

iBASE

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————— IBASE Technology Inc. —————

2021 ESG Report



IBASE Technology Co., Ltd. Sustainability Report Catalog

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Message from the Management



Since the establishment of IBASE, we have recognized the business belief of responsible, sustainable development to guide our path throughout the years. We acknowledge that environmental consciousness, particularly the realization of net zero emission, is critical to sustainable development. In recent years, the growth in global industries has led to a proportional increase in environmental pollution, the depletion of natural resources and ecological destruction across the planet, endangering plants and animals and threatening of human health.

In the face of serious issues due to global environmental change and uncertainties, we comply with government policies to support various sustainable development and environmental protection programs and adhere to environmental regulations and international standards. We embrace the social, environmental and moral responsibilities in our business operations not only to fulfill our corporate social responsibility, but to help protect the environment for future generations.

As a participant in Taiwan's goal of "2050 Net-Zero Emissions", IBASE will prepare a carbon inventory, identify carbon emission sources and evaluate progress in the reduction of emissions. We will enhance various environmental management and control operations to reduce the negative impact on the environment. Through the gradual introduction to ISO 14064 in 2023 for greenhouse gas emissions, we will be able to contribute to environmental sustainability. In terms of supply chain management, IBASE has a complete supplier audit and evaluation system and yearly conducts on-the-spot assessment of Taiwanese suppliers to ensure their continued compliance with the Supplier Code of Conduct. For a sustainable future, IBASE only uses REACH and RoHS compliant materials.

IBASE values talent cultivation and retention which is critical to our sustainable operation in the future. We provide education and training programs both internally and externally based on the needs of every department and individual employees to enhance their occupational skills and employability.

Looking forward to the future, we shall strengthen our ESG sustainability efforts in improving corporate governance to safeguard shareholders' rights, cherish the earth's resources, take care of employees' health and safety to fulfill our corporate social responsibility and to implement a sustainable philosophy, while fostering company growth and profitability and creating value for stakeholders and society.

IBASE Chairman

Chin Shi Low





Editorial Philosophy

In pursuit of corporate sustainability and information transparency, IBASE has issued this 2021 Sustainability Report. Throughout the report, we aim to share to our stakeholders the measures we have taken and the performance we have achieved under the goal of sustainable management with the continuous building of integrity governance, the implementation of environmental protection and occupational safety measures and the improvement of employee salary and benefits. At the same time, IBASE welcomes stakeholders to provide valuable suggestions and constructive criticisms for us to make great strides in the implementation of sustainable business operations.



Boundaries and Scope of the Report

This report discloses business information covering the period from January 1, 2021 to December 31, 2021. The scope of the information in the report covers the factories and operations of IBASE in Taiwan, not including those of its subsidiaries. The checking and attesting of financial statements are in accordance with International Financial Reporting Standards (IFRS), consistent with the data disclosed in the company's individual financial reports. Other data are collected by the responsible departments and checked by their department heads using international common index calculation methods.



Basis of the Report

The information disclosed in this report is prepared in accordance with the core options of the Sustainability Reporting Standards 2016 (GRI Standards 2016, GRI Standards 2016) issued by the Global Reporting Initiative (GRI), Operating Measures for the Preparation and Reporting of Sustainability Reports by OTC Companies.

| ISO type | Validity period | Scope of certification |
|----------------|-----------------|--|
| ISO 9001:2015 | 25/12/2022 | Nangang, Sanchong, Xinzhuang and Pingzhen |
| ISO 13485:2016 | 28/02/2025 | Nangang, Sanchong and Xinzhuang |
| ISO 14001:2015 | 30/10/2024 | Sanchong and Pingzhen |
| ISO 27001:2013 | 14/10/2024 | ERP system and the server room of Nangang, Xinzhuang and Pingzhen. |

All production operations of IBASE are located in Taiwan and all three production bases.

The greenhouse gas emission data in this report have been confirmed internally and have not been subject to external verification.



Issue Frequency

While this is the first ESG report published in accordance with the Global Reporting Initiative (GRI) standards, IBASE Technology shall release an ESG report every year which shall also be available on the company's website to enhance the transparency of corporation operations.

Current release date: September 2022

Next release date: June 2023



Feedback

If you have any suggestions or comments about the content of this report, please contact us.

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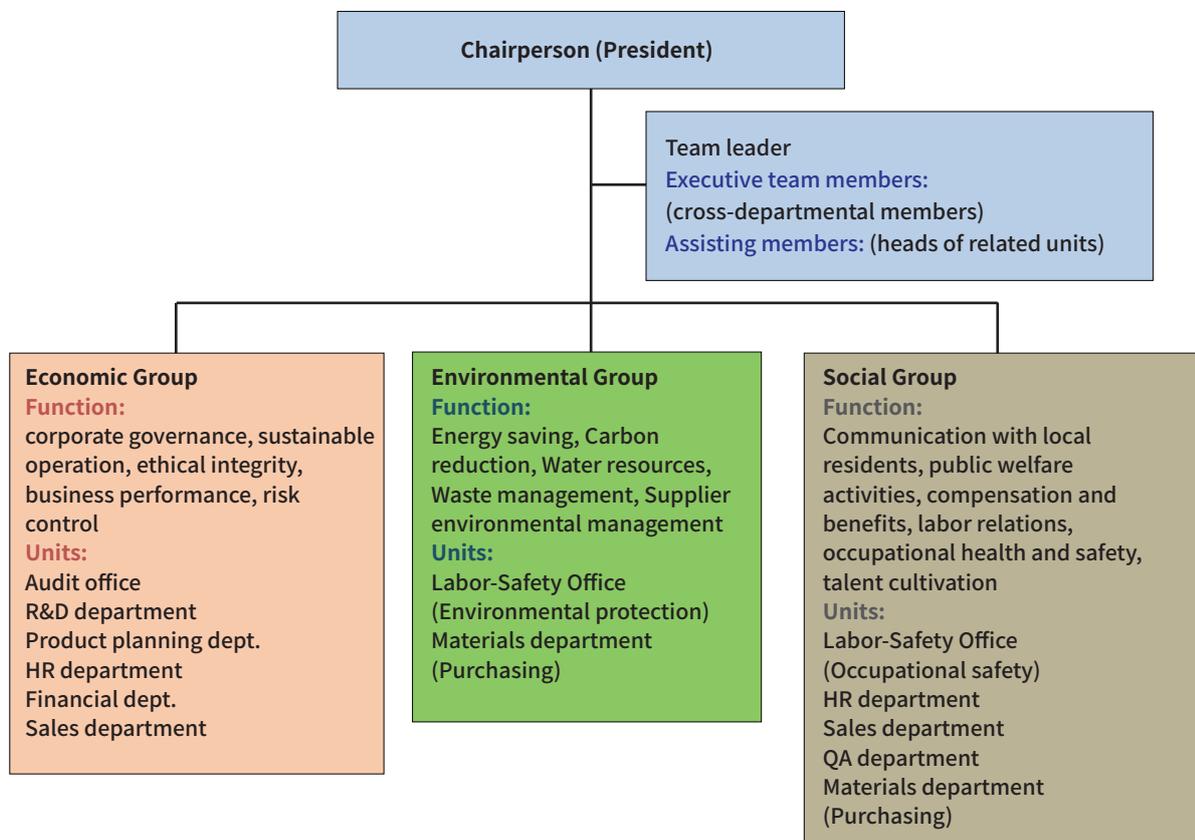
1. Identification of Stakeholders and Major Themes

1.1 Sustainability team

The chairman of IBASE authorizes the president to set up the Sustainability Committee and appoints him as the Chairperson. The Sustainability Committee formulates the sustainable development policy and is responsible for its implementation within the company, gradually integrating the sustainable business philosophy into the corporate culture of IBASE.

In response to sustainable development encompassing environmental, social and corporate governance and other areas, the Sustainability Committee has set up a special group that is responsible for collecting stakeholders' feedback regarding environmental protection, occupational safety, supply chain management, labor rights and working conditions and corporate governance. There is a special section in the company's website set up for stakeholders to voice their concerns and opinion on important sustainability issues. IBASE also plans to yearly report the ESG implementation status to the Board of Directors in the future to ensure that they are updated with the latest developments.

Sustainability Team



1.2 Identification of Stakeholders

Identification of Key Stakeholders



Stakeholders are groups of people or entities that influence or are highly impacted by IBASE. Each of the departments in IBASE preliminarily screen the types of stakeholders contacted in routine business transactions. Seven categories were identified based on the interaction frequency, mutual influence and importance to each other and to IBASE and through internal meeting discussions. Key stakeholders include shareholders/investors, customers, employees, suppliers, contractors, local communities and government agencies.

1.3 Stakeholders communication channels and issues of concern

The main stakeholders of IBASE have different backgrounds and therefore pay attention to different aspects of the company. The departments in IBASE actively interact with stakeholders through multiple channels so that stakeholders can understand the company's operation in a timely manner. At the same time, IBASE is able to understand the requirements and expectations of stakeholders for the company and respond appropriately. The company reports the communication situation of major stakeholders to the Board of Directors each year.

Each department collects information regarding the concerns raised by the main stakeholders and forwards them to the Sustainability Committee. Using the 2016 edition of the GRI Sustainability Reporting Standards and the ESG report of the industry as reference, 20 sustainability issues have been summarized, covering economic, environment and society issues, to ensure that the sustainable information disclosed by IBASE meets GRI standards and guidelines.

| Major holders | Importance to the company | Key points | Communication channel/frequency |
|----------------------------|---|---|---|
| Shareholders/ Investors | Shareholders are the capital contributors of the company and the company protects the rights and interests of shareholders. IBASE treats all shareholders fairly and ensures that shareholders have the right to fully know, participate and make decisions on major issues. | <ul style="list-style-type: none"> • Operation performance • Market image • Regulatory compliance | <ul style="list-style-type: none"> • Annual General Meeting of Shareholders / once a year • Public information posting and company website to announce important information/ at any time • Company website email, telephone / at anytime • Contact window: Spokesperson, Acting Spokesperson/ at anytime |
| Customers | Customers are the main source of the company's profits. The company is committed to ensuring good quality of products and maintain good interaction with customers. | <ul style="list-style-type: none"> • R&D innovation • Regulatory compliance • Product quality • Supply chain management | <ul style="list-style-type: none"> • Customer service satisfaction survey / every year • All locations of operations / at anytime • Company website, department phone numbers / at anytime • Contact window: customer service / at anytime |
| Suppliers | The company product relies on supplier partners to provide stable supply of raw materials and components for production. | <ul style="list-style-type: none"> • Supplier management • Regulatory compliance • Energy reduction and carbon reduction | <ul style="list-style-type: none"> • Supplier evaluation / periodic • Confidentiality contract/ at business dealings • Contact window: Management department / at anytime |
| Employees | Employees are the indispensable backbone of the company's operations. The company provides competitive salary and benefit packages to ensure the retention of talented employees and is committed to creating a workplace environment that takes care of their physical wellbeing and boosts their mental health. | <ul style="list-style-type: none"> • Ethical integrity • Operations performance • Salary and benefits • Labor relations • Occupational health and safety | <ul style="list-style-type: none"> • Labor-management meeting/quarterly • Department heads communication / at any time • Employee suggestion mailbox, telephone / at anytime • Contact window: Human resources manager / at anytime |
| Subcontractors | Outsource some professional jobs to professional manufacturers to facilitate the smooth operation of the factory. | <ul style="list-style-type: none"> • Supplier management • Regulatory compliance • Occupational health and safety | <ul style="list-style-type: none"> • Supplier evaluation / periodic • Confidentiality contract/ at business dealings • Contact window: Purchasing department / at anytime |
| The local community | The company implements environmental management and control measures against environmental pollution at operating sites that may lead to decline in the quality of life in nearby communities. | <ul style="list-style-type: none"> • Environmental regulatory compliance • Wastewater and waste • Environmental complaint mechanism • Community Investment | <ul style="list-style-type: none"> • Complaint hotline/ at anytime • Company official website/at anytime • Onsite symposium/at anytime |
| Government Agencies | Government agencies check the company's compliance with various laws and regulations. | <ul style="list-style-type: none"> • Corporate Governance • Legal compliance | <ul style="list-style-type: none"> • Competent authority publicity meeting/ Not fixed • Public information observatory/ Not fixed • Company website/ Not fixed • Telephone/ Not fixed • E-mail/ Not fixed • Written correspondence/ Not fixed |

