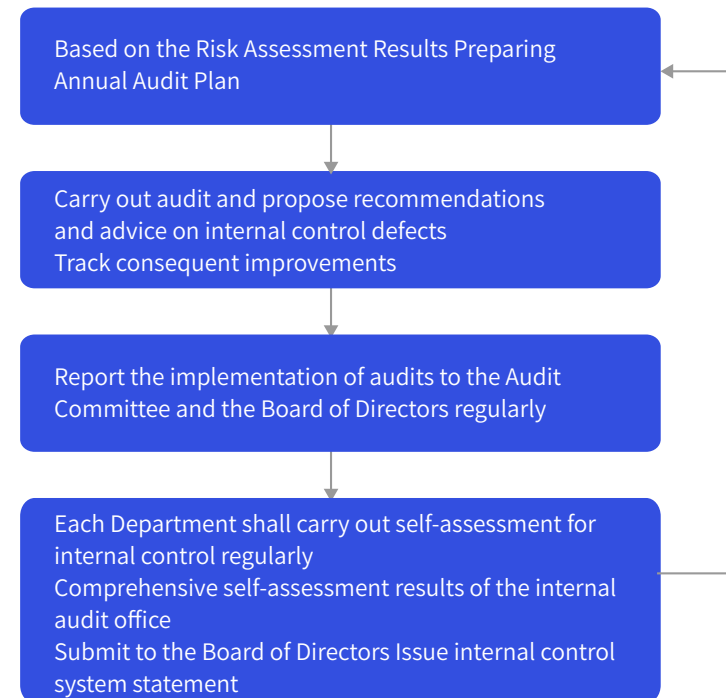
The scope of the 2021 assessment includes the performance assessment of the Board as a whole, individual directors and functional committees for the period from January 1 to December 31, 2021. The internal self-assessment questionnaire was distributed to assess the engagement of the Company's operations, awareness of responsibilities, quality of decision making, composition and structure of members, appointment and continuing education, and internal control. The average rating of the Board of Directors, the Audit Committee, the Remuneration Committee and the individual directors is above 4

(out of 5) according to the recovered assessment results, which was reported to the Board of Directors in the first quarter of 2022.

### Internal Audit

Sensortek has established an internal control system in accordance with laws and regulations, and has set up an internal audit department under the Board of Directors, which reports regularly to the Board of Directors and the Audit Committee to ensure its independence and professionalism. Dedicated auditors are assigned to perform regular or project audits each year, provide recommendations for improvement, and continue to track improvements until they are completed.

### Internal Audit Management Procedures



### Measure the efficiency of internal controls

- Reasonably ensure the effectiveness and efficiency of operations (including profitability, performance and safety of assets)
- Ensure the reliability, timeliness and transparency of reporting
- Compliance with relevant rules, laws and regulations

## Tax Governance

### Governance Principles

All of Sensortek's operations are conducted in accordance with the relevant tax laws and regulations of the Taiwan government, and we support the government's tax policies that promote industrial innovation and economic growth. In accordance with the Statute for Upgrading Industries and the Statute for Industrial Innovation, the five-year tax exemptions applied to the expansion of the previous year's capital increase and the tax credits for investment in research and development expenditures and investment in intelligent machinery, as provided by laws, were applied from 2016 to 2020.

The accounting department coordinates the daily tax administration operations and investment credit applications, and the staff responsible for taxation regularly participates in relevant tax courses or seminars held by the competent authorities, and receives professional advice from external tax consulting organizations. Accounting firm shall be assigned to review financial reports on a quarterly basis to ensure the reasonableness and correctness of disclosed tax information.

### Tax Policies

Compliance with the local tax regulations and the spirit of its legislation

Inter-affiliate transactions are governed by conventional trading principles

The tax information is disclosed in accordance with the Regulations Governing the Preparation of Financial Reports

Do not use tax havens or engage in tax planning for tax avoidance purposes

Do not transfer profits generated by the Company to countries with lower tax rates

Maintain good relations with tax authorities based on the principles of mutual trust and information transparency



### Tax Risk Management

All operations shall be subject to internal control processes to identify, assess and manage tax risks arising from regulatory changes, and the Audit Committee shall oversee the implementation of internal controls relating to accounting, tax and financial reporting processes.

### Tax Payment

Unit: NT\$1,000

Information related to income tax	2019	2020	2021
Profit and loss before tax	1,508,063	1,550,117	1,970,683
Income tax expense	185,163	184,663	309,334
Effective book tax rate	12.28%	11.91%	15.70%
Amount of paid tax income	184,492	183,214	283,721
Effective tax rate for cash	12.23%	11.82%	14.40%

Note: No income tax is paid in other places than Taiwan.

### Transfer Pricing Management

The transactions between Sensortek and its affiliates are based on the principle of regular transactions and follow the "Regulations Governing Assessment of Profit-seeking Enterprise Income Tax on Non-arm's Length Transfer Pricing", and a transfer pricing report is issued by a tax-accredited accounting firm.

## Risk Management

Sensortek has developed "Risk Management Policy and Procedures" as the highest guiding principle for risk management. In accordance with its overall operating policy, the Company has defined various risk types and establishes a risk management mechanism to identify, supervise and control risks, keep the risks that may be encountered in operation activities within tolerable

ranges and prevent possible losses, as a basis for making business strategies and achieving the Company's strategic goals.

### Risk Management Organization and its Authorities and Responsibilities

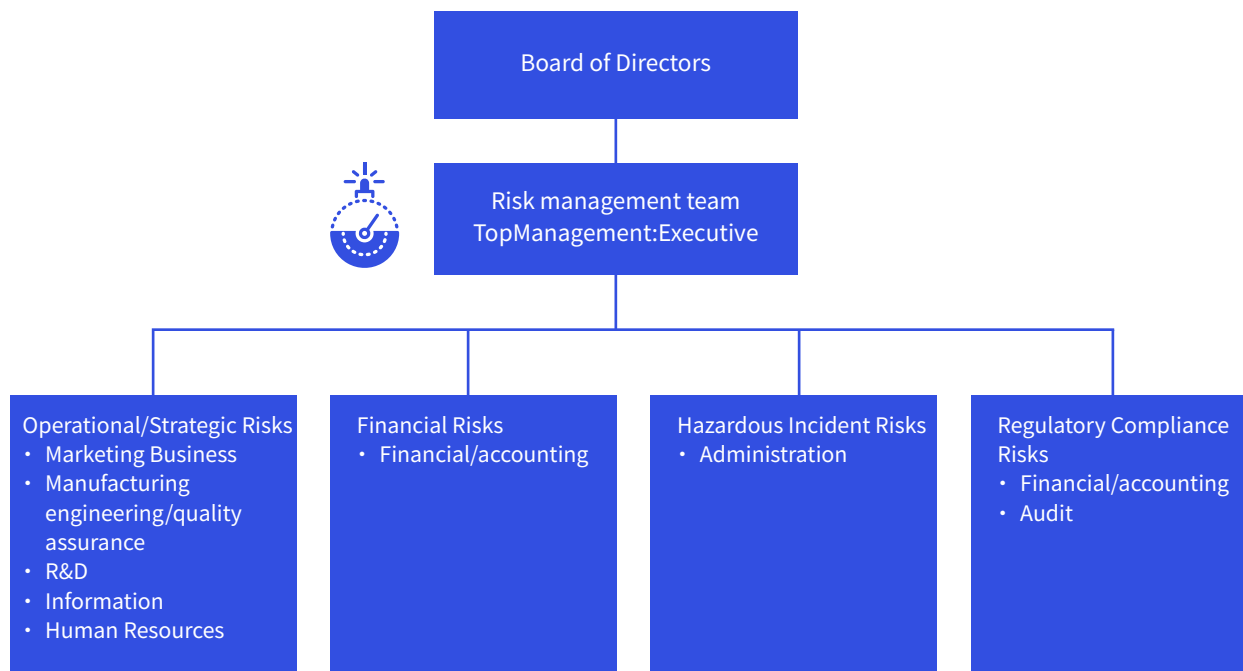
In order to reduce possible operational risks, strengthen corporate governance and ensure its stable operation and sustainable development, Sensortek established a "Risk Management Team" in 2021, which consists of top management and heads of all departments, and defines the risk areas according to departmental obligations.

#### Top Management Responsibilities

- To coordinate and direct the implementation and operation of risk management policies and procedures
- To coordinate cross-departmental risk management interaction and communication
- To supervise the improvement of risk control measures and review the effectiveness of risk management system

#### Responsibilities of Departmental Head

- To identify, evaluate and make countermeasures for risks, and take into account changes in external conditions and internal goals
- To control and supervise the related risks within the department in daily management



### Risk Management Process

Each year, the risk management team analyzes internal and external issues, identifies stakeholders and issues of concern, and proposes topics in each risk area. After each departmental head evaluates the concern (based on the Company's sustainable management) and impact level (the possible consequences of the risk) of the issue, identifies the significant risk issues, and submits them to the top management for approval, each relevant department shall set annual targets and make management plans.



In the future, we will follow the framework of Task-force on Climate-related Financial Disclosures published by TCFD to promote and disclose the governance, strategy, risk management, indicators and targets of climate-related risks.

## Operation Integrity

On a basis of integrity operation, Sensortek keeps abreast of domestic and international policies and laws that have potential impact on its business and financial position, and has defined corporate governance rules and regulations in a timely manner. The audit department also regularly checks the compliance with regulations and revises relevant internal regulations. On April 9, 2019, the Board of Directors approved the "Code of Integrity," "Code of Ethical Conduct" and "Procedures for Ethical Management and Guidelines for Conduct," which require all employees to conduct their business activities with integrity and fairness and to comply with government regulations. The members of the Board of Directors and the management also operate the Company with integrity.

The Human Resources and Administration Department is responsible for the promotion and implementation of the integrity of corporate operation, and shall report to the Board of Directors once a year (the report was made in November 2021) on the integrity management policy and the plan to prevent dishonest acts and monitor its implementation.

We have adopted a zero tolerance policy against corruption, bribery, unfair competition, secret disclosure, infringement of rights, and insider trading. If any employee is found to have violated the code of ethical conduct or internal regulations through the reporting mechanism or internal audit department, we will record, investigate and punish them in accordance with the relevant regulations to maintain a fair and honest reputation.

### Eight Principles for Corporate Integrity

Prohibition of offering

Prohibition of insider trading

Prohibition of offering illegal political contributions

Prohibition of infringing intellectual properties

Prohibition of improper charitable donations or sponsorships

Prohibition of unfair competition

Prohibition of unreasonable gifts and hospitality or other improper benefits

Preventing products or services from damaging the interests of stakeholders

In accordance with the "Procedures for Ethical Management and Guidelines for Conduct", Sensortek has established a "Reporting System" and provided a reporting email on its official website and internal website, with the Audit Office as the dedicated department to manage and receive information related to any incidents.



#### Report Handling Procedures :

If any employee is aware of any violation of the code of conduct or internal regulations, he or she can use the "Reporting E-mail of Breach of Integrity" on the Company's website to report the violation. The identity of the whistleblower and the information on the reported violation will be kept confidential and processed by designated officers only.

Reporting e-mail: report@sensortek.com.tw (your e-mail will be automatically transferred to the Audit Office of the Company).

### Operation Integrity Education and Training

In order to ensure operation integrity and compliance with laws and regulations, we provide our employees with regular training courses on the core values of operation integrity to raise their awareness of operation integrity, and put course presentations in our internal education and training system for them to review at any time.

Name of 2021 Course	Number of Completed Training	Training Completion Rate
Procedures for Ethical Management and Guidelines for Conduct	170	100%
Reporting System	170	100%
Code of Conduct (Study Course Designated for Managers)	7	100%

### Insider Trading Prevention Training

On December 27, 2016, the Board of Directors' Meeting approved the "Procedures for Processing Internal Material Information and Procedures for the Prevention of Insider Trading". In order to prevent insider trading, we have made the "Insider Trading Act" and the "Procedures for Processing Internal Material Information and Procedures for the Prevention of Insider Trading" mandatory online courses for employees every year, and the course covers such contents as elements of insider trading, legal responsibilities and examples of transactions, as well as the guidelines for confidentiality and disclosure of internal material information of the Company. The course presentations are also published in the internal education and training system. In addition, on August 03, 2021, the Board of Directors reviewed the "Reporting on the Disgorgement Patterns and Interpretations of Common Short-Swing Insider Trading", with the attendance of all directors.

Name of 2021 Course	Number of Completed Training	Training Completion Rate
Procedures for Processing Internal Material Information	170	100%
Laws and Regulations related to Insider Trading	170	100%
Regulations for Short-Swing Insider Trading Disgorgement and Case Studies (Course Designated for Managers)	7	100%

### Regulatory Compliance

To meet the requirements for regulatory compliance, Sensortek has included various regulations in its standard contracts, and sets benchmarks for business partners in cooperation with Sensortek. The General Manager's Office is careful in reviewing contracts to ensure that the relevant regulations are included in the contracts and other documents to meet the requirements of relevant domestic regulations and international standards. In addition, Sensortek did not violate any environmental, economic and social regulations in 2021.



## Innovation management

### R&D Input

Upholding the concept of "making the user experience of handheld mobile devices enjoyable", Sensortek focuses on the innovative R&D of sensor technologies and cooperates with world's leading manufacturers to establish a close partnership with our customers to realize the innovative development of functions and appearances of mobile devices.

The sensor chip is an important component in connecting electronic devices to the external environment, as it can receive optical, physical and chemical signals from the external environment, and then transform them into telecommunication signals for processing, such as ambient light, orientation, gravity, pressure, temperature, humidity or face recognition, which are applications of sensor chips. Over the years, Sensortek has accumulated R&D strengths for ambient light sources, distances and gravity to expand the business to other sensing application fields, to take a lead in sensor chips manufacturing. In 2021, the R&D investment reached NT\$550 million, accounting for 9.38% of the business revenue.

Unit: NT\$1,000

Related Information	2019	2020	2021
R&D Expense	335,877	369,258	550,780
Proportion in Revenue	6.99%	6.97%	9.38%

### Development Trend of Sensing Products



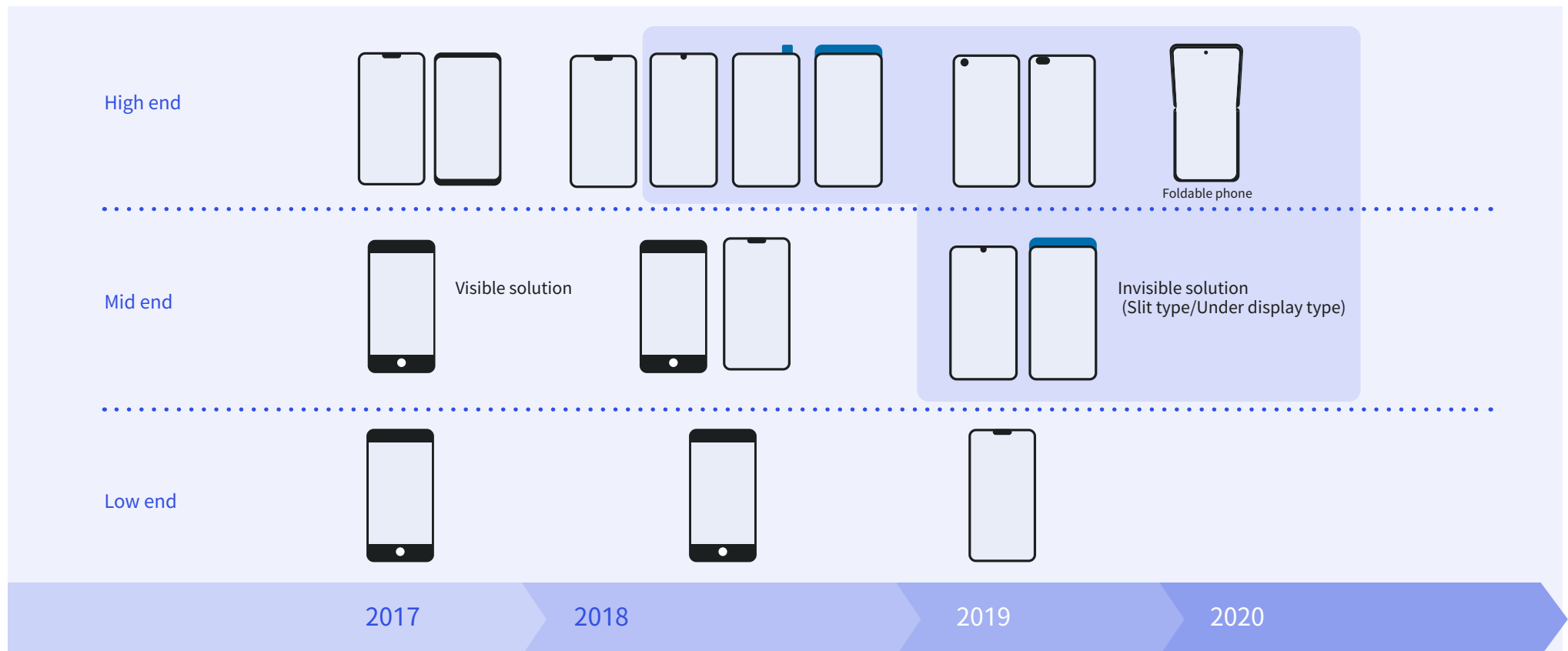
### Technically Innovative Characteristics