1.4 Identification of major themes

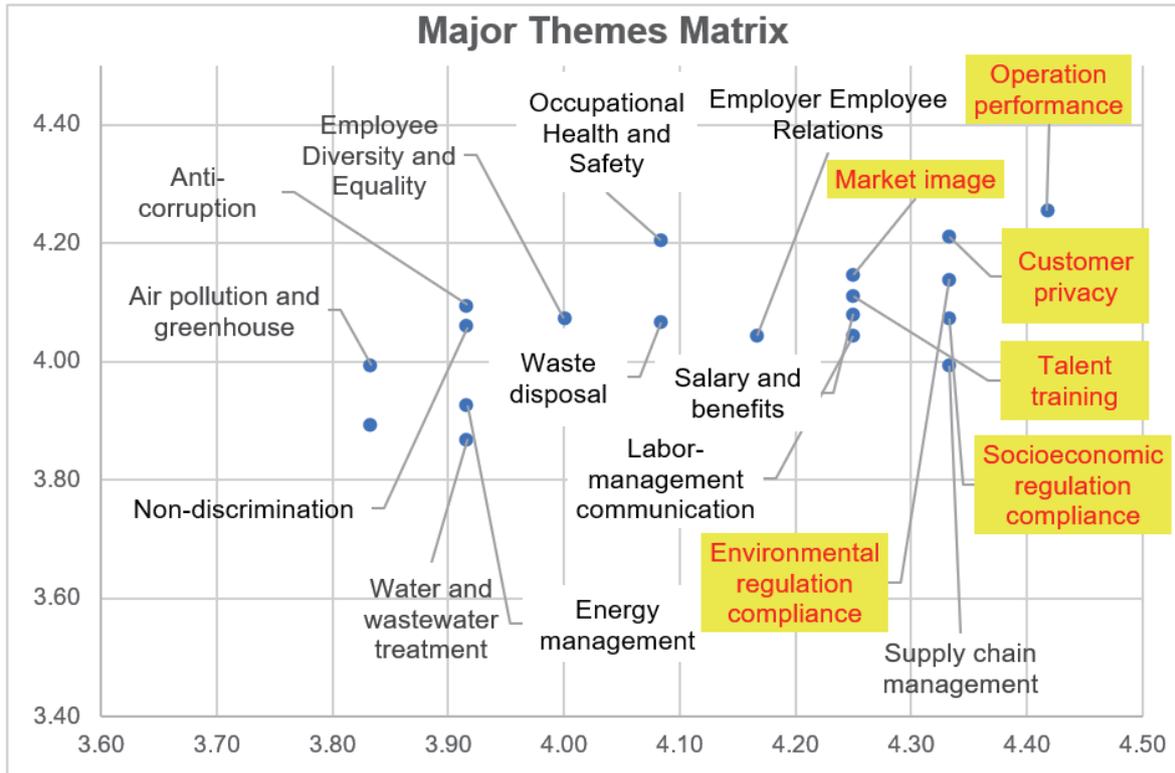
Identification process of major themes



| Aspects | Sustainability issues |
|----------------------|--|
| Environmental Aspect | Energy management, air pollution and greenhouse gases, water and wastewater treatment, waste treatment, environmental regulatory compliance |
| Social Aspect | Salary and benefits, labor-management communication, labor-employment relations, occupational health and safety, non-discrimination, forced and compulsory labor, employee diversity and equal opportunities, customer privacy, socioeconomic regulatory compliance, talent cultivation, participation in public welfare |
| Economic Aspect | Operation performance, market image, anti-corruption, supply chain management |

Note: Corporate governance, risk management and ethical integrity belong to the necessary disclosure areas of GRI Sustainability Reporting Standards 2016 (GRI Standards: 2016). Although they are not listed in the major themes this year, this report will still disclose relevant content.

The IBASE Sustainability Committee formulated 20 sustainability issues and asked major stakeholders to fill in the online questionnaire. To get the main stakeholders' attention to various sustainability issues, a total of 137 valid questionnaires were collected: 16 copies from shareholders/investors, 17 copies from customers, 40 copies from employees, 16 copies from suppliers, 23 copies from contractors, 6 copies from local communities and 20 copies from government agencies. Also, an online questionnaire was distributed to 12 company directors to fill in the impact of each sustainability issue. After combining the two scores, the major themes matrix was obtained. After discussion by the Sustainability Committee, the top 6 sustainability issues in the three aspects of environment, society and economy were listed in the current year's major themes. A total of six major themes in environmental, social and economic aspects were identified, which include operation performance, customer stability, environmental regulatory compliance, socio-economic regulatory compliance, market image and talent cultivation. IBASE will explain the management policy of each major theme and related disclosure items in this report. At the same time, in order to take into account the balance of information in the Sustainability Report, the results of IBASE's commitment to public welfare will be supplemented.



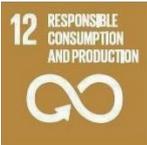
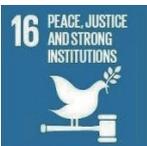
| Aspect | Major Theme | Importance to IBASE | Internal boundary | External boundary | | | Compliance to GRI guidelines | Report disclosure |
|---------------------------------|-----------------------|--|-------------------|-------------------|----------|-------------------|---|---------------------------|
| | | | company | Supplier | Customer | Local communities | | |
| Economy | Operation performance | Pursuing maximum profit is the goal of IBASE's continuous efforts, in addition to enhancing the confidence of investors, employees, supply partners and customers, creating mutual benefit and common prosperity and moving towards the road of sustainable operation. | ● | ● | ● | | 201 Economic Performance: 2016 (201-1) | 3.4 Operation performance |
| Economy | Market image | Actively strengthen the reach of existing products, expand the market to the US, China, Japan, New Zealand and Australia, use agents to promote new projects and continue to focus on different key industries to become technological innovations leader in the integration, promotion and sales of software and hardware technologies. | ● | ● | ● | | 202 Market status: 2016 | 5.2 Fit-For-Purpose |
| Environmental/ Socioeconomic | Regulatory compliance | Regulatory compliance is the cornerstone of IBASE's sustainable operation and the core of our mutual trust with investors, customers, employees and local communities. | ● | | ● | ● | 307 Environmental regulatory compliance: 2016 (307-1) 419 Socioeconomic regulatory compliance: 2016 (419-1) | 3.3 Regulatory compliance |

| Aspect | Major Theme | Importance to IBASE | Internal boundary | External boundary | | | Compliance to GRI guidelines | Report disclosure |
|---------|--------------------|--|-------------------|-------------------|----------|-------------------|--|------------------------|
| | | | Company | Supplier | Customer | Local communities | | |
| Society | Customer privacy | IBASE regards R&D technology and customer confidentiality as the lifeblood of the company's operations. Through the information security management mechanism, colleagues can maintain information security risk awareness and carry out various information security management and control to ensure that confidential information are not leaked. | ● | | ● | | IBASE Identified Major Themes | 3.5.3 Customer privacy |
| Society | Talent cultivation | Improve employee functions, improve work efficiency and work quality to implement human resource development | ● | | ● | | 404 Training and Education: 2016 (404-1) | 5.2 Fit-For-Purpose |

1.5 Sustainability Development Goals

The United Nations Sustainability Development Goals (SDGs) is a plan released by the United Nations in 2015, which proposes 17 Sustainability Development Goals and 169 sub-targets as guidelines in the practice of sustainable development by member states and global enterprises until 2030.

IBASE integrates Sustainability Development Goals into the company's business strategy, expanding the company's previous focus on economic performance to take into account environmental protection and other regulatory compliance, improving employee treatment to retain outstanding talents, eliminating various unequal conditions in the workplace and slowing down the discharge of waste water and greenhouse gases and invite suppliers to work together to improve the environment and improve workplace treatment. Looking forward to the future, IBASE shall continue to make more contributions to the Sustainability Development Goals and fulfill its corporate social responsibility.

| SDGs | Target | IBASE's Response |
|---|--|--|
|  | <p>1.4 Ensure that all men and women, especially the poor and disadvantaged, have equitable rights and access to economic resources.</p> | <ul style="list-style-type: none"> • Provide competitive salary and benefits that surpass the requirements of laws and regulations, so that employees can work with dignity and improve their economic living standards. • Adjust employee salary according to company revenue and profitability. |
|  | <p>4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p> <p>4.7 Promote sustainable development through education and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence</p> | <ul style="list-style-type: none"> • Arrange employee training according to their functions to ensure that each one has the opportunity to receive vocational training. • Plan courses on sustainable development, workplace equality and labor rights and encourage employee participation. |
|  | <p>5.1 End all forms of discrimination against women.</p> <p>5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies.</p> | <ul style="list-style-type: none"> • Not using gender as the criteria for staff appointment, assessment and promotion. • Respecting the rights of employees regardless of gender in relation to parental leave. |
|  | <p>8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities.</p> <p>8.7 Prohibit child labor and eliminate forced labor.</p> <p>8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment.</p> | <ul style="list-style-type: none"> • Not using gender in the criteria for staff appointment, assessment and promotion. • Adjust employee salary according to company revenue and profitability. • Respect labor rights, including prohibition of child labor and any form of workplace discrimination. • Workers in maternity workers shall be able to adjust their workload in accordance with the law. • Implement occupational safety and health management system to improve the safety of employees. |
|  | <p>9.5 Encourage innovation and increase the number of R&D staff and R&D spending.</p> | <ul style="list-style-type: none"> • Increase the number of R&D teams annually and raise the ratio of R&D expenditure to revenue by 4.5% higher each year. |
|  | <p>10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome by eliminating discriminatory laws, policies and practices</p> | <ul style="list-style-type: none"> • The company's recruitment, assessment and promotion mechanism does not use physical or psychological differences of employees as the assessment criteria. • A reporting channel exists for employees in the reporting process to protect whistleblowers. |
|  | <p>12.5 Waste management through prevention, reduction, recycling and reuse.</p> | <ul style="list-style-type: none"> • Continuously improve the production process to reduce waste output. |
|  | <p>16.6 Develop effective, accountable and transparent institutions.</p> <p>16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.</p> | <ul style="list-style-type: none"> • Strengthen corporate governance, ensure that employees comply with the company's various norms through internal control and install independent reporting channels and complete reporting procedures. • Communicate with stakeholders to understand employees' requirements and expectations for the company and report to the Board of Directors regularly. |

2. About us

2.1 Company profile

IBASE is a professional manufacturer of industrial motherboards, embedded systems, industrial touch computers, digital signage systems and network communication products for industrial computing and Industrial Internet of Things (IIoT) applications. Since its establishment in 2000, IBASE has been committed to producing high-quality products and providing excellent services. IBASE is publicly listed in the Taipei Exchange.

IBASE specializes in industrial computer design and manufacturing services and tailor products to the needs of individual customers. In addition to OEM services, we also provide original design manufacturing (ODM) and joint design manufacturing (JDM) services, including motherboard/system specification design, software design, manufacturing, verification and after-sales service to fully meet customers' needs and expectations. With experienced R&D and project managers, in-house manufacturing and after-sales service teams, IBASE can fully realize the design, solutions and manufacturing needs of customers, from the original concept to the design, product development and production.

IBASE attaches great importance to research and development and has continued to invest in manpower and resources to create innovative and high-quality products and provide customers with the best solutions. IBASE's R&D department includes hardware and software R&D professionals, of which 50% have more than 20 years of R&D experience and 45% have more than 5 years of work experience in related fields. Over the years, IBASE has established a complete set of innovative core technologies and has maintained excellent technical service capabilities. In keeping up with the latest technology trends, IBASE's R&D team can always quickly apply the newest technology for the market and develop various ODM/OJM customized products.