The multi-functional changes of mobile devices have become indispensable in life. The main function of the electronic sensor is to enable smartphones and wearable devices to adjust the screen brightness with the change of ambient light to reduce the discomfort of human eyes; to automatically turn off the screen when the user talks to prevent the ear or face from touching the screen and causing wrong operations, which is an important part of the consumer experience.

We have been committed to improving the sensing performance and the technology of accurate color temperature sensing of ambient light sources. In response to the development of full-screen smartphones and the demand for color sensing of ambient light sources, we have developed a sensor solution using Slit or Under Display (OLED). The combination of RGB Sensor and Flicker Sensor allows users to enjoy a wider visual effect and more comfortable color on the screen, realizing the innovations made by international manufacturers in smartphones.



### Evolution of smartphone screens and appearances



## Features of Sustainable Products

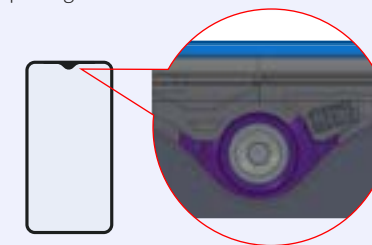
From the product development stage, we have considered the sustainable needs in the product life cycle to reduce operational power consumption, sensor size and energy consumption and carbon emissions in the production and manufacturing process. We are committed to the continuous improvement in the process of materials, production processes, Supplier management and product usage based on a sustainable design.

Aspect	Type	Innovation description or results
Manufacturing	Efficient manufacturing	<ul style="list-style-type: none"> <li>Wafer design size miniaturization                             <ul style="list-style-type: none"> <li>The area of the optical sensor is reduced by 33%.</li> <li>The area of MEMS sensor chip is reduced by 20%.</li> </ul> </li> <li>Increased precision in wafer fabrication process</li> </ul>
Transportation	Package reduction	<ul style="list-style-type: none"> <li>Packaging materials and width of IC carrier tape are reduced</li> </ul>
Design	Structural optimization	<ul style="list-style-type: none"> <li>The package size is reduced to maximize the utilization of package materials                             <ul style="list-style-type: none"> <li>The optical sensor is reduced by 62.38%.</li> <li>MEMS sensor is reduced by 14.29%.</li> </ul> </li> </ul>
	Better materials	<ul style="list-style-type: none"> <li>Materials for emitting light source components                             <ul style="list-style-type: none"> <li>The typical value (typ) of high performance infrared light source is reduced.</li> <li>Under-display solution realized: The 940 nm infrared light source is replaced with a short-band 1300 nm infrared light source.</li> </ul> </li> </ul>
Use stage	Highly efficient products	Typical power consumption (typ) of sensors for wearable devices is reduced (Low power mode)
		<ul style="list-style-type: none"> <li>Help terminal devices save energy and power                             <ul style="list-style-type: none"> <li>Smartphone/tablet: To detect ambient light source and automatically adjust screen brightness to save power and protect user sight.</li> <li>Wireless headset: To detect proximity and automatically turn on or off the device to save power.</li> </ul> </li> </ul>
Social contribution	Social contribution	<ul style="list-style-type: none"> <li>Health protection: To detect the distance between smartphone and user, and control the power emitted from the phone, so as to reduce the absorption of electromagnetic energy by human body.</li> <li>Health management: In response to the trend of autonomous health management, the Company has entered the field of health sensing applications such as blood oxygen saturation and heart rhythm detection.</li> </ul>

## 2021 New Technologies

### Small Size Solution for Waterdrop Screens

The optical sensor is placed next to the front camera of the phone, allowing more flexibility in the phone mechanism design by reducing the size of the chip and package.

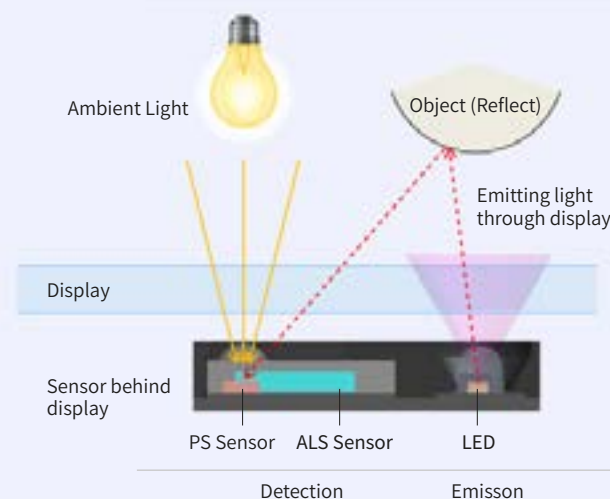


Waterdrop Screens

### Under Display Solution

The optical sensing chip is placed under the OLED screen of the mobile phone. Due to the reduced transmittance of the screen light source and the black dot under the screen removed, the light-emitting diode (LED) in the sensor is replaced a 940nm infrared light source with a short band 1300nm infrared light source.

Schematic diagram of ambient light and proximity sensor



## Product quality

Sensortek passed ISO 9001 quality system certification in 2014. Through an improved quality management system, the Company has improved its quality operation management capability and the P-D-C-A (Plan-Do-Check-Action) continuous improvement model is adopted to meet customers' needs and expectations for services, increase customer confidence in our product quality, and satisfy customers with our services.

### “ Quality Policy-

Achieve the highest level of customer satisfaction with the most competitive cost and quality.”



## Quality Assurance Unit



### Quality System

- To plan and implement quality/environmental quality audits, correct non-conformance items, confirm and track preventive measures and report the results on management audit meetings
- To survey operations related to quality/environment
- To receive education and training related to quality/environment management systems, quality/environmental regulations and customer requirements
- To implement corrective measures in case of non-compliance with relevant quality/environmental regulations and customer requirements
- To confirm and prepare quality/environmental management substance testing data
- To audit customers



### Quality Engineering

- Verification of new product quality and reliability
- On-going Reliability Test (ORT) and SoP reliability monitoring
- Analysis of abnormal quality and customer complaints
- Engineering change management



### Supplier Management

- Quality control (QC) inspection)
- Audit of Supplier management
- Supplier audit and inspection
- Process control and monitoring
- Supplier abnormality handling
- To plan and implement quality/environmental quality audits, correct non-conformance items, confirm and track preventive measures and report the results on management audit meetings



### Customer Service

- To collect, upgrade and report matters related to regulations and customer requirements
- To collect and promote external quality/environment information
- Customer complaint window
- Matters related to customer product certification
- Customer SoP support
- Other matters related to customer services

### Customer satisfaction

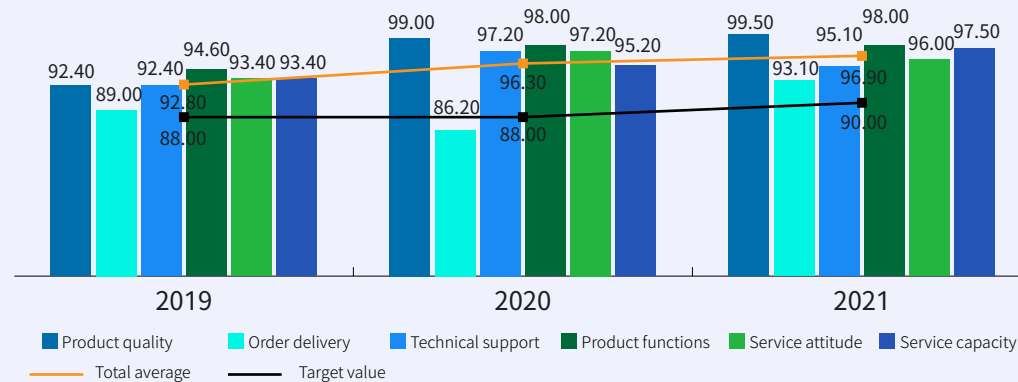
On a basis of customer-oriented approach, we conduct annual customer satisfaction surveys in accordance with the "Customer Satisfaction Procedure" to further understand customer needs and expectations, which is used as a basis for overall quality system management improvement to achieve the goal of sustainable operation.

In the fourth quarter of each year, the "Customer Satisfaction Survey Forms" will be distributed to the top five end-users whose contribution to our revenue for the year exceeds 50%,

and the forms will be collected and sent to the quality assurance department for analysis. Then specific improvement measures will be proposed by the relevant departments based on the dissatisfied items indicated in customer feedback, and the measures will be reviewed in the annual management review meeting in order to continuously improve customer satisfaction. The average customer satisfaction rate for 2021 was 97%, meeting the annual target (90%). We will continue to expand our customer satisfaction survey respondents in the future.



Customer satisfaction survey over the years



### Client Compliant Management

Sensortek is committed to communicating and interacting closely with our customers, attaching importance to customer feedback and paying continuous attention to their needs. We have developed the "Customer Service and Complaint Handling Procedures" to integrate the technical support needs and complaint handling information from customers through the "Customer Service Management System", and the responsible department will analyze the root causes and propose improvement measures to meet customers' technical support needs and avoid recurrence of complaints with a positive service attitude.

The quality department keeps monthly statistics on customer complaints and product return cases, and through regular weekly production quality meetings, we can effectively identify solutions to product abnormalities and improvement measures.

The target customer return rate for 2021 was 80 ppm (defective parts per millions), and the actual return rate was 6 ppm, well below the target.



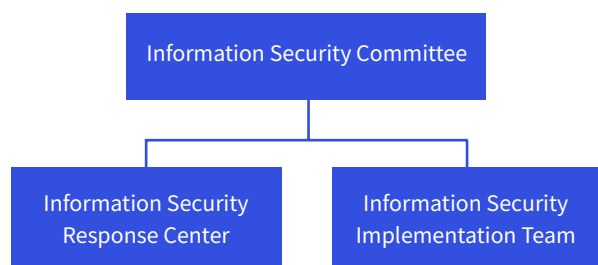
Level 1: FAE technical support  
 Level 2: Analysis of defective functions and appearances  
 Level 3: Root cause investigation report

## Information Security Policy

To ensure the implementation and promotion of information security policy and management systems, we have established an information security management structure to initiate information security management, and initially established a working team with senior executives to approve information security policy, assign security responsibilities and coordinate the implementation of organization-wide security measures.

The Information Security Committee was officially established in November 2021 and is expected to start its work in 2022, with the general manager of the Company as the convener, under which the Information Security Response Center and the Information Security Implementation Team are established, responsible for information security management, planning, supervision and implementation. The Information Security Committee holds meetings regularly to review information security management-related issues and the implementation of information security policy and report the results to the Board of Directors.

### Information Security Organizational Structure and Job Responsibilities




### Future Planning for Information Security

Duration	Planning direction
Short-term	We outsource the scanning of information system weaknesses and fix the vulnerabilities. Social engineering exercises are outsourced to strengthen employees' awareness of information security.
Mid- and long-term	According to the changes in information security trends, we will continue to strengthen information security-related regulations.

### Key Points for Information Security Management

In order to provide reliable information services, in addition to continuously raising the information security awareness of all employees, and to prevent operational risks and hazards such as improper use, leakage, tampering and destruction of the Company's information systems and data, we have implemented relevant information security control measures, and the specific management practices are as follows:

Management item	Measure
 Personnel management	All new recruits are required to receive information security education and training. Information security awareness announcements are issued regularly (e.g., phishing e-mails and password security)
 Access control	Important documents and technologies are included in the document management system Individual access controls are provided to individual users, including level, department, and other factors that affect their access to data.
 Software management	Software installation must be requested and carried out by information personnel, and recorded for investigation purpose.
 Terminal protection	Anti-virus software is installed on all computers, and the virus code database is updated regularly.
 Network security management	Firewalls are installed and the information flow in the firewall is monitored to ensure the security of the information flow. The information flow in the outsourcing Suppliers' systems is controlled by a firewall to prevent illegal information flow transmission.
 Information record	Changes to the information system must be approved by the department head, and the change process must be properly controlled and documented for reference.
 Data protection	By regularly scheduling data backup, we can ensure that there are copies of data available for system recovery in case of data corruption to reduce the impact caused by data corruption.

# Other Environmental and Social Issues

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## Environmental Policy and Management

### Environmental Policy

Products shall comply with RoHS, REACH, international regulations, and customer requirements

### Green supply chain

### All-employee participation

Sensortek has developed an environmental policy to promote environmental-oriented sustainable development in terms of product design, supply chain and personnel awareness to reduce the impact of our operations on the environment.

In the second half of 2021, we moved to a new venue and selected a building with a Silver Green Building Label, which has passed certifications for greenery, water conservation, daily energy conservation, building CO2 reduction, and indoor air quality management.



We implement a paperless policy in our daily operations, and all application forms are in electronic formats, reducing the use of paper. The office uses PEFC-certified paper if needed. Since October 2021, we distribute eco-friendly tableware and straws to all employees and new recruits, and disposable tableware and straws will no longer be provided for meals in the office in order to reduce waste.



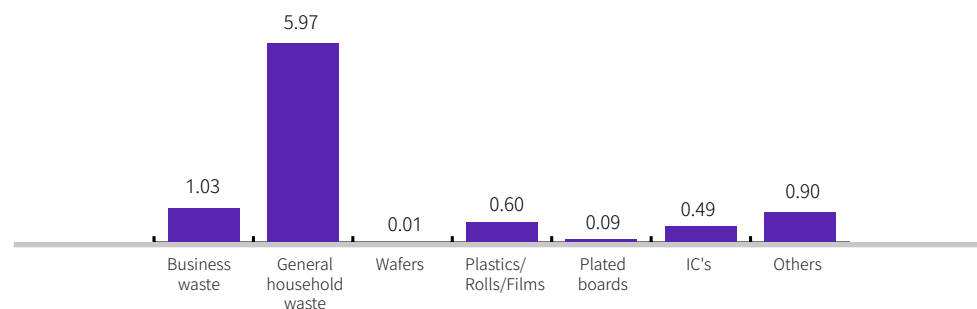
### Waste Management

The waste generated from the operational activities at Sensortek mainly includes general household waste and a small amount of business waste for product development and testing, including general business waste and electronic waste (wafers, plastics/rolls/films, discarded ICs and plated boards), mainly from defective or obsolete ICs that cannot be sold, with a total of 9.25 tons of waste generated in 2021.

In the office, the waste is divided into general waste, recycling waste and food waste. In 2021, 5.97 tons of waste (including the waste for energy recovery incineration) were generated and placed in the designated recycling area of the office building, which was later disposed by the qualified waste treatment agencies entrusted by the building management department. The business waste was disposed by the qualified waste company appointed by the Company and 3.28 tons of such waste were recovered in 2021.

### Waste generated in 2021

Unit: metric tons



Note: The data of 2021 is based on Sensortek's classification, so it is slightly different from the reported statistics.

	Recycling (Unit: metric tons)			Direct disposal (Unit: metric tons)		
	Hazardous waste	Non-hazardous waste	Total weight	Hazardous waste	Non-hazardous waste	Total weight
2019	2.25	0	2.25	0	4.48	4.48
Ratio	100%	0%	-	0%	100%	-
2020	2.45	0	2.45	0	5.86	5.86
Ratio	100%	0%	-	0%	100%	-
2021	3.28	0	3.28	0	5.97	5.97
Ratio	100%	0%	-	0	100%	-

Note 1: Hazardous waste is divided into recycling waste under other types of recycling operations.

Note 2: The data for 2019-2021 is the statistics regularly reported by Sensortek to the Environmental Protection Administration, Executive Yuan.