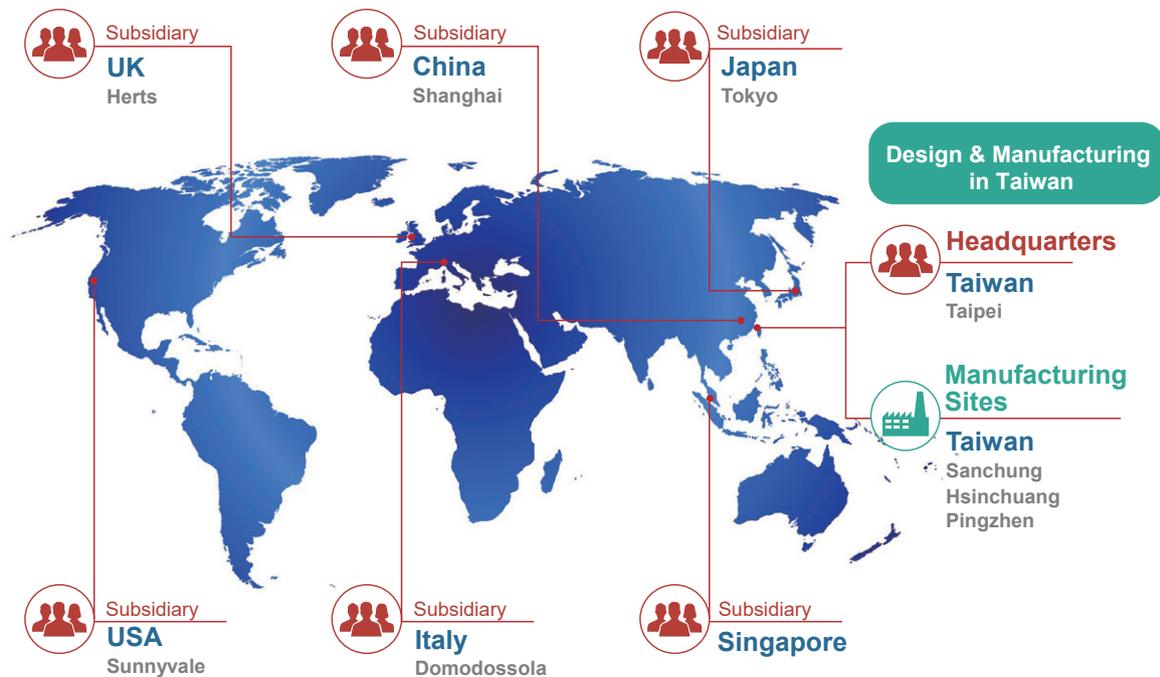
| | |
|--|--|
| Company name | IBASE Technology Co., Ltd. |
| Headquarters location | Taipei City, Nangang District |
| Capital (Unit: NT\$ 1,000) | 1,770,998 |
| Revenue for the year (Unit: NT\$ 1,000) | 5,706,855 |
| Number of employees | Group/Global: 868 (total) Taiwan Head Office: 636 |

| | |
|------------------------|---|
| Operating base | Taiwan (Nangang, Sanchong, Xinzhuang, Pingzhen) China United States U.K Japan Singapore Italy |
| Main Products/Services | Industrial Motherboards Embedded Systems Industrial Panel PCs Digital Signage Players Network Appliances RISC Platform Intelligent Transportation Systems |
| Target Markets | Worldwide |

Remarks:

1. For the Company History of IBASE, please refer to the 2021 Annual Report of the Shareholders' Meeting//I, company profile//I, Company History.
2. Statistics covers information until the end of 2021.

Global Operations



Please refer to the company's official website



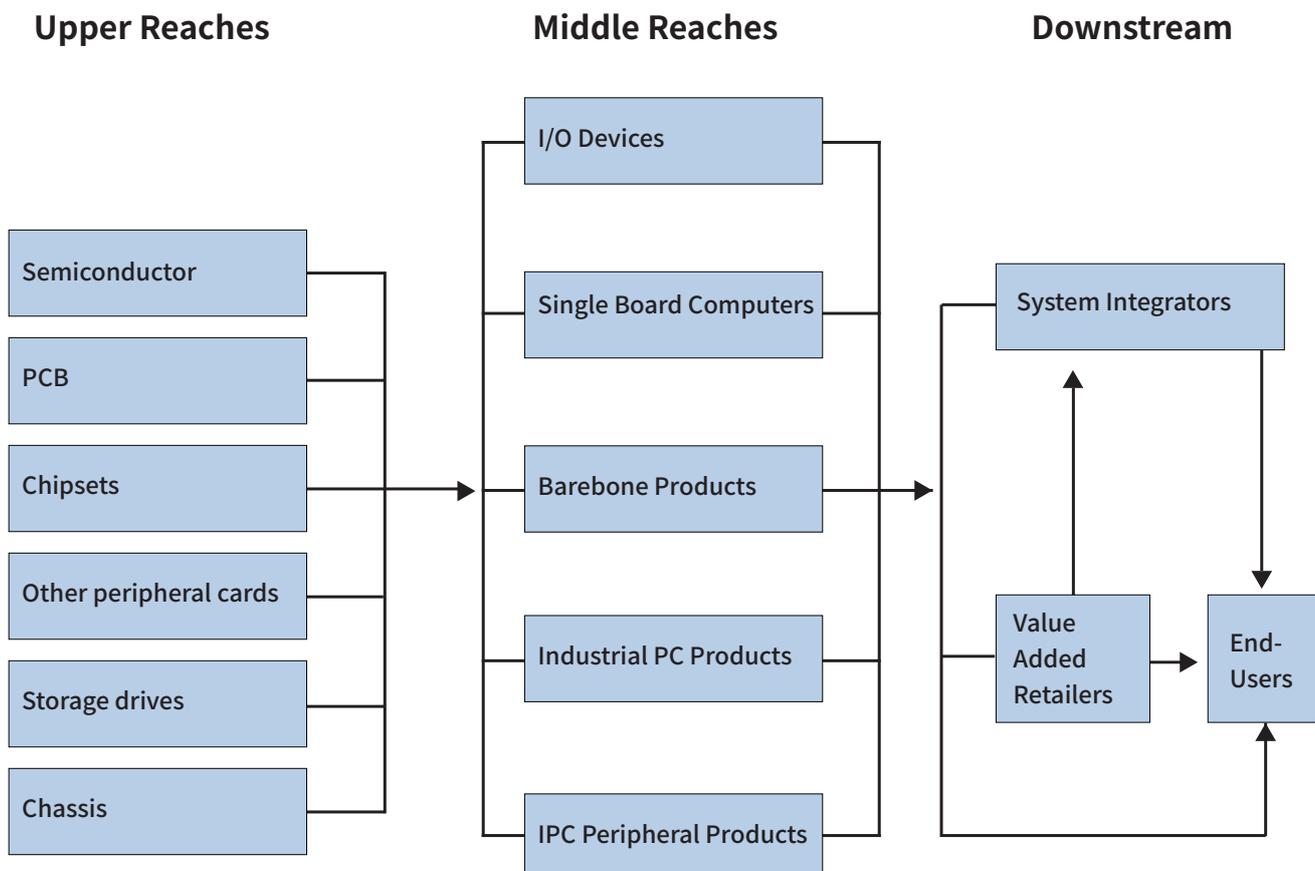
The relationship between the upper, middle and lower reaches of the industry

The main products of IBASE are single-board computers and industrial computing systems. The upper and middle reaches of the products are similar to those of commercial motherboard and computer system suppliers, but the downstream or sales targets are different. Single-board computers or industrial computers are usually sold to system integrators for final system integration, or to distributors with engineering backgrounds who are in contact with local customers. The relationship between the upper, middle and lower reaches is shown in the figure below.

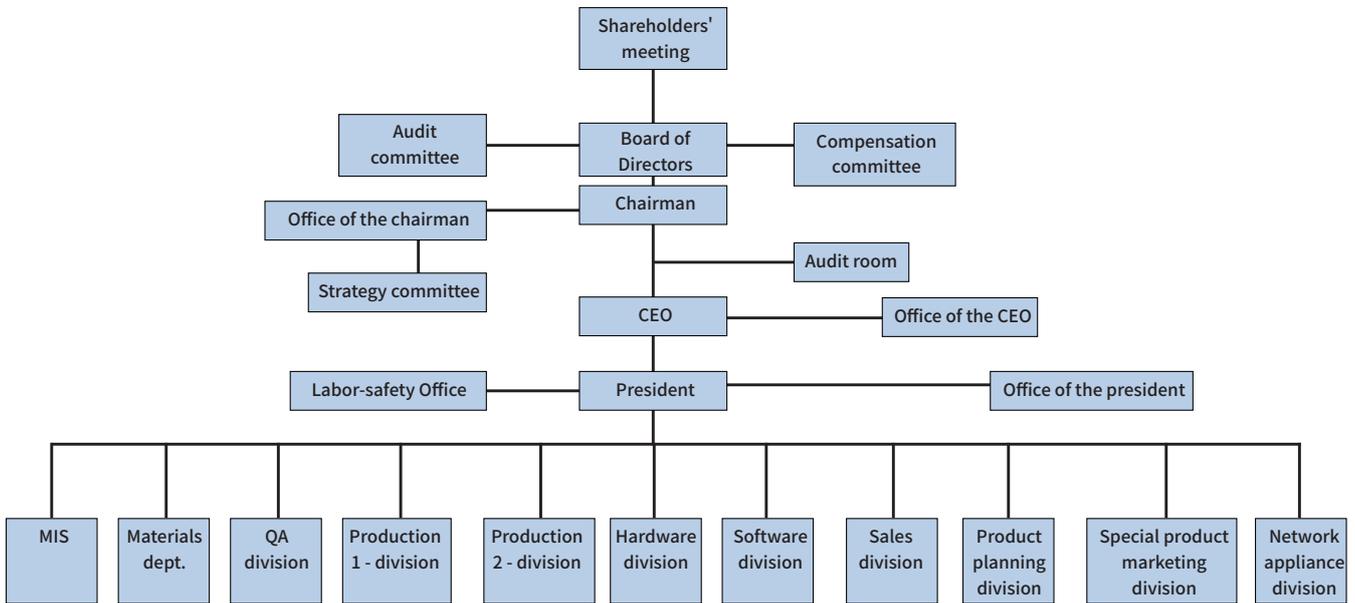
Upper reach: Suppliers of semiconductors, connectors, software, printed circuit boards, storage drives, power supplies and other electronic components.

Middle reach: Suppliers of I/O equipment, single-board computers, industrial computer products, system products and peripheral equipment.

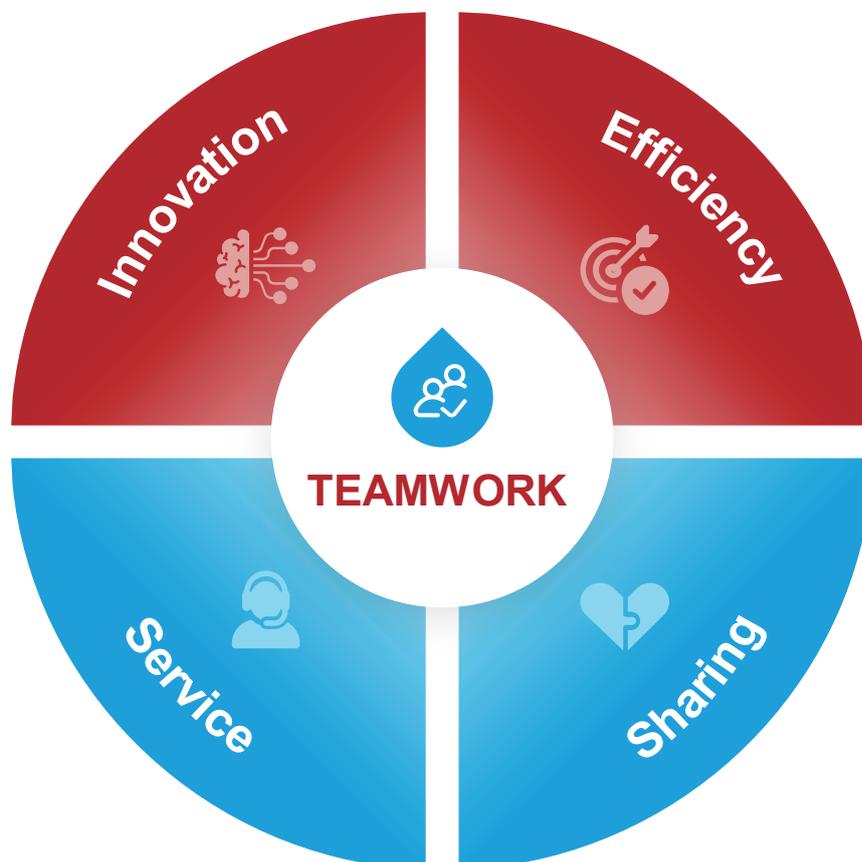
Lower reach: System integrators distributors, end users.



Organizational structure



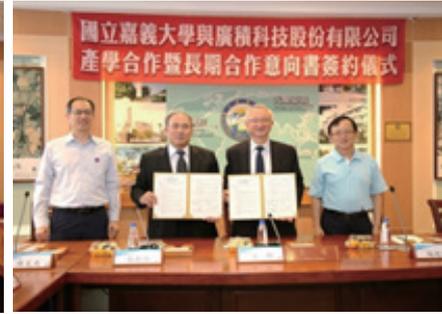
2.2 Business philosophy



Business Philosophy

Teamwork

IBASE attaches great importance to teamwork and effective communication among employees at all levels. In 2019, it signed an industry-academia cooperation agreement with Chiayi University to jointly build a "Smart Agricultural Center". IBASE has long been an investor in talent cultivation and in building a diversified database, while encouraging all employees to work together towards the same goal.



Innovation

In the last 20 years since its establishment, IBASE has built a complete set of innovative core technologies based on the professional knowledge and experience accumulated over the years. Substantial resources in manpower and investment have been allocated in R&D to achieve successful technological innovation and innovation speed, which are critical to the creation products that meet the latest market demands and provide customers with the best solutions.

Efficiency

IBASE has built a complete ERP (Enterprise Resource Planning) management information system to improve operational performance. With the setting up of the ERP management information system, the company's internal management has moved to computerization to manage and integrate essential parts of operations that will improve the quality of decision-making, enhance operational performance and benefit the future development of the company.

Sharing

Up to 15% of the revenue surplus are distributed as dividends to employees each year. In addition, year-end bonuses, Mid-Autumn Festival bonuses and quarterly bonuses for achieving profit targets are given to employees. Benefits also include employee travel subsidy, year-end party and sports events held twice a year.