Note 3: The discarded ICs from Sensortek contain a small amount of harmful substances and are regularly disposed by qualified waste disposal companies.

Note 4: Direct disposal - all non-hazardous waste is domestic waste. The statistics of domestic waste are based on the total production volume of each phase of the Taiyuan Science Park where our office is located / total number of employees \* the number of employees of our company.



## Human rights management

Sensortek follows and supports internationally recognized human rights norms and principles, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. In order to fulfill our corporate social responsibility and protect human rights, we have developed a "Human Rights Policy" to treat all employees with justice, fairness and respect, and to eliminate any human rights violations and infringements.

## Human Rights Policy

In 2021, Sensortek formulated relevant regulations and measures to implement its human rights strategy. Considering the requirements of the overall international sustainability trend, Sensortek will carry out human rights risk assessment again in 2022 to systematically and specifically reduce risks.

Program	Human Rights Policy	Program	Improvement results
Diversity, Inclusion and Equal Opportunity	<ul style="list-style-type: none"> <li>There is no discrimination in the recruitment, employment, promotion, compensation or benefits of personnel on the basis of race, language, blood type, religion, party affiliation, nationality, gender, age, marriage, physical appearance, or other factors.</li> <li>The mental or physical disabled shall be employed for jobs without special requirements due to functions, and such disabled employees shall not be treated differently based on the above factors.</li> <li>In terms of personnel management, we uphold the principle of using employees based on their skills and will not assess any employees based on their personal characteristics.</li> </ul>	<ul style="list-style-type: none"> <li>To develop the "Selection and Appointment Rules" and "Salary and Promotion Management Rules" to fulfill the mentioned equality commitments</li> </ul>	<ul style="list-style-type: none"> <li>To review the work conditions and regulations at any time in accordance with governmental regulations and changes in the social environment</li> <li>If a violation of the "Human Rights Policy" is found, we will take necessary measures with related executives and give back the rights to employees.</li> </ul>
Reasonable Working Hours	<ul style="list-style-type: none"> <li>In order to ensure work-life balance for our employees, Sitronix offers weekly working hours in compliance with the laws and has developed a leave system that is better than the Labor Standards Act</li> </ul>	<ul style="list-style-type: none"> <li>An access control system is set up to actively remind the employees of abnormal working hours.</li> </ul>	<ul style="list-style-type: none"> <li>The reminder function can be actively set in the attendance access control system, and is regularly reviewed and controlled.</li> </ul>
Prohibition of Child Labor	<ul style="list-style-type: none"> <li>We could follow the minimum age requirement for workers according to local regulations and do not employ children.</li> </ul>	<ul style="list-style-type: none"> <li>The candidates shall provide their age in the recruitment form, and those under 16 will not be qualified for job interview.</li> <li>Newly recruits must submit their identification documents on the day of reporting to work to confirm that they have reached the age of 16 before they can be employed.</li> </ul>	<ul style="list-style-type: none"> <li>To regularly review government regulations to comply with corporate social responsibility and ethical norms.</li> </ul>
Health and Safe Workplace	<ul style="list-style-type: none"> <li>To ensure the health of our employees, we provide free and comprehensive health examinations for them every year. Our employees could make appointments with doctors after health examinations for advice based on the examination results.</li> <li>Sitronix is obligated to provide a safe work environment for its employees. Sitronix has assigned an occupational safety and health business manager, first aid personnel and a fire protection team in accordance with the laws to continuously promote a safe work environment and prevent occupational disasters.</li> <li>To protect the legal rights of employees, we have set an employee complaint e-mail and a dedicated sexual harassment complaint e-mail to protect all employees from workplace violence and sexual harassment.</li> </ul>	<ul style="list-style-type: none"> <li>The "Labor Health Management Procedures", "Fire Protection Plan", and "Employee Grievance Handling Measures" are formulated, and Sexual Harassment Prevention Measures and Grievance and Disciplinary Measures are included in the employee manual, which are managed by the relevant authorized departments.</li> </ul>	<ul style="list-style-type: none"> <li>In accordance with government regulations, we have carried out personnel education and training, workplace inspections and internal/external audits to review company-wide environmental, safety and health practices to ensure a safe work environment. °</li> </ul>
Freedom of Association	<ul style="list-style-type: none"> <li>An Employee Welfare Committee has been established and employee representative members are selected in accordance with the law to ensure the rights and interests of employees.</li> <li>Employees are encouraged to set up clubs and participate in proper leisure activities for socialization and physical and mental health.</li> </ul>	<ul style="list-style-type: none"> <li>To hold regular employee benefits committee meetings, and plan employee welfare activities with the members of the employee benefits committee.</li> <li>In accordance with the "Regulations for the Management of Associations", we regularly organize activities and provide subsidies for social activities to enable the smooth operation of the associations of our employees.</li> </ul>	<ul style="list-style-type: none"> <li>The responsible departments shall review the establishment of associations and regularly supervise the organization of activities and reimbursement of funds, and correct any violations of employee rights and interests or other illegal matters.</li> </ul>

## Human Rights Incident Complaint Channel

On the internal website of Sensortek, an "Employee Complaint E-mail", a "Workplace Misconduct Complaint E-mail" and "Employee Benefits Committee Suggestion E-mail" are provided, and regular employee-employer meetings and Employee Benefits Committee meetings and other multiple communication channels are provided for employees to express opinions and complain.

The reported cases are accepted by the Human Resources and Administration Department and then referred to relevant responsible departments for communication with the related employees depending on the actual issues. In addition, an "Integrity Reporting Channel" is provided in the Stakeholders' section on the Company's official website, providing an opportunity for external parties to report or lodge complaints. No sex discrimination or labor compliant case was found in 2021 according to statistics and reports.

## Human Rights Guarantee Training

Course Type	Course Name	Description	Month of Course	Number of Participants	Training Completion Rate
Promotion of Prevention of workplace bullying and sexual harassment	Preventive measures against workplace abuse (Online course)	To help employees understand sexual harassment and identify frequently-seen abuses at the workplace, and to know how to respond to workplace bullying and the Company's complaint channels.	October	180	100%
Occupational Safety Training Series	General safety and health on-the-job education and training (Online course)	In line with the situations that our employees may encounter at workplace, we provide all kinds of workplace safety training, including fire training, first-aid training, general safety and health training, and occupational safety and health executive training.	December	184	100%

Note: The denominator of the completion rate is calculated based on the number of employees when the course was held.



## Talent Development

In a highly knowledge-intensive industry, Sensortek's core competency is the design capability and experience of our R&D staff. Therefore, we attach great importance to the training and development of talents, and have developed "Education and Training Management Procedures" to encourage employees to participate in various training courses and technical seminars. We also set up annual budget to deliver internal and external training courses and improve employees' career skills, and through experience sharing and transmission, we realize mutual learning and improvement.

### Course Planning and Implementation

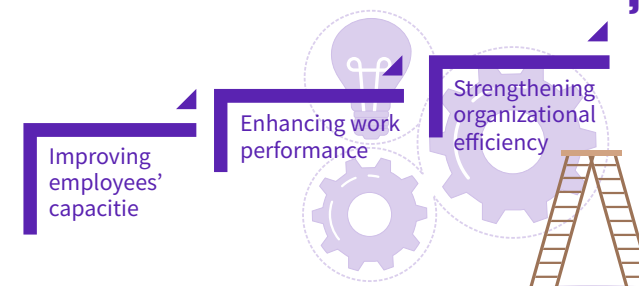
Executives shall verify the individual work skills of employees

and then arrange training for the employees according to their differences in order to improve the quality of work and meet the standards set by the department and the Company. In addition to providing various kinds of training, we attach importance to the opinions of employees during their training and use the results of their education and training as a reference for future promotions and job transfers.

All internal and external education and training programs are managed through the "Learning Development System" and e-Learning platform, and training records are kept for knowledge and experience transfer and sharing.

### “ Talent Development Goals —

To enable employees at all levels to develop themselves with goals, and to enhance organizational effectiveness through a positive training cycle model.”



### Talent development framework

In order to improve talent development, Sensortek has built a talent development framework and planned various courses for different positions and jobs.

#### Leadership Development Program

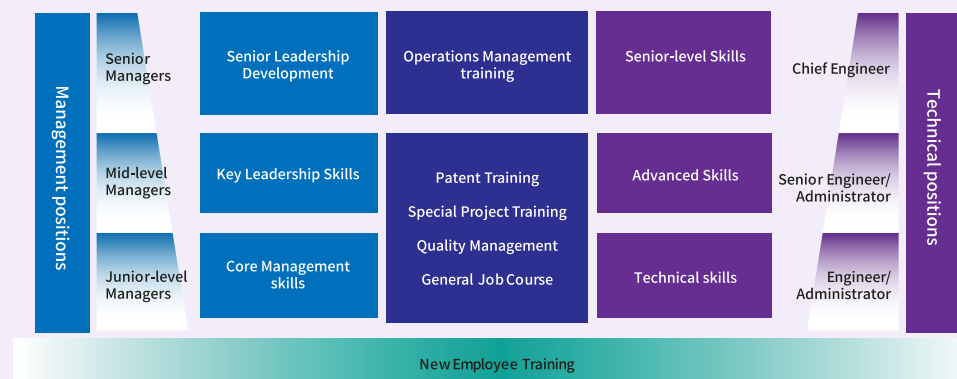
- Training programs are designed to meet the needs of executives at all levels in improving management skills and responsibilities.

#### Job Management

- General course: These courses introduce the Company's policies and philosophy, as well as the basic information of the Company's products, technologies and processes.
- Project training: To provide training to project team members on specific project content.
- Quality Management: In line with the Company's operational development needs, we arrange introductory courses of relevant system standards according to the introductory plan for various ISO management systems.
- Patent Course: In order to protect the Company's R&D achievements and actively manage intellectual properties, we provide educational training courses on basic patent theory and patent search for R&D engineering departments.
- Professional function training: According to the competent authorities and laws and regulations, we arrange fixed-hour on-the-job training courses for employees with specific functions, such as occupational safety and health, finance and accounting, internal auditing and quality management.
- Engineering Technology Training: We provide the required training courses based on the professional functions required for R&D engineers to perform their duties and according to the different development stages of the Company's products.

#### New employee education and training

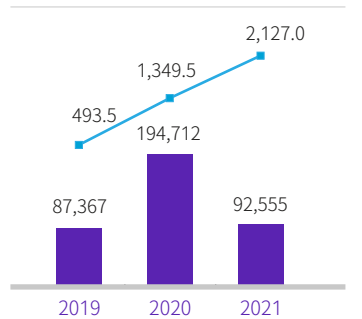
The Human Resources and Administration Department will explain the Company's management rules, employee conduct guidelines and other systems to new employees on the day of arrival. We provide an E-Training Program, covering information security, confidentiality of trade secrets and intellectual property rights, sexual harassment and human rights-related violations, corporate integrity policy and prohibition of insider trading, and other corporate governance and related sustainability information, and all new employees are required to complete the online courses within 2 weeks after their arrival.



## 2021 Training Results

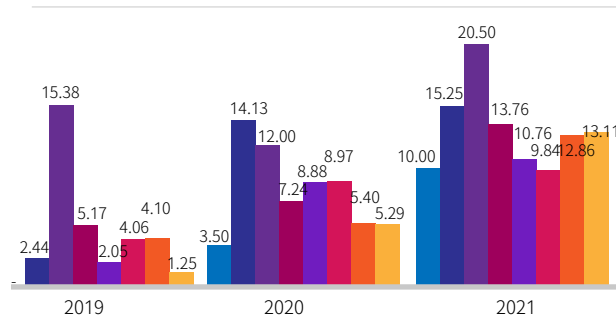
In 2021, we planned a series of diversified training courses, including professional development, professional knowledge enhancement courses, and e-learning courses; and we also encourage employees to improve their self-learning ability and on-the-job training to strengthen the quality of human resources of the Company. Due to COVID-19, the employees are divided into shifts to work at home alternatively and the internal training courses are provided online with more participants than 2020. The total cost of education and training was approximately NT\$92,000, and the total number of training hours was 2,127, including 1,967.5 hours of internal training (including new employee training, professional training and executive training) and 159.5 hours of external training.

Education and training expenses in previous years



■ Education and training expense (NT\$) ■ Total class hours

Education and training expenses in previous years (by job and gender)



■ Mid- and high-level executive (Female) ■ Mid- and high-level executive (Male)  
 ■ Junior executive (Female) ■ Junior executive (Male)  
 ■ Engineering personnel (Female) ■ Engineering personnel (Male)  
 ■ Administration personnel (Female) ■ Administration personnel (Male)

## Education and training courses offered in 2021



## Company-School Cooperation

### Technology Talent Training

Sensortek expects to integrate school and industry resources to improve its sensor technologies and international competitiveness. Over the years, we have cooperated with NTU, Central Taiwan University, and Tsinghua University, and have established cooperation with NTU System-on-Chip Center (SoC) and Tsinghua University's Microsensor and Actuator Industry Alliance. In addition, we are actively investing in the training of talents in the related industries through campus roadshows and the recruitment of R&D talents as alternative military service, in order to develop outstanding talents in the field of sensors in Taiwan. In 2021, 3 company-school cooperation projects were completed.

### Company-School Technical Exchange

Sensortek is one of the few domestic manufacturers of MEMS accelerometers with stable SoP and shipment. MEMS technologies feature a high cost of commercialization of R&D results. Through the company-school cooperation model, we combine the research theories of the university and the results of industrial research and development, to accelerate the process of product commercialization and effectively enhance the research and development force of the domestic MEMS industry.



## Employee Relations

### Employee Communication

Sensortek respects employees' voices, adopts an open leadership style without hierarchical authority, and strives to create a smooth two-way communication environment. Regular communication meetings are held by the Company, including new employee training, labor-management meetings (all employees' opinions can be reflected by labor representatives), and performance interviews twice a year, so that communication channels can be smooth and information can be conveyed to the management.

We provide e-mail addresses for employees to express their opinions, so that they can make inquiries, suggestions and complaints, and help them solve problems through a two-way communication channel, which can be used as a basis for upgrading and improving management measures. All cases are handled confidentially and the progress and results of improvements are tracked by dedicated personnel to ensure a smooth two-way communication between the employees and the Company.

### Open Communication Environment

#### Internal website of the company

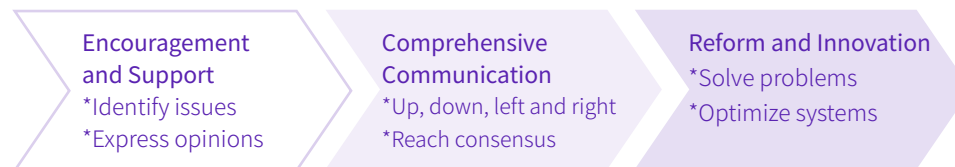
Electronic bulletin  
Information sharing  
Health promotion

#### Various e-mails

Employee complaint e-mail: To receive inquiries, suggestions and complaints from employees  
Employee Benefits Committee e-mail: To receive benefit-related suggestions and feedback  
Workplace abuse complaint e-mail  
Reporting e-mail of breach of integrity

#### Communication meetings

Employee-employer meetings  
Employee Benefits Committee meetings  
New employee training  
Performance interview between executives and employees  
Annual gatherings of the company



## Employee Activities

Only with healthy and happy employees can we have a highly efficient company. Sensortek is committed to providing employees with a happy workplace, integrating welfare, fun and health elements together, through a variety of welfare facilities and activities, allowing them to explore their creativity and vitality in work and spare time.

In order to promote work-life balance, we have set up a variety of clubs to encourage socialization, hobbies, physical fitness, and friendship among employees, so as to activate the company atmosphere. In order to help our employees to relieve their stress and promote health out of their busy work, we often organize all employees to participate many activities, such as festivals, family days, and ball games, to extend our care to the families of our employees and build a sense of belonging to Sensortek.

**Large-scale events:** Large-scale events were suspended in 2021 due to COVID-19 to protect the health of our employees.

- Year-end events: Due to COVID-19, we canceled the reunion meal, group health games and lottery, and replaced them with live online lottery and individual meals, so that our employees can enjoy the events without any difference.
- 2021 Annual Gathering: We share the results of operation with the employees and announce the Company's operational goals to the executives at the annual gathering; due to the recovery of the epidemic, we invited the employees' families to join our domestic trips.

### Diversified social and leisure activities:

- In order to expand employee networking and develop their interests, the Company encourages them to set up various clubs such as sports and stress relief clubs, and provides subsidies and assistance in the operation of clubs to attract employees to participate in social activities.