Service

The core management team of IBASE has more than 30 years of experience in the field of industrial computing that encompasses R&D design, production and manufacturing, marketing planning, management, customer relations and supply chains. With quality products and services that achieve world-class standards, IBASE is able to meet customer demand and expectations and cooperate with major manufacturers and international clients around the world.

Business Philosophy

Corporate Social Responsibility

- a. Every Chinese New Year, the company welfare committee make purchases from disadvantaged groups (Children Are Us Foundation, mountain fruit farmers, etc.) and participate in charity work together with employees and manufacturers.
- b. IBASE gives donations when social incidents occur, such as to the Baxian Dust Combustion incident, to help the young victims of the water park explosion.

Promoting energy saving and carbon reduction

- a. The raw materials and components purchased by the company complies with EU environmental protection directives. Suppliers are required to provide test reports to ensure compliance with the reduction of environmental impact policies.
- b. The QA department is responsible for ensuring that the quality policies used in the testing of incoming and outgoing materials to adhere to EU environmental protection directives.
- c. The R&D department gives staff training in connection with ErP directives in the EU environmental protection directive, keeping an eye on the latest trends and gradually achieving the goal of low energy consumption.
- d. IBASE implements a digital information system to reduce paper usage and promotes lower electric power consumption at its facilities with energy-efficient equipment to comply with the European Union environmental initiatives.
- e. In 2019, the "Energy and Facility Monitoring System" was introduced in IBASE's Sanchong factory. Inductive lighting and environmental control equipment were installed to effectively reduce electricity consumption for energy conservation and carbon emission reduction.
- f. In compliance with the regulations on waste classification and reduction measures promoted by the Nangang Software Park Phase II Management Committee and announced by the Environmental Protection Agency, IBASE implements recycling, classification and reduction.
- g. For energy saving and emission reduction, the company recycles the heat energy generated from the air conditioning system for use in the burn-in room, resulting in using eight fewer electric heating pipes in the process.
- h. With the introduction ISO14001 standards, IBASE ensures the implementation of the environmental management system and adheres to its commitment to sustainable development.
- i. The Sanchong factory has also received the 2015 EPA Carbon Reduction Action Award of Excellence.
- j. All IBASE factories have passed the ISO 9001 quality management system standard. The Sanchong and Xinzhuang factories have also passed ISO 13485 medical equipment management regulatory requirements and the Sanchong factory has obtained ISO 14001 environmental management certification. Furthermore, the headquarters in Taipei and both Xinzhuang and Pingzhen factories have been certified with the ISO 27001 Information Security Management standard.

2.3

Award system

IBASE is a Titanium-level member of the Intel Partner Alliance. Throughout the years, it has continuously signed up for various product competitions held at home and abroad to enhance its brand image through the awards it has received. By 2021, it has garnered 33 local and international awards. It has earned three awards from the renowned German iF Product Design Awards and won the Taiwan Excellence Award organized by the Ministry of Economic Affairs for 19 products.



| Model | Description | Award Name |
|--------------|--|------------------------|
| SP-63E | Video wall digital signage player with 24 displays | Taiwan Excellence 2021 |
| AMI230 | Industrial AI computer system | Taiwan Excellence 2021 |
| MRD-286 | EN50155 certified 28.6-inch Bar Type Panel PC | Taiwan Excellence 2021 |
| MPT-1000R | Intelligent traffic control computer | Taiwan Excellence 2021 |
| MPT-8000AR | Intelligent traffic image acceleration computer | Taiwan Excellence 2021 |
| VINO2100 | AI image recognition self-service machine | Taiwan Excellence 2021 |
| SW-101-N | Outdoor digital signage system with IP68 rating | Taiwan Excellence 2020 |
| SI-324 | UHD 4x4K digital signage player | Taiwan Excellence 2019 |
| MAI602-M4D80 | UHD 4x4K digital signage player | Taiwan Excellence 2019 |
| MPT-3000RP | EN50155 certified IP67 railway computer | Taiwan Excellence 2019 |
| DRD-037PC | Ultra-wide 21:6 dual-screen bar-type computer | Taiwan Excellence 2019 |

| Model | Description | Award Name |
|---------------|--|---|
| UMT-7211 | 21.5-inch multi-function medical panel PC | Taiwan Excellence 2018 |
| | | Computex d&i awards 2017 |
| SI-623-N | 4K digital signage player with triple output | Computex d&i awards 2017 |
| MPT-3000R | Fanless railway computer system | Best Choice Award 2016 |
| SI-613 | 3x 4K UHD digital signage system | Computex d&i awards 2016 |
| ASTUT-W153-PC | Industrial all-in-one panel PC | Taiwan Excellence Award 2016 |
| FWA5104 | Compact & slim fanless network appliance | Taiwan Excellence Award 2016 |
| SI-304 | 4x 4K HDMI digital signage player | Taiwan Excellence Award 2016 |
| SI-60E | 12-HDMI 8K digital signage player | Taiwan Excellence Award 2016 |
| | | Best Choice Award 2015 |
| | | 2015 BC Buyer's Choice Award |
| SE-92 | Outdoor robust digital signage player | iF Design Award 2015 |
| | | Computex d&i awards 2015 |
| ARTSI-32TM | Transparent double-screen digital signage display system | Taiwan Excellence Award 2015 |
| BST-1850 | Capacitive multi-touch panel PC for bedside terminal | Taiwan Excellence Award 2013 |
| SI-38 | Digital signage player system | iF product design award 2013 |
| | | 2012 Computex Taipei design & innovation Gold Award |
| | | 2012 Annual Industrial Innovation Achievement Commendation Award (Ministry of Economic Affairs) |
| AFB100-D25 | Fanless eFlex embedded system | 2012 Computex Taipei design & innovation Award |
| SI-24S | Digital signage player system | iF product design award 2010 |
| | | Taiwan Excellence Award 2010 |
| | | 2009 Computex Taipei design & innovation Gold Award |

2020 VDC Research Gold Award for Supplier Satisfaction

Gold Embedded Hardware Vendors



| Processors | Boards & Modules | Systems & Servers |
|---------------------------------|---|-----------------------------|
| AMD | ADLINK Leading EDGE COMPUTING | |
| Infineon | ADVANTECH | |
| LATTICE SEMICONDUCTOR | ARTESYN EMBEDDED TECHNOLOGIES | |
| MICROCHIP | iBASE | IBM |
| ST life.augmented | iEi iEi Integration Corp. | kontron S&T Group |
| TEXAS INSTRUMENTS | WINSYSTEMS | NATIONAL INSTRUMENTS |

Source: VDCResearch 2020

iF Product Design



Taiwan Excellence Awards



ISO Certifications for each IBASE operating location

IBASE encourages continuous innovation to improve the company's products, services and processes, while prohibiting the use of materials with harmful substances and providing customers with competitive products that yields the highest value.

ISO 9001



ISO 14001



ISO 13485



ISO 27001



2.4 Participation in external organizations

IBASE actively communicates with stakeholders from various sectors of the society, participating in industry-related associations to interact with the members and keeps up with the latest developments in the industry.

| Name of Association | Status |
|---|---------------|
| Taipei Computer Association | Member |
| Foreign Trade Development Association of Taiwan | Member |
| Smart Industry Computer AIoT Association | Member |
| AVIXA (Audiovisual and Integrated Experience Association) | Bronze Member |

3. Integrity governance

A perfect corporate governance should include a sound Board of Directors, rigorous internal control system and stable financial control in order to reduce the company's operating risks, enhance competitiveness and create brand value. Corporate governance should be influenced by an ethical corporate culture that permeates the whole company at all levels as articulated in the mission statement to ensure compliance with laws and regulations and to safeguard the rights and interests of investors and stakeholders.

The corporate governance system has been established in accordance with the Taiwan Securities Exchange Act and related norms. To protect shareholders' rights and interests, strengthen the function of the Board of Directors and improve information transparency, members of the Board of Directors are nominated via a rigorous selection process. Independent directors are set up to enhance the management and supervision functions of the Board of Directors, prohibiting directors, managers and employees and other insiders to profit from information that is not available in the market. IBASE respects the principles of fair disclosure rules by establishing a complete information disclosure system and providing information periodically regarding operations, finance, board agendas and shareholders' meetings on the company's website to ensure shareholders get the latest information about the company.

3.1 Governance practices

The shareholders' meeting is the body of shareholders that makes decisions on major issues of the company. It reviews reports from the Board of Directors and assesses the financial performance to ensure the company complies with laws and improves its corporate governance practices. The Board of Directors has set up an audit committee and a remuneration committee to assist the Board of Directors. An independent audit office regularly audits operations and reports the audit results to the audit committee and the Board of Directors.

IBASE pays great importance to corporate governance, pursues sustainable growth and integrity management, continuously strengthens the corporate governance structure, upholds information transparency and is equipped with an effective internal control system to safeguard the rights and interests of stakeholders. IBASE establishes internal control system handling standards in accordance with public offering companies, weighs the company's overall operating activities, designs internal control systems and implements them, reviewing them at any time to respond to changes in the internal and external environment. In the future, the company will also improve the overall synergy of corporate governance and strengthen the trust of the stakeholders.

The company's financial statements are entrusted to an accounting firm that regularly checks the attestation signature and ensures the disclosure of various information required by laws and regulations can be completed in a timely manner. The firm is responsible for the external disclosure of the company's information. At the same time, a spokesperson system has been established to ensure timely and fair disclosure of major information, including financial related information, to shareholders and stakeholders. IBASE shall focus on strengthening the structure and operation of the Board of Directors, increasing information transparency and incorporating sustainable governance to achieve the goal of sustainable development.

3.1.1 Board of Directors

The Board of Directors draws up the company's business strategy and is responsible to shareholders and other stakeholders. The directors are responsible for performing their duties as managers and prudently exercise their powers in the execution of the company's business and the operation and the arrangement of various governance systems. Except for matters that should be decided at the shareholders meeting according to the law or the articles, all matters should be decided by the Board of Directors. The Articles of Association stipulates that the election of directors is carried out through a candidate nomination system. Re-election is based on the principle of employing talents. According to the company's governance practices, the Board of Directors should not exceed one-third of the Board of Directors except for directors serving as managers of the company. It is advisable to consider the criteria of membership diversity, including but not limited to the standards of fundamental conditions and values, professional knowledge and skills. IBASE plans to give priority to the appointment of at least one female director with a background in law, accounting, or finance to the Board of Directors in achieving its diversity policy. There are currently nine directors (including three independent directors) with a term of three years. According to the law, the board meetings shall be made at least once every quarter. A total of seven board meetings were held in 2021.

Members of the Board of Directors

| Position | Name | Experience/Education | Current Position |
|------------------------|------------------|--|---|
| 1 Director | Chiu-Shi Lin | Kaohsiung Technical College Electrical Engineering Department Taiwan Mycomp senior vice president | Chief Strategy Officer of IBASE |
| 2 Director | Jeff Hsu | Department of Business Administration, University of Phoenix Chairman and CEO of Technoland | Division senior general manager of IBASE |
| 3 Director | Yu-Nan Chen | Electronics Division of Sihai Engineering College Manager of R&D Department of Mikan (Shares) Company | President of IBASE |
| 4 Director | Shih-Hsiung Chen | Taipei Institute of Technology Electronics Division Project Manager of R&D Department of Mikan (Stock) Company | CEO of IBASE |
| 5 Director | Yung-Shun Chuang | Honorary Doctor of Engineering, National Taiwan University of Science and Technology Chairman of AAEON Technology Co., Ltd. | Chairman of AAEON Technology Co., Ltd. |
| 6 Director | Ying-Chen Li | Ph.D. in Electrical Engineering, National Taiwan University Chairman of Jingda Optoelectronics Co., Ltd. and Chief Strategy Officer of AAEON Technology Co., Ltd. | Chairman of Jingda Optoelectronics Co., Ltd. and Chief Strategy Officer of AAEON Technology Co., Ltd. |
| 7 Independent director | Kun-Chih Chen | Ph.D. in Accounting, Southern California Assistant Professor, Department of Accounting, National Taiwan University | Assistant Professor, Department of Accounting, National Taiwan University |
| 8 Independent director | Yao-Chang Shen | Zhili Business Specialist International Trade Division: Manager of the Finance Department of Mingdong (Shares) Company | Professional Land Registry Agent |
| 9 Independent director | Ding-Bing Lin | Ph.D., Electrical and Radio Group, National Taiwan University Professor, Department of Electronic Engineering, National Taiwan University of Science and Technology Professor, Department of Electronic Engineering, Taipei University of Technology | Professor, Department of Electronic Engineering, National Taiwan University of Science and Technology |

Note: For the education attainment, concurrent positions and major shareholders of IBASE board members, please refer to the company's annual report