### Comprehensive health management and promotion:

- We offer participation and achievement awards to promote healthy practices, healthy lifestyles, and healthy concepts for employees to take care of their work and health.
- Each event runs for three months and helps employees to develop regular exercise habits.



### 快樂運動 5 3 1 · 一起提升免疫力

在家防疫，也要提升免疫力  
每天動一動，提高「運動量」，運動時間，變化運動項目和速度！  
詳情請洽：[phone number]

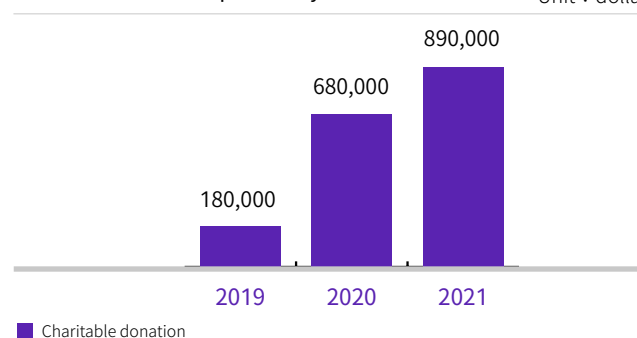


- |   |   |
|---|---|
| 1 | 2 |
| 3 | 4 |
| 5 | 6 |
1. 2021 Annual Gathering
  2. 2021 Annual Gathering
  3. 2021 Million-step Club
  4. Happy Sports 531
  5. Passing on love with one heart
  6. Diversified social events (Hot Volleyball)

## Social impact

While focusing on the R&D of innovative technologies and pursuing profits to create shareholder benefits, Sensortek also pays attention to social needs and environmental issues through charitable donations and environmental protection, and encourages its employees to contribute to the society. Since the second half of 2020, the Company has made monthly donations to charitable organizations and mobilized employees to participate in donation. The amount of charitable donations keep growing year by year, and in 2021, an amount of NT\$890,000 was donated in total.

Social investment in previous years Unit : dollar



### Charitable Donations

We make monthly donations and call our employees to make annual donations to welfare organizations, including the Sunshine Charitable Fund, the Miaoli County Private Infant and Child Care Home, the Taiwan Children and Family Support Foundation, the Heartland Social Welfare Foundation, and other related organizations.

A coffee machine is installed in the office of Sensortek to provide free coffees to employees. In addition, a Supplier machine is purchased to collect coins, named "Sensortek Goodness Coffee Fund", and the annual proceeds are then donated by employees.

### Gifts Purchased from Charitable Groups

In 2021, Mid-Autumn Gift Boxes were purchased from the "Heart Happiness + Facility" for employees.

### Offering Employment Opportunities for the Physically Disabled

In order to relieve the work pressure of our employees, promote their physical and mental health and enhance the employment opportunities of the physically disabled, the visually impaired masseurs are employed to provide free massage services to our employees at fixed time every week. 270 massage services were provided to the employees in 2021 (massage services were suspended in the middle of the year due to COVID-19).

### Material Donation

We donate old computers to ASUS Foundation from time to time, and participate in ASUS Project of Recycling Materials, Donating Computers and Loving the Earth to donate recycled information products to disadvantaged groups so as to eliminate digital disparity and reduce pollution for environmental protection. In 2021, the cumulative donation reduced 0.357 metric tons of CO2 emissions, equivalent to 29.748 trees (source: ASUS Foundation).



# Appendix

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59 SASB STANDARDS INDEX

60 HR Data



## GRI STANDARDSINDEX

### General Standards Disclosure Index

	Standard	Disclosure Item	Corresponding Chapter/Description	Page
<b>GRI 101: Basics 2016</b>				
<b>GRI 102: General Disclosure 2016</b>				
Organization Overview	102-1	Organization Name	1- 1 Company Overview	7
	102-2	Events, Brands, Products & Services	1- 1 Company Overview	7
	102-3	Head Office Location	1- 1 Company Overview	7
	102-4	Operation Site	1- 1 Company Overview	7
	102-5	Ownership and Legal Form	1- 1 Company Overview	7
	102-6	Markets Served	1- 1 Company Overview	7
	102-7	Organization Scale	1- 1 Company Overview	7
	102-8	Information on Employees and Other Workers	1- 1 Company Overview	7
	102-9	Supply Chain	1-3 Operation Overview	10
	102-10	Major changes in Organization or Supply Chain	No major changes during the report disclosure period	
	102-11	Early Warning Principles or Guidelines	4-3 Risk Management 4-5 Innovation Management	39 41
Strategy	102-14	Statement of the Decision Maker	Message from the Management	3
Ethics and Integrity	102-16	Values, Principles, Standards and Codes of Conduct	1-1 Company Overview	7
Governance	102-18	Governance Structure	4-1 Corporate Governance	36
	102-22	Composition of the supreme governance department and its committees	4-1 Corporate Governance	36
	102-23	Chairman of the Supreme Governance Department	4-1 Corporate Governance Department	36
	102-27	Group Intelligence of the Supreme Governance Department	4-1 Corporate Governance	36
Stakeholder Communication	102-40	Stakeholder Groups	2-1 Identifying Stakeholders	13
	102-41	Group Agreements	No union was formed and no group agreement was signed	
	102-42	Identification and Selection of Stakeholders	2-1 Identifying Stakeholders	13
	102-43	Guidelines for Communicating with Stakeholders	2-2 Significant Stakeholder Engagement 5-2 Human Rights Management 5-4 Employee Relations	15 49 53
	102-44	Key themes and concerns raised	2-3 Survey and Identification of Critical Sustainability Issues	16

	Standard	Disclosure Item	Corresponding Chapter/Description	Page	
Reporting Practice	102-45	Entities included in the consolidated financial statements	About the report	4	
	102-46	Definition of the content and subject boundaries of the report	2-4 Correspondence between Major Sustainability Issues and Sustainability Disclosure Standards	17	
	102-47	Table of Major Issues	2-4 Correspondence between Major Sustainability Issues and Sustainability Disclosure Standards	17	
	102-48	Information Re-editing	It is the first time to issue sustainability report, and this item is not applicable		
	102-49	Report Changes	It is the first time to issue sustainability report, and this item is not applicable		
	102-50	Reporting Period	About the report	4	
	102-51	Date of the previous report	It is the first time to issue sustainability report, and this item is not applicable		
	102-52	Reporting Cycle	About the report	4	
	102-53	Contact person who can answer questions about the report	About the report	4	
	102-54	Declaration of compliance with GRI guidelines	About the report	4	
	102-55	GRI Content Index	About the report	4	
	102-56	External Assurance/Confirmation	No external assurance/confirmation in 2021		
	<b>GRI 103: Management Guideline 2016</b>				
		103-1	Explanation of major issues and their boundaries	2-4 Correspondence between Major Sustainability Issues and Sustainability Disclosure Standards	17
	103-2	Management policy and its components	It is the first time for Sensortek to release its sustainability report, and the strategies, objectives, resources and promotion plans for each issue management are included in the promotion and improvement plan for future operations, and it is scheduled to improve the management policies for each issue year by year in the coming years.		
	103-3	Evaluation of Management Policy			

## SASB STANDARDS INDEX

### Semi-conductor Industry Disclosure Indicators

	Standard	Disclosure Item	Corresponding Chapter/ Description	Page
<b>GRI 200: Economic Topic</b>				
Economic Performance	201	Economic Performance 2016		
	201-1	Direct economic value generated and distributed by the organization	1- 1 Company Overview	7
Market Status	202	Market Status 2016*		
	202-1	Ratio of standard salary to local minimum salary for junior employees by gender	3-5 Recruiting and Managing Global Professionals	24
	202-2	Percentage of local residents in senior management	3-5 Recruiting and Managing Global Professionals	24
Procurement Practices	204	Procurement Practices 2016		
	204-1	Percentage of procurement spending for local Suppliers	3-7 Procurement of Raw Materials	31
Anti-Corruption	205	Anti-Corruption 2016		
	205-2	Communication and training on anti-corruption policies and procedures	4-4 Operation Integrity	40
	205-3	Confirmed corruption incidents and actions taken	No corruption incidents in 2021	
<b>GRI 300 Environmental Issue</b>				
Energy	302	Energy 2016		
	302-1	Energy consumption within the organization	3-2Process Energy Management	20
	302-3	Energy Intensity	3-2 Process Energy Management	20
	302-4	Reduction of Energy Consumption	3-2 Process Energy Management	20
Water and Water Flow	303	Water and Water Flow 2018*		
	305-3	Water taking amount	3-3 Water resource management	21
Emissions	305	Emissions 2016		
	305-1	Direct (Scope I) greenhouse gas emissions	3-1 Greenhouse Gas Emissions	19
	305-2	Energy indirect (Scope II) greenhouse gas emissions	3-1 Greenhouse Gas Emissions	19
	305-4	Intensity of greenhouse gas emissions	3-1 Greenhouse Gas Emissions	19
Waste	306	Waste 2020*		
	306-3	Generation of Waste	5-1 Environmental Policy and Management	48
Legal compliance related to environmental protection	307	Legal compliance related to environmental protection 2016 2016		
	307-1	Violation of environmental protection regulations	No violations of environmental regulations in 2021	