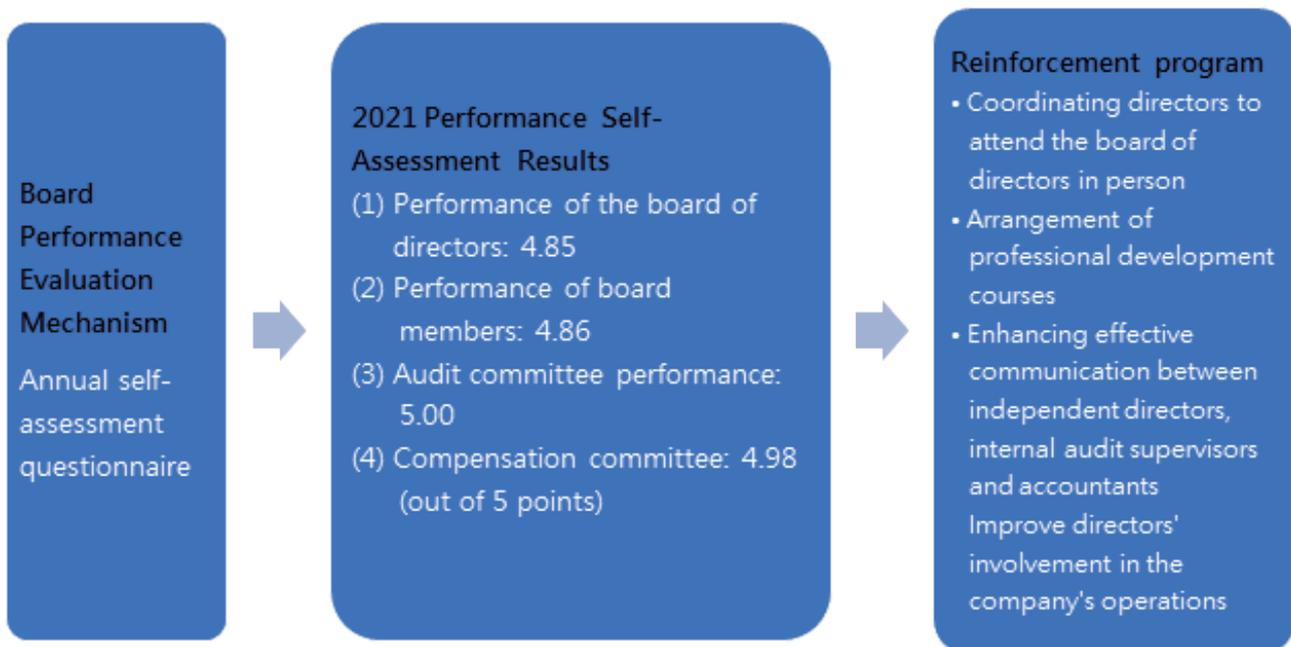
IBASE Board of Directors

| Diversity Metrics | | | 2019 | | 2020 | | 2021 | |
|-------------------|-----------|------------------------|------|-------|------|-------|------|-------|
| | | | No. | Ratio | No. | Ratio | No. | Ratio |
| Director | Sex | Male | 7 | 100% | 9 | 100% | 9 | 100% |
| | | Female | 0 | 0% | 0 | 0 | 0 | 0% |
| | Age | Under 50 years old | 0 | 0% | 1 | 11.1% | 1 | 11.1% |
| | | Over 50 years old | 7 | 100% | 8 | 88.9% | 8 | 88.9% |
| | Education | Graduate school | 1 | 14.3% | 4 | 44.4% | 4 | 44.4% |
| | | College and university | 6 | 85.7% | 5 | 55.6% | 5 | 55.6% |
| | | Below high school | 0 | 0% | 0 | 0% | 0 | 0% |

Board of Directors meeting attendance statistics

| Title | Name | Number of attendance (A) | Actual number of seats (B) | Number of delegated attendance | Attendance rate (%) 【 B / A 】 |
|----------------------|--|--------------------------|----------------------------|--------------------------------|----------------------------------|
| Chairman | Chiu-Shi Lin | 7 | 7 | 0 | 100% |
| Director | Yu-Nan Chen | 7 | 7 | 0 | 100% |
| Director | Jeff Hsu of Chun Bao Investment Co., Ltd. Representative | 7 | 7 | 0 | 100% |
| Director | Shih-Hsiung Chen | 7 | 7 | 0 | 100% |
| Director | Yung-Shun Chuang of AAEON Technology Inc. Representative | 7 | 7 | 0 | 100% |
| Director | Ying-Chen Li of AAEON Technology Inc. Representative | 7 | 7 | 0 | 100% |
| Independent Director | Yao-Chang Shen | 7 | 7 | 0 | 100% |
| Independent Director | Ding-Bing Lin | 7 | 7 | 0 | 100% |
| Independent Director | Kun-Chih Chen | 7 | 7 | 0 | 100% |

To build a sound corporate governance and comprehensive supervision structure and ensure that independent directors can maintain independence and professionalism in their oversight role, the Board of Directors clearly defines the scope of responsibility of independent directors through the "Rules on the Scope of Responsibilities of Independent Directors". The directors should have high self-discipline to avoid any conflict of interests. If directors have an interest in the proceedings of the Board of Directors and the legal person it represents, they should not be allowed to participate in the discussion and voting. To improve the decision-making quality of the Board of Directors, the Board of Directors also adopted the "Board of Directors Performance Evaluation Method". An annual internal evaluation of the performance of the Board of Directors, individual board members and functional committees is conducted and the Board of Directors discussion unit issues self-evaluation forms to Board of Directors members. The results of the performance evaluation can be used as a reference for future selection or nomination of directors and as a reference for determining their individual salaries.



In implementing effective risk management and improve the willingness of talented individuals to serve as directors, IBASE provides liability insurance for its directors to protect them from personal losses if they are sued by any parties and for them to be free from worries in their service.

IBASE ensures that that directors are familiar with relevant laws and governance practices, knowledge that are essential to participate in the company's business decision-making process, by encouraging and arranging trainings for the directors. The appointed governance director shall increase directors' training on corporate sustainability. Under the leadership of the Board of Directors with integrity governance and extensive industry experience, the company shall continue to make great strides on the road to sustainable development.

3.1.2 Functional committees

IBASE has established an Audit Committee and Remuneration Committee in accordance with law to exercise supervisory duties and strengthen the function of the board. All functional committees shall be responsible to the Board of Directors except those who exercise their powers independently and submit proposals to the Board of Directors for resolution.

The Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities on the matters of accounting, auditing, financial reporting processes and financial controls and submits the evaluation results to the Board of Directors for discussion. The IBASE Board of Directors has adopted the "Organization Regulations of the Audit Committee" to set up an audit committee on the Board of Directors. Three independent directors serve as the audit committee. One of them is the convener and at least one person has accounting or financial expertise. At least one meeting is held every quarter. A total of 5 audit committee meetings was held in 2021, with an attendance rate of 100%.

Independent directors have direct communication channels with internal audit supervisors and certified public accountants. Accountants, audit supervisors and related supervisors are also invited to attend the regularly convened audit committee. When reviewing the financial report, the independent directors discuss the relevant financial and business issues in the financial report with the accountants and the accountants make recommendations on internal control and legal compliance matters and their important opinions are set out in the minutes of the company's meeting.

2021 Audit Committee Meeting Attendance Statistics

| Title | Name | Number of attendance (A) | Actual number of seats (B) | Number of delegated attendance | Attendance rate (%) 【 B / A 】 |
|----------------------|----------------|--------------------------|----------------------------|--------------------------------|----------------------------------|
| Independent director | Kun-Chih Chen | 5 | 5 | 0 | 100% |
| Independent director | Ding-Bing Lin | 5 | 5 | 0 | 100% |
| Independent director | Yao-Chang Shen | 5 | 5 | 0 | 100% |

Remuneration Committee

In order to improve the salary and remuneration system of directors and managers, IBASE evaluates the performance of directors and managers and whether the remuneration they receive is fair and reasonable. The Board of Directors has adopted the "Organization Regulations of the Remuneration Committee" and has set up a remuneration committee in the Board of Directors. The members of the committee should have at least one independent director. Currently, all three members are participating as independent directors. A total of 4 meetings were held in 2021 and the attendance rate was 100%.

The main functions and powers of the Remuneration Committee are to formulate and regularly review the performance-based remuneration system and standards for directors and managers and to evaluate the remuneration of directors and managers on a regular basis. The remuneration committee should comprehensively consider the following evaluation principles: the company's remuneration should comply with relevant laws and regulations and be able to attract individual talents. The performance evaluation and remuneration of directors and managers should be based on the standard remuneration level in the industry and should consider factors such as time invested, responsibilities, achievement of personal goals, performance in other positions, salary given to the same position in recent years, achievement of short-term and long-term goals, the financial status of the company and other future risks. Directors and managers should not engage in behavior that goes beyond the company's risk tolerance in pursuit of remuneration. The proportion of directors and senior managers' short-term performance compensation and the payment time should be considered together with the nature of the company's business.

In actual operation, the Remuneration Committee implements the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers and regularly makes assessments to determine the remuneration of the directors and managers and submits the recommendations to the Board of Directors.

2021 Remuneration Committee Meeting Attendance Statistics

| Title | Name | Number of attendance (A) | Actual number of seats (B) | Number of delegated attendance | Attendance rate (%) 【 B / A 】 |
|------------------|----------------|--------------------------|----------------------------|--------------------------------|----------------------------------|
| Convener | Yao-Chang Shen | 4 | 4 | 0 | 100% |
| Committee member | Ding-Bing Lin | 4 | 4 | 0 | 100% |
| Committee member | Kun-Chih Chen | 4 | 4 | 0 | 100% |

3.1.3 Internal audit

The purpose of internal audit is to assist the Board of Directors and managers to check and review the deficiencies of the internal control system, measure the effectiveness and efficiency of operations and provide improvement recommendations to ensure effective implementation of the internal control system. In accordance with the "Public Issuing Companies Establishing Internal Control System Handling Standards", IBASE pays attention to its activities and those of its subsidiaries as a whole, establishes an effective internal control system and reviews and improves it as needed, so as to respond to changes in the company's internal and external environment. It shall ensure that the internal control system is always effective. To enable auditors to check factually and conduct audits independently, IBASE has set up an independent audit office under the Board of Directors and appointed full-time auditors.

IBASE regularly implements the self-assessment of the internal control system. The Board of Directors and management review the results of self-assessment of each department and the audit report of the audit office at least annually. They attend the audit committee meeting quarterly and report to the independent directors on the implementation of the company's internal audit and the operation of internal control.

Secondly, the audit office reviews the internal control system self-assessment report of each unit and every subsidiary of the company every year and provides the Board of Directors and the president of any internal control deficiency to improve the effectiveness of the overall internal control system. To strengthen the professionalism of the auditors and improve their auditing quality and competence, IBASE arranges internal audit trainings that include professional courses and basic legal knowledge held by institutions designated by competent authorities.

IBASE continuously monitors the company's implementation of various operations through the auditors, establishes good governance practices and risk control mechanisms to create a sustainable business environment. In 2021, the audit office made a total of 40 audits with an audit compliance rate of 100% and zero major non-conforming items.



3.1.4 Ethical integrity

IBASE upholds the company's core values with legal compliance and integrity at the forefront of its business operations. To implement the business philosophy of integrity within the company, it gives attention to the morality of employees. The management department is responsible for the registration of new employees, familiarizing them with the company's internal integrity regulations and requiring them to sign the "Personal Data Use Consent", "Confidentiality Commitment" and "Declaration Commitment" forms to cultivate a sense of integrity in the shaping the company's overall integrity culture.

IBASE has a management department that promotes the integrity management policy, formulates the "Code of Ethics", "Code of Integrity Management", "Management Measures for Related Party Transactions" and "Rules for the Scope of Responsibilities of Independent Directors" and aligns the "Director Election Method" with the requirements of corporate governance that are approved by the Board of Directors. The office discloses the internal integrity regulations on the company's official website for stakeholders' reference and sets up a contact window for stakeholders to express their opinions. Consultation with the management department can be made by email and through the telephone.

IBASE has established multiple reporting channels to enable stakeholders to submit reports confidentially through the stakeholders area, the grievance mailbox in the company's official website. The management department assigns a specialist to investigate cases reported and collects related information such as the name of the accused, the time of the incident, the venue and the circumstances of the case. The company protects whistleblowers who expose about any breach of laws or corporate ethics and protects them from malicious or physical threats in the work place.

IBASE has a set of code of conduct that it expects its employees to follow as they carry out their duties in the work place, whereas suppliers are required to sign a supplier statement to create a fair and transparent trade environment. It emphasizes integrity in all business activities and prohibits employees from accepting gifts, bribes, or inappropriate gains and are required to respect intellectual property rights and protect the privacy of business partners. When procuring supplies, purchasing staff shall act responsibly by explaining to the other party the policies and regulations that should be adhered to when having business dealings with IBASE. They shall avoid engaging in business transactions with agents, suppliers, customers or other business partners involved in dishonest conduct. Any dishonest activity in shall be listed and the involved party shall be blacklisted and refused to have any future dealings with the company.

In order to deeply instill the concept of ethical integrity in IBASE employees, the management department plans to conduct online integrity training for employees in the future. It shall regularly arrange for members of the management to use meeting occasions to publicize the importance of corporate integrity culture. It shall also check and evaluate the effectiveness of the preventive measures established in the implementation of integrity management. It shall report the implementation results to the Board of Directors every year. On the other hand, the audit office shall supervise the company's overall integrity implementation and report to the Board of Directors as necessary.

| Whistleblower channels | Cases accepted for the year |
|--------------------------|-----------------------------|
| Company official website | 0 |
| Grievance mailbox | 0 |
| External grievance phone | 0 |

Corporate Governance



3.2 Risk management

The IBASE risk management structure is centered on each responsible department to carry out relevant risk assessment, assess the probability of risk occurrence and the impact on IBASE and report specific high risks to ensure the sustainable operation of the company.

IBASE Risk management

| Risks | Responsible Dept. | Risk operations |
|---------------------------------------|-------------------------|---|
| Strategic risk | Office of the CEO | Formulate the company's future operating policies. |
| Operational and market risk | Office of the president | Implement product research and development, production and sales and strive to improve production technology, improve quality and reduce costs, so as to increase the company's profits. |
| Financial and liquidity risk | Finance department | Hedging of interest rates and exchange rates, bank quota management and relationship maintenance. |
| Customer credit risk | Finance department | Customer credit limit establishment and review, accounts receivable management and collection. |
| Legal risk | Management department | Review contracts, company authorizations and reduce corporate legal risks and protect the tangible and intangible assets of the company. |
| Environmental safety and health risks | Labor safety department | For the safety and health hazards and specific risk factors that may be caused by the working environment, follow the safety and health policies to implement safety and health management. |

IBASE risk management strategy

| Risk Category | Description | Risk management strategy |
|-------------------------|--|--|
| Sustainable environment | Increased greenhouse gas emissions | 1. The ISO 14064-1 greenhouse gas emission inventory management system will be introduced in 2023 to conduct inventory and identify major emission sources. |
| | Increased waste disposal / decreased recycling rate | 2. Set carbon reduction targets and management plans for reducing greenhouse gas emissions. |
| | Inefficient in saving energy | 1. Raw materials must comply with green materials (RoHS, REACH., etc.) to increase material recovery rate. |
| | Violation of environmental regulations | 2. The product packaging design is oriented towards simplifying the design and reducing waste generation. |
| Employee care | Occupational accident (including the impact of COVID-19) | <ol style="list-style-type: none"> 1. Establish relevant work rules to prevent occupational disasters in accordance with the "Occupational Safety and Health Law", "Fire Management Measures" and "Chemical Hazardous Materials Management Measures". 2. Each factory will introduce the ISO 45001 occupational health and safety management system and ensure the continuous and effective operation of the company's management system through third-party audits. 3. In response to the needs of COVID-19 epidemic prevention, the company has set up relevant measures in response to COVID-19 prevention and cooperated with government authorities to implement relevant epidemic prevention measures. |
| | Excessive turnover / insufficient labor | <ol style="list-style-type: none"> 1. There are clear policies for employee promotion and transfer, employee assessment, employee reward and punishment, staff management norms, salary and remuneration policies that have been effectively formulated. 2. If there is a profit in the fiscal year, 1% to 15% bonus rewarded will be allocated to employee. |
| Operation performance | Violation of socioeconomic and legal compliance | <ol style="list-style-type: none"> 1. Through the establishment of a governance organization and the implementation of an internal control mechanism, IBASE ensures that all employees and operations truly abide by relevant laws and regulations. 2. IBASE has introduced ISO 9001, 14001 and other management systems to ensure that relevant regulations are effectively identified and managed. |
| | Information security incident | <ol style="list-style-type: none"> 1. IBASE has passed ISO 27001 and established information security operating procedures to standardize the company's computer information security management mechanism, covering the MIS room, network, email, information application management system, network attack and response, software and hardware asset management. It also has set up a firewall and installed anti-virus software and enabled automatic update of programs and virus codes and stipulated against the use of pirated software. 2. IBASE regularly performs information system disaster recovery drills and social engineering drills to train employees regarding information security prevention, enhance the vigilance of E-mail users and prevent users from browsing spam and malicious E-mails that may potentially affect network security and cause data leak. |

3.3 Regulatory compliance

| | |
|--|--|
| Major Themes | Regulatory compliance (Environmental/Socioeconomic/Occupational Safety and Health) |
| Importance to the company | Regulatory compliance is a fundamental condition for the company's sustainable development and operation. IBASE follows the basic principles of corporate governance and complies with social and environmental regulations. |
| Policy/Commitment | Compliance with environmental regulations, promotion of environmental protection concepts, energy conservation, pollution prevention, continuous improvement and sustainable management. |
| Target | Zero illegal incidents. |
| Invested resources and specific results for the year | <ol style="list-style-type: none"> 1. IBASE's marketing and labeling of products and services follow relevant regulations and international standards. For products sold, it issues declarations according to customer requirements, including compliance with relevant international regulations such as CE, FCC, UL and RoHS environmental regulations. 2. IBASE operations meet regulatory requirements on environment, occupational safety and health regulations, fire protection regulations, ionizing radiation regulation, environmental protection-related regulations and customer or other requirements. 3. IBASE participates in legal awareness meetings organized by competent authorities. |
| Responsible Department/ Grievance Mechanism | For details, please refer to the company's official website: "Contact IBASE" Management department /Appeal channel: Phone/E-mail |
| Evaluation mechanism/outcome | <ol style="list-style-type: none"> 1. Each factory has passed ISO 9001 and ISO 14001 certifications. 2. No major audit deficiency. 3. No stakeholder complaints or anyone punished for violations. 4. No record of major violations and penalties for regulatory compliance in 2021. |

Regulatory compliance is the foundation of IBASE's business operations in addition to promoting the integrity of internal regulations and signing agreements and declarations of commitment with new colleagues. Various departments are informed of changes to laws and regulations in a timely manner. Both internal and external trainings for employees are conducted to ensure company operations comply with various regulations.

In terms of corporate governance, IBASE has set up functional committees to supervise the company's financial operations and internal control system and has adopted the "Board of Directors Performance Evaluation Method" to encourage the Board of Directors to actively participate in the decision-making of important company proposals. IBASE shall assigned a person as head of corporate governance to assist in the operations of the Board of Directors and provide professional advice to strengthen the functions of the Board of Directors.

In terms of personnel management, IBASE has established relevant internal regulations on integrity and repeatedly advocated that the company takes integrity as its core value through a series of regulations formulation, implementation, self-examination and reporting channels and the protection of whistleblowers. A mechanism has been set up to build a sound firewall for compliance with laws. Management lead by example and require all employees to comply with laws and company policies and internal regulations in any business activities and to review compliance through the annual self-assessment questionnaire and accept internal audit. IBASE has a set of guidelines that employees adhere to in the execution of their jobs. All employees, regardless of their position, rank and location, should abide by the "Code of Ethical Conduct", "Code of Integrity Management", "Management Measures for Transactions with Relatives" and "Independent Directors Responsibilities". These guidelines encompass equal opportunities in the work environment, confidentiality clauses, prohibition of part-time jobs and avoidance of conflicts of interest, giving or receiving gifts, respecting employees and customers, reporting and protection of whistleblowers to

gain public trust, to enhance the corporate image and to ensure the sustainable operation and development of the company. The company participates in industrial competition on the principle of integrity and fairness and creates a corporate culture that abides by laws and regulations to establish a trustworthy and respected company reputation.

In terms of staff training, the management department of IBASE and other competent departments regularly arrange training on relevant regulations for staff of different departments and ranks to enhance colleagues' awareness of professional ethics and regulatory compliance. Regulatory compliance guidelines are provided through factory bulletin boards and the company's internal website for employees to have access to at any time.

In terms of environmental safety and health, IBASE has drafted supervision, measurement and performance management methods to ensure that the company complies with environmental protection and occupational safety regulations during the product life cycle, identifying potential problems through the management cycle and take timely control measures.

In terms of the overall legal compliance practice, IBASE had no major violation records involving corporate governance, securities trading, environmental protection, labor rights, occupational safety, leakage of customer privacy, marketing labels and product liability in 2021.

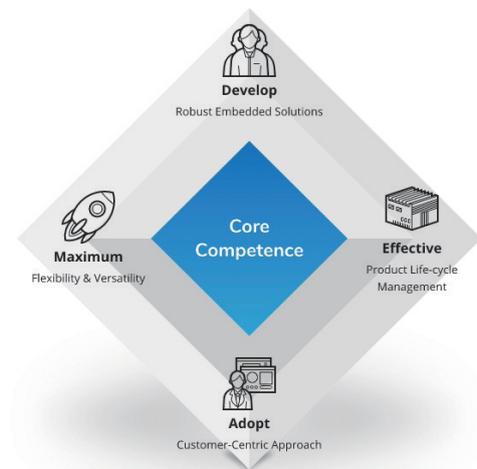
3.4 Operation performance

| | |
|--|---|
| Major themes | Operation performance |
| Importance to the company | <ol style="list-style-type: none"> 1. Expand the global market. 2. Research and develop new products. 3. Group resource integration to create maximum value. |
| Policy/Commitment | IBASE provides solutions for industrial computing and other applications to meet customer requirements in various field. |
| Target | <ol style="list-style-type: none"> 1. Strengthening product planning capabilities and becoming fully updated with the market and product trends. 2. Enabling R&D to design products by combining innovation, speed and technology to create advanced and cutting-edge new products. 3. Implementing an "all-round quality system" to continuously improve product quality and strengthen customer service. 4. Expanding the production base to become more competitive in production capacity, delivery time, quality and cost and increasing the growth for products market. 5. Introducing talented staffs, integrating internal resources and actively promoting the sales and marketing of system products to increase its sales ratio. 6. Using of the information management system effectively to enhance company performance and competitive advantage. |
| Invested resources and specific results for the year | <ol style="list-style-type: none"> 1. Investment in R&D expenses in 2021: Over NT\$ 186,085,000 2. Operating income in 2021: with 34.62% increase compared with the amount in 2020 |
| Responsible Department/ Grievance Mechanism | <ol style="list-style-type: none"> 1. Regularly hold legal person briefings to communicate with investors for them to be familiar with company operations. 2. Provide communication channels on the official website for whistleblowers. |
| Evaluation mechanism/ outcome | <ol style="list-style-type: none"> 1. Hold board meetings quarterly to pass financial reports and hold regular monthly internal meetings to review business performance and future improvement strategies. 2. There was no major violation in 2021. |

IBASE is a global leader in the design and manufacturing of industrial computing products and embedded systems, with board-level products having the strongest core competitiveness. It focuses on niche products with challenging design requirements, high power and high integration features and leverages its strong R&D capabilities to surpass competitors and launch innovative new products. Built with strict quality control and quality assurance, IBASE's standard and ODM products have been certified by well-known international manufacturers worldwide.

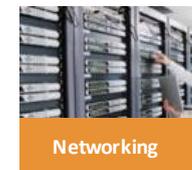
Through long-term cooperation with internationally renowned manufacturers, IBASE has continuously improved its technological expertise and upgraded its quality control capabilities, expanding its market coverage and building its reputation day by day. As an Titanium-level member of the Intel Partner Alliance, it supplies complete digital signage software and hardware solutions to leading digital signage software manufacturers such as Omnivex, Scala, PDC and Quividi.

Among the core competitiveness that IBASE possesses is its own-manufacturing and strict quality control that enable it to supply excellent industrial computing products that are 100% designed and manufactured in Taiwan. In addition to standard products, IBASE also specializes in ODM/JDM manufacturing, design-in full-customization design services and exclusive products that meet the specific needs of customers.



Products for vertical market applications

- IBASE has invested heavily and succeeded in the development of industrial computers for the automation market.
- IBASE has invested in software/hardware R&D resources to target a wide range of vertical application markets, including AIoT, smart factories, smart buildings, network communications, digital signage, smart transportation, marine, retail (POS), medical, gaming, kiosk and automotive markets.
- IBASE occupies the largest market share for digital signage players in the Taiwan market and supplies them to the world's top three digital signage companies.
- For network appliances, IBASE is manufacturing for a global leader in Cyber Security Solutions and Services.
- For automation control products, IBASE continues to ship products to a major local manufacturer of electric vehicles.