	Standard	Disclosure Item	Corresponding Chapter/ Description	Page
<b>GRI 400 Social Issue</b>				
Employee-Employer Relationships	401	Employee-Employer Relationships 2016		
	401-1	New Employees and Former Employees	3-5 Recruiting and Managing Global Professionals	24
	401-2	Benefits only provided to full-time employees (excluding temporary or part-time employees)	3-5 Recruiting and Managing Global Professionals	24
	401-3	Parental leave	3-5 Recruiting and Managing Global Professionals	24
Training and Education	404	Training and Education 2016		
	404-1	Average number of hours of training per employee per year	5-3 Talent Development	51
	404-3	Percentage of employees who receive regular performance and career development reviews	3-5 Recruiting and Managing Global Professionals	24
Employee Diversity and Equal Opportunity	405	Employee Diversity and Equal Opportunity2016		
	405-1	Diversity of governance department and employees	4-1 Corporate Governance 3-5 Recruiting and Managing Global Professionals	36 24
	405-2	Ratio of women to men's base salary plus remuneration	3-5 Recruiting and Managing Global Professionals	24
Non-discrimination	406	Non-discrimination 2016		
	406-1	Incidents of discrimination and actions taken by the organization for improvement	5-2 Human Rights Management	49
Human Rights Assessment	412	Human Rights Assessment 2016		
	412-2	Employee training on human rights policies or procedures	5-2 Human Rights Management	49
Customer Health and Safety	416	Customer Health and Safety 2016		
	416-2	Violations of health and safety regulations related to products and services	No such incident in 2021	
Compliance to social and economic regulations	419	Compliance to social and economic regulations 2016		
	419-1	Violation of social and economic laws and regulations	No such incident in 2021	

\* Voluntary disclosure

## SASB STANDARDS INDEX

### Semi-conductor Industry Disclosure Indicators

Disclosure Issue	Accounting Indicators	Indicator No.	Corresponding Chapter
Greenhouse Gas Emissions	The following greenhouse gas emission information is disclosed: (1) Total global greenhouse gas emissions (Scope 1) (2) Total emissions from perfluorinated compounds (PFCs)	TC-SC-110a.1	3-1 Greenhouse Gas Emissions
	To discuss short-, medium- and long-term strategies or plans for managing Scope 1 emissions, reduction targets and their performance analysis	TC-SC-110a.2	
Process Energy Management	To disclose the following energy consumption information: (1) Total energy consumption (including fuel and electricity) (2) Percentage of total energy consumption using the electricity from grid (3) Percentage of renewable energy in total energy consumption	TC-SC-130a.1	3-2 Process Energy Management
Water Resource Management	To disclose the following water resources information: (1) Water taking amount: percentage of water taken from water resource shortage zones in total water taking amount (high and very high) (2) Water consumption: percentage of water from water resource shortage zones in total water consumption (high and very high)	TC-SC-140a.1	3-3 Water resource management
Waste Management	The weight of hazardous waste produced during the manufacturing process is disclosed, as well as its recovery percentage.	TC-SC-150a.1	5-1 Environmental Policy and Management
Employees Health and Safety	To describe the ways and results to assess, monitor and reduce employees' exposure to hazardous environments	TC-SC-320a.1	3-4 Employee Health and Safety
	Total amount of damages caused by violations of employee health and safety laws and regulations	TC-SC-320a.2	
Recruiting and Managing Global Professionals	Note: (1) Percentage of foreign employees(2) Percentage of dispatched employees	TC-SC-330a.1	3-5 Recruiting and Managing Global Professionals
Product Lifecycle Management	Percentage of sales of products containing IEC 62474 declared substances	TC-SC-410a.1	3-6 Product Lifecycle Management
	Energy efficiency at the overall processor system level:	TC-SC-410a.2	
Raw Material Procurement	(1) Servers, (2) Desktops, (3) Laptops	TC-SC-440a.1	3-7 Procurement of Raw Materials
Protection of intellectual properties and competitive behaviors	Total amount of damages caused by incidents of anti-competitive behavior in violation of relevant laws and regulations	TC-SC-520a.1	3-8 Protection of Intellectual Properties and Competitive Behavior
Active Indicator		Indicator No.	Corresponding Chapter
Total Output		TC-SC-000.A	1-2 Products and Services
Percentage of production in own plants		TC-SC-000.B	

## HR Data

Total number of employees in previous years (by gender)				
Year		2019	2020	2021
Number of employees	Female	39	52	56
	Male	85	119	133
	Total	124	171	189
Ratio	Female	31.45%	30.41%	29.63%
	Male	68.55%	69.59%	70.37%

Total number of employees in previous years (by age)				
Year		2019	2020	2021
Number of employees	< 30	21	36	36
	31-50	100	130	149
	> 50	3	5	4
	Total	124	171	189
Ratio	< 30	16.94%	21.05%	19.05%
	31-50	80.65%	76.02%	78.84%
	> 50	2.42%	2.92%	2.12%

Total number of employees in previous years (by position and gender)				
Year		2019	2020	2021
Mid- and high-level executive	Female	1	1	1
	Male	8	8	8
Junior executive	Female	4	5	4
	Male	26	29	27
Engineering personnel	Female	10	16	21
	Male	47	73	89
Administration personnel	Female	15	24	25
	Male	4	7	9
Junior personnel	Female	9	6	5
	Male	-	2	-

Total number of employees in previous years (by position and age)				
Year		2019	2020	2021
Mid- and high-level executive	< 30	-	-	-
	31-50	8	7	6
	> 50	1	2	3
Junior executive	< 30	-	-	-
	31-50	29	32	30
	> 50	1	2	1
Engineering personnel	< 30	12	23	23
	31-50	45	66	87
	> 50	-	-	-
Administration personnel	< 30	8	9	12
	31-50	11	22	22
	> 50	-	-	-
Junior personnel	< 30	1	4	1
	31-50	7	3	4
	> 50	1	1	-

Note: Mid- and high-level executives are divisional executives and above, junior executives are those below divisional level, engineering staff are engineering/business/R&D staff, administrative staff are finance/information/human resources/general affairs staff, and junior staff are fixed-term contract staff

Number of employees hired under contract over the previous years				
Year		2019	2020	2021
Indefinite Contract	Indefinite contract (female)	30	46	51
	Indefinite contract (male)	85	117	133
Fixed-term contract	Fixed-term contract (female)	9	6	5
	Fixed-term contract (male)	-	2	-

Number of employees by type of employment in the previous years				
Year		2019	2020	2021
Full-time employees (female)		30	30	51
Full-time employees (male)		85	85	133
Part-time employees (female)		9	9	5
Part-time employees (male)		-	-	-

Note 1: The person who signs a fixed-term contract with Sensortek is a part-time employee.

Note 2: There are no male part-time employees in Sensortek from 2019 to 2021.

Number of new and former employees in previous years (by gender)				
Year		2019	2020	2021
New employees	Female	16	18	12
	Male	30	41	22
	Total	46	59	34
Former employees	Female	2	4	8
	Male	4	8	8
	Total	6	12	16

Number of new and former employees in previous years (by age)				
Year		2019	2020	2021
New employees	< 30	10	21	13
	31-50	36	38	21
	> 50	-	-	-
Former employees	< 30	1	-	2
	31-50	5	12	12
	> 50	-	-	2