Revenue and Expenditure

| (Unit: NT\$ 1,000) | | | |
|------------------------------|-----------|-----------|-----------|
| Items | 2019 | 2020 | 2021 |
| Income | 2,952,318 | 2,779,674 | 3,875,022 |
| Operating cost | 2,369,038 | 2,324,059 | 3,174,251 |
| Employee Salary and Benefits | 261,837 | 243,176 | 279,183 |
| Payments to funders | 346,379 | 345,144 | 309,369 |
| Payment to the government | 13,448 | 19,013 | 12,596 |
| Community investment | 300 | 100 | 400 |

Consolidated Income Statement

| Financial information for the last five years (Note 1) | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Items / Year | 2017 | 2018 | 2019 | 2020 | 2021 |
| Operating income | 3,016,454 | 2,723,538 | 2,952,318 | 2,779,674 | 3,875,022 |
| Operating profit | 749,966 | 528,967 | 588,254 | 452,629 | 701,861 |
| Operating profit and loss | 266,338 | 47,509 | 116,019 | 16,166 | 252,806 |
| Non-operating income and expenses | 70,502 | 276,020 | 150,771 | 83,964 | 108,060 |
| Net profit before tax | 336,840 | 323,529 | 266,790 | 100,130 | 360,866 |
| Continuing business unit | 304,853 | 307,134 | 255,432 | 88,412 | 312,547 |
| Profit and loss | 0 | 0 | 0 | 0 | 0 |
| Profit and loss of closed units | 304,853 | 307,134 | 255,432 | 88,412 | 312,547 |
| Net profit (net loss) for the current period | 59,458 | (85,737) | (2,098) | 63,947 | 9,296 |
| Other comprehensive gains and losses for the current period | 364,311 | 221,397 | 253,334 | 152,359 | 321,843 |
| Total comprehensive profit and loss for the current period | 364,311 | 221,397 | 253,334 | 152,359 | 321,843 |

Note 1: The financial information has been verified and certified by an accountant.

3.5 Product service

IBASE mainly provides products and solutions for industrial-grade computers and various applications, including board-level products and complete systems. Product offerings cover:

1. Embedded Computings

Board Design, System Design, Integrated Vertical Application.

1.1. Embedded Intelligent Systems

5G Industrial AI Edge Computing Systems, IoT Gateway Computers, Compact-size Expandable Fanless Systems, Automatic Control Systems, IIoT and Smart Automation Solutions. IBASE provides integrated design and manufacturing services for related applications such as factory automation testing, smart transportation and charging stations.

1.2. Industrial Motherboards

3.5" Single Board Computers, Industrial Motherboards (Mini-ITX, ATX, Micro ATX Motherboards), Embedded Computer Modules and Carrier Boards (COM Express, ETX, Qseven and SMARC), PICMG 1.3 CPU Cards and Backplanes.

2. Digital Signage Players

Entry-level dual-output digital signage systems (Entry-Level Signage Players), advanced 2~4 video output digital signage systems (Mid-Range Signage Players), high-end 4~16 video output digital signage systems (Extreme Performance / Multi-port Signage) Players, Outdoor/Waterproof Signage Players, AIO Bar-Type Panel PC, LED Video Wall Signage Player.

3. Network Appliances

Performance 2U/1U Network Appliances, Enterprise 1U Network Appliances, Entry 1U Network Appliances, uCPE/SD-WAN Appliances, Desktop Network Appliances, Network Interface Modules.

4. Industrial Panel PCs

Smart Retail Panel PCs, Self-Service Panel PCs, Heavy-duty Panel PCs, Compact Panel PCs, Outdoor Panel PCs, Stainless Steel Panel PCs, ARM-based Panel PCs.

5. Intelligent Transportation Solutions

EN50155 Certified Railway Computers, E-mark Certified In-Vehicle Computers, Transportation Panel PCs, Bar-Type PIS Panel PCs.

6. AIoT Solutions

Integrated artificial intelligence, deep learning and machine learning and other related applications, including hardware (image acceleration processing, IP camera, frame capture card, NVIDIA, Jetson Xavier NX module, ARM, Qualcomm, VXP, SOC) and related software (Intel OpenVINO, Caffe, TensorFlow and other algorithms related to artificial intelligence applications); currently used in Smart Retail, Smart Classroom and Smart Automation applications.

7. ODM customized design solutions and OEM valet manufacturing solutions

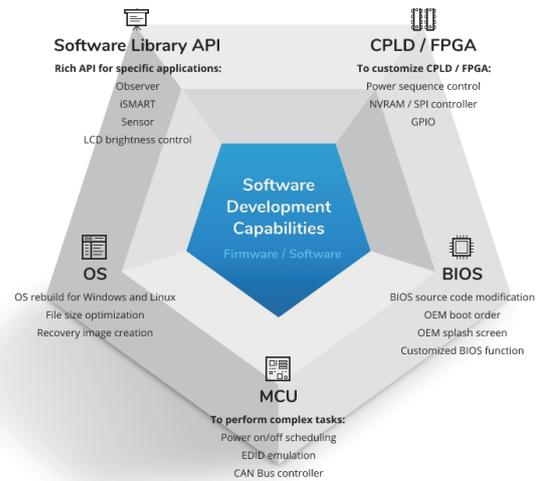
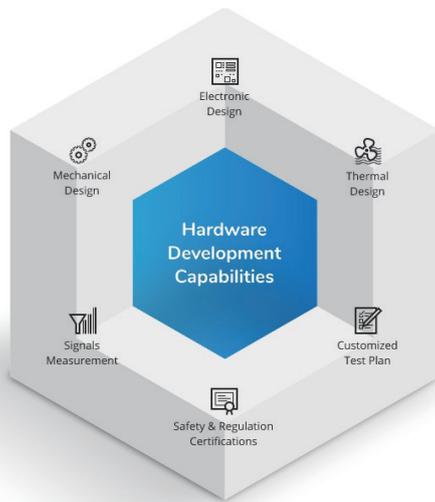
3.5.1 Innovative R&D

IBASE attaches great importance to intellectual property (IP) management and utilizes information security technologies to appropriately protect core technologies, improving the company's competitiveness. Intellectual property serves as the foundation of innovation and is protected by copyrights, patents, non-disclosure and confidentiality agreements. The quality management system (QMS) of intellectual property rights is based on the QMS of ISO 9001 standards.

IBASE continues to review and improve the processes of the intellectual property management system to enhance the company's value. Confidential information related to intellectual property and core technologies are managed by the document management unit to prevent data leakage or data loss. Managing intellectual property (IP) in a timely manner can secure many market opportunities. Intellectual property protection also impacts sustainable innovation and encourages R&D to develop new and better products that yield higher profit for the company.

IBASE's exclusive technologies :

1. iSMART is an intelligent environmental protection and energy saving technology developed by IBASE. The technology greatly reduces energy consumption of motherboards and system products to effectively implement environmental protection policies.
2. The main functions of iSMART include: EuP/Erp energy saving, automatic power on/off schedule, automatic power recovery, low temperature monitoring and automatic system recovery
3. iSMART is compatible with most digital signage software in the market developed by world-renowned software manufacturers such as SCALA, Omnivex, DISE, Stinova and YCD.



R&D Expenses in the past three years

| Items | 2019 | 2020 | 2021 |
|---------------------------------------|-----------|-----------|-----------|
| R&D expenses | 193,131 | 187,717 | 186,085 |
| net operating income | 2,952,318 | 2,779,674 | 3,875,022 |
| R&D expenses to net revenue ratio (%) | 6.54% | 6.75% | 4.80% |

Note: Industrial computer manufacturers have invested 4% to 6% of their revenue in research and development over the years.

Patent rights & number of patents

| Type of Patent | Quantity |
|-----------------------------|------------|
| Taiwan new patent | 15 |
| Taiwan invention patent | 13 |
| Taiwan design patent | 3 |
| New patent in China | 2 |
| Invention patent in the USA | 6 |
| Total | 39 patents |

3.5.2 Customer relations

All IBASE factories have received quality management system certifications. Control measures are established at all stages of the product development life cycle from the early stages to ensure product quality. To achieve high customer satisfaction level, the company pays great importance to the quality of all operations from sales and marketing, product development, manufacturing and after-sales service. Customer satisfaction surveys are conducted to get customer feedback and give solutions to any reported issue.

With intelligent Internet of Things (AIoT) and artificial intelligence (AI) becoming one of the most promising technological trends today, IBASE is developing more system products for customers using these new technologies to actively enhance R&D capabilities in software, hardware and system design to provide customers with more complete solutions, improving both added value and product reliability. To this end, we have laid out a comprehensive business development model:

- Strengthening our R&D capability by investing resources in software, hardware and system design technology in order to provide products that offer enhanced added value for customers.
- Understanding customer needs, improving customer satisfaction and establishing long-term close partnership with a win-win philosophy.
- Constructing upper reach and downstream strategic alliances, establishing a highly stable supply chain, achieving technical cooperation and creating performance growth.
- Improving design quality, manufacturing quality and service quality to meet customer needs and customer satisfaction.
- Promoting online marketing to increase company exposure and drive sales.
- Recruiting and cultivating marketing and product planning talents for vertical application markets.
- Building strategic alliance with invested companies and sharing resources to create synergy.

Satisfaction Survey Results

| Year | 2019 | 2020 | 2021 |
|-----------------------------|-------|-------|-------|
| Customer Satisfaction Score | 43.40 | 43.55 | 43.15 |

Note: Perfect score is 50 points.

In handling customer complaints through the customer service process, IBASE contacts customers in real time, immediately carrying out communications both internally and externally to speedily resolve reported issues. Due to reduced customer visits resulting from the COVID-19 pandemic, IBASE has conducted various technical exchanges and seminars through remote online meetings to interact with customers and obtain customer feedback.

3.5.3 Customer privacy

| | |
|--|---|
| Major themes | Customer Privacy |
| Importance to the company | Pay attention to information security and establish a complete information security protection and data protection mechanism to prevent leakage of confidential information. |
| Policy/Commitment | Maintain the confidentiality, integrity and availability of IBASE information assets and protect the privacy of user data. |
| Target | Zero customer data leakage |
| Invested resources and specific results for the year | <ol style="list-style-type: none"> 1. Passed ISO 27001 information security management system verification. 2. Established information security operation procedures and standardized the company's computer information security management mechanism covering the computer room, network, email, information application management system, network attack and response, software and hardware asset management. 3. Set up a firewall and installed anti-virus software and enabled automatic update of programs and virus codes. Prohibits the installation of illegal software and unknown software to prevent malware and hacker attacks. Prohibits the use of information system equipment without authorization for matters not related to the company and external transmission of company information without permission. 4. The information application management system is determined by a competent authority. The information application system disaster recovery drill and social engineering drill are carried out annually to provide awareness among employees regarding information security prevention and improve the vigilance of E-mail users and not to compromise network security that can cause information leakage due to spam and malicious emails. |
| Responsible department / Grievance mechanism | Information department/Appeal channel: Phone/E-mail |
| Evaluation Mechanisms/ Outcomes | Zero customer data leakage |

IBASE has established a complete information security protection and data protection mechanism to avoid leakage of confidential information or data damage. The backup mechanism runs restoration tests from time to time to ensure that the information system can be successfully restored, thereby reducing the risk of system interruption caused by natural disasters or human negligence.

IBASE's ISO 27001 information security management system effectively manages risks to the security of the company's information by preserving the confidentiality, integrity and availability of information. It prevents the improper use and leakage of company secrets in the event of human negligence, deliberate destruction or damage of equipment, or natural disasters, which could adversely affect company's operations and interests. In 2021, there was no occurrence of customer information leakage.

4. Sustainable environment

Climate change cannot be stopped and IBASE is aware of the environmental impact of the company's operations. Therefore, the company formulates and implements climate-friendly policies and strategies by setting a number of environmental goals and indicators for carbon emission and waste reduction at each stage of the product life cycle. IBASE is investing in process improvement, management measures and the introduction of environment-friendly design, optimizing energy and resource utilization efficiency, implementing green practices in the company and maximizing the shared benefits to the environment.

IBASE is committed to maintaining the highest environmental standards as a core value of the company to fulfil its responsibility in environmental protection and promote the harmonious development between man and nature. IBASE recognizes environmental protection as a subject that requires cooperation and shall continuously improve environmental performance to achieve the goal of sustainable operation.

4.1 Energy management

The factories of IBASE in Sanchong, Xinzhuang and Pingzhen are actively implementing various energy reduction measures, selecting equipment with high energy efficiency and energy-saving design to optimize the use of energy. The company continues to promote energy conservation and carbon reduction.

The Sanchong factory stood out in the 2015 Executive Yuan Environmental Protection Agency's Carbon Reduction Action Award selection event. It successfully won the "Carbon Reduction Action Award" with its practical implementation of the government's environmental protection policies over the years.

The Sanchong factory has introduced the "Energy and Facility Monitoring System" in June 2020. The Xinzhuang and Pingzhen factories plan to introduce the "Energy and Facility Monitoring System" in April 2022 and in June 2023 respectively.

The three factories in Sanchong, Xinzhuang and Pingzhen jointly collect and control data on ambient temperature and humidity, as well as energy and power usage data such as lighting, air conditioning and burn-in room equipment to implement energy saving and carbon reduction measures.

Energy consumption data

| Energy consumption data (MWh) | Headquarters | Sanchong Factory | Xinzhuang Factory | Pingzhen Factory |
|-------------------------------|--------------|------------------|-------------------|------------------|
| 2019 | 600.621 | 1,766.268 | 1,238.7 | - |
| 2020 | 626.347 | 1,545.944 | 1,282.8 | 191.6 |
| 2021 | 569.114 | 977.307 | 1,587.7 | 1,203.296 |

- Note: 1. Wh is converted to 1 degree of electricity = 1 kilowatt hour = 1kWh; 1000kWh = 1MWh
 2. Energy data collection is calculated for the electricity consumption of each region.
 3. The Pingzhen plant starts operation in August 2020.

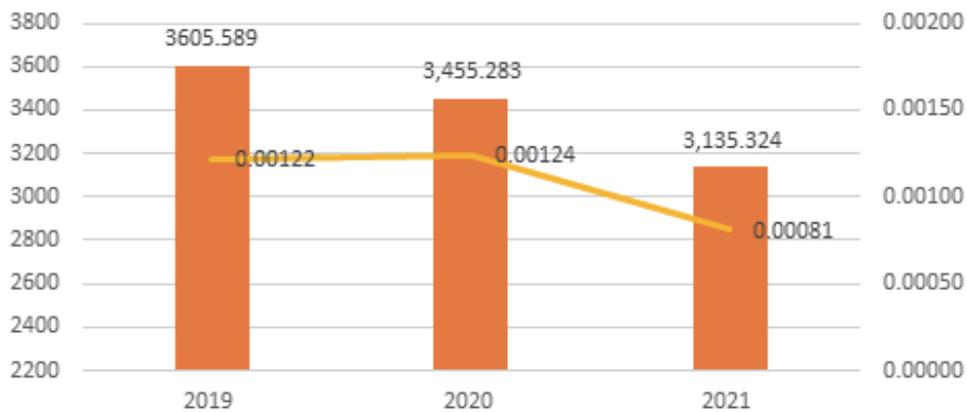
In 2015, the Sanchong factory was given the Special Award for Carbon Reduction Action by the Environmental Protection Agency



Energy and Facilities Monitoring System at the Sanchong Factory



Energy intensity



Note: Energy intensity = (electricity consumption MWh) / sales (NT\$1,000)

In terms of energy conservation, IBASE has taken the following measures:

1. In 2019, the "Energy and Facility Monitoring System" was introduced in the Sanchong factory. Inductive lighting and environmental control equipment were installed to effectively reduce electricity consumption.
2. The company has implemented an information electronic office process to reduce paper usage and started using green office supplies and equipment that comply with the EU environmental protection directives.
3. The heat energy generated by the air conditioner is recycled and reused in the burn-in room, saving energy of eight electric heating pipes.
4. The R&D department has started training on the European Union directive for Energy-related Products (ErP), keeping an eye on the latest trends of the ErP directive to achieve a high level of protection for the environment by reducing the potential environmental impact of energy-related products.

IBASE's R&D team continuously strives to develop environmental-friendly products with improved power conversion efficiency.

1. iSMART is an energy saving technology developed by IBASE that has intelligent environmental protection features.
2. The intelligent control function of iSMART greatly reduces energy consumption of motherboards and system products developed by IBASE, meeting the requirements of environmental protection policies.
3. The main functions of iSMART include: Eup/Erp energy saving, automatic power on/off schedule, automatic power recovery, low temperature monitoring and automatic system recovery.
4. iSMART is compatible with most digital signage software on the market, such as those developed by world-renowned manufacturers including SCALA, Omnivex, DISE, Stinova and YCD.

4.2 Material management

In addition to energy saving and carbon reduction, waste and material recycling for reuse are necessary to mitigate the impact of production to the environment. Tin slag is an inevitable by-product in the process of production and solder dross can be recovered through processes that comply with the requirements of lead-free production. Packaging carton materials, wooden pallets and empty drums can be recycled and reused to reduce trash and alleviate the strain on the earth's natural resources. A reduction in the use of paper at IBASE's offices is being achieved with the introduction of a digital document system for a sustainable environment.

4.3 Carbon emission

The rise in greenhouse gases causes global warming with catastrophic effects around the world. To help in mitigating climate change impact, IBASE promotes energy saving and carbon reduction in its factories by conforming to ethical codes for environmental protection. Greenhouse gas emissions are divided into direct and indirect emissions according to the source of emissions. Indirect greenhouse gas emissions come from purchased electricity which IBASE purchases from Taiwan Power Company. Greenhouse gas emissions from the company's operations are disclosed below.

4.3.1 Emissions

Greenhouse gas emissions

| Greenhouse gas emission (metric tons CO ₂ e) | IBASE (Category two) |
|--|----------------------|
| | Indirect emission |
| 2019 | 1,832.65 |
| 2020 | 1,734.55 |
| 2021 | 1,595.88 |

Note: The Energy Bureau of the Ministry of Economic Affairs announced that the 2020 electricity carbon emission factor is 0.502 kg CO₂e/kWh and that of in 2021 is 0.509 kg CO₂e/kWh.

4.3.2 Greenhouse Gas Emission Intensity

| Year | CO ₂ e (tons) emission | Sales (NT\$1,000) | Greenhouse Gas Emission Intensity |
|------|-----------------------------------|-------------------|-----------------------------------|
| 2019 | 1,835.24 | 2,952,318.956 | 0.000622 |
| 2020 | 1,734.55 | 2,779,674.350 | 0.000624 |
| 2021 | 1,595.88 | 3,875,022.573 | 0.000412 |

Note: Greenhouse Gas Emission Intensity; indirect greenhouse gas emissions/sales (NT\$1,000)

4.4 Waste management

4.4.1 Waste management plan

Reducing waste output is a major environmental priority for IBASE. Control measures at the head office and factories of IBASE require waste classification and management to address waste disposal problems. Waste generated are categorized according to its characteristics, recyclability and reusability.

4.4.2 Waste disposal method

Waste generated by IBASE includes general business waste and hazardous business waste. General business waste is mainly handled by incinerators and recycling treatment, while hazardous business waste is managed by recycling and physical treatment. The daily waste generated by employees at the head office and the Sanchong factory is handled by a qualified cleaning and transportation company assigned by the building management committee.

Waste generation in the manufacturing process include electronic waste, tin slag and liquid waste. Non-process waste such as general household wastes, office wastes, packaging materials and containers are cleaned and handled by qualified cleaning and transportation companies for processing according to related laws and regulations.

Waste at the Sanchong factory

| Waste category (metric tons) | 2019 | 2020 | 2021 | Recycling | Handling method |
|---|-------|-------|-------|-----------|---------------------------|
| Hazardous business waste (liquid waste) | 90 | 56 | 93 | | Recycling |
| Hazardous business waste (PCB waste) | 284 | 287 | 307 | V | Physical processing |
| Tin waste | 4,414 | 4,061 | 6,092 | V | Manufacturer recycling |
| Wire and cable wastes | 20 | 17 | 0 | | Physical processing |

Note: The general business waste (employee household waste) at the Sanchong factory is disposed of by the Clevo Building.

Waste at the Xinzhuang factory

| Waste category (metric tons) | 2019 | 2020 | 2021 | Recycling | Handling method |
|--|------|------|-------|-----------|------------------------|
| Hazardous business waste (PCB waste) | - | - | 0.009 | V | Physical processing |
| Plastic waste | 1.18 | 0.8 | 3.26 | V | |
| Wire and cable waste | - | - | 0.002 | | Physical processing |

- Note: 1. The general business waste (employee household waste) at the Xinzhuang factory is handled by qualified removal and transportation companies.
 2. There is no tin waste output at the Xinzhuang factory's DIP production lines.
 3. From 2021, with the process adjustment of the Sanchong factory, PCB waste and wire and cable wastes were handled by the Xinzhuang factory.

Waste at the Pingzhen factory

| Waste category (metric tons) | 2019 | 2020 | 2021 | Recycling | Handling method |
|---|------|------|------|-----------|--------------------------------------|
| General business waste (household waste) | - | 10.0 | | | Physical disposal by incineration |
| Hazardous business waste (PCB waste) | - | 0 | V | | Physical processing |
| Tin waste | - | 0 | V | | |
| Plastic waste | - | - | V | | |
| Wire and cable waste | - | 0 | | | Physical processing |

- Note: 1. The construction of the Pingzhen factory started in June 2020. During the construction phase (2020/06~2020/12), the business waste was handled by the construction engineering company.
 2. In the Pingzhen factory, the PCB waste, wire and cable waste and tin waste output in 2021 was small and stored in the factory.
 3. Plastic wastes were recycled by qualified transporting companies.

4.5 Sustainable supply chain

While conventional supply chain management pays attention to the speed and cost of operations, sustainable supply chain management also upholds environmental and societal values. IBASE conducts regular business review meetings and audits, replacing unsuitable suppliers as it sees fit. IBASE selects raw materials and components suppliers that meet relevant EU environmental protection directives. Suppliers are required to submit product-related test reports to minimize the environmental impact and ensure compliance with environmental laws and regulations.

Supplier Selection Criteria:

- With business registration certificate and factory registration.
- Must have a good reputation and no major violation of laws and regulations.
- Compliance with EU directives on the restriction of the use of hazardous substances.
- Certified with ISO management systems such as ISO 27001 and QC080000.

4.6 Climate change risk management and response

IBASE supports the Task Force on Climate-related Financial Disclosure (TCFD) and its recommendations and is working to address and disclose climate change risks and opportunities in line with the TCFD framework. The core elements included in the TCFD report are governance, strategy, risk management and metrics and targets.

| Core Element | Description | Activities |
|-------------------|---|---|
| Governance | The sustainable development committee is responsible for the governance of climate-related risks and opportunities. | IBASE has established an ESG promotion team, with the President serving as the Chairperson. In the annual ESG meeting, the team discusses climate change risks that may arise in the company's operations, energy and resource utilization efficiency and various environmental effects related to the product life cycle. The team reports climate change issues and implementation status to the Board of Directors every year. |

| Core Element | Description | Activities |
|--------------------------|--|---|
| Strategy | Considering climate-related risks and opportunities in relation to investment strategy and funding strategy of the organization. | <p>Climate-related risks and opportunities:</p> <p>1. Transition risks:</p> <ol style="list-style-type: none"> (1) Changes in local laws and regulations leading to higher operating costs. (2) Changes in customer demand leading to a decrease in orders. (3) Increased R&D spending. <p>2. Physical risk:</p> <ol style="list-style-type: none"> (1) Rising temperature. (2) Water shortage. (3) Power rationing. (4) Typhoon disasters. <p>3. Opportunities:</p> <ol style="list-style-type: none"> (1) Reduce energy consumption, (2) Improve efficiency of resources usage. (3) Develop new products/technologies with lower energy consumption. |
| Risk management | Meetings are convened to discuss the identification, assessment and management of climate-related risks | <p>The company discusses the risks and opportunities and proposes action plans:</p> <p>1. Transition risk response:</p> <ol style="list-style-type: none"> (1) Check company compliance with the latest laws and regulations and develop various measures to meet the requirements. (2) Integrate the concept of reducing environmental impact into all stages of the product life cycle and work with the supply chain to continuously develop energy-saving products. <p>2. Response to physical risks: The company continues to pay attention to energy consumption issues, collect relevant data, identify equipment with high energy consumption and make continuous improvements to reduce risks to a controllable level.</p> <p>3. Response to climate change opportunities: Actively improve high-energy-consuming equipment (such as heat recovery of air conditioners) and continue to pay attention to energy-saving technologies.</p> |
| Metrics and Goals | Indicators and targets for assessing and managing climate-related risks and opportunities | <ol style="list-style-type: none"> 1. Power saving: 319,958 kWh. (compared with the previous year) 2. Product energy consumption improvement: In accordance with government policies, the R&D department has focused on energy consumption reduction product design to improve the energy saving performance of the company's products. 3. IBASE is not mandated to disclose the greenhouse gas emissions. It plans to conduct greenhouse gas inventories. |

5. Social Care

IBASE promotes of labor rights and the interests of employees by creating a happy and safe workplace, providing employees with equal work opportunities, implementing gender equality policies and building an atmosphere of mutual respect. This is the reason for low staff turnover and has enabled the company to steadily grow throughout the years. IBASE has a complete education and training system, holding various training courses to enrich the professional skills of employees and strengthen their development capabilities.

Employees are encouraged to reflect on issues at labor-management meetings and with various communication channels to ensure that the opinions and suggestions of all employees can be fully conveyed to the company, that the rights and interests of employees are protected and to effectively solve labor-management disputes through adequate communication.

5.1 Employee rights

IBASE treats employees equally and applies various affirmative measures to eliminate any labor conditions that may cause inequality in the workplace and protect the labor rights of employees.

5.1.1 Human rights protection

To fulfill our corporate social responsibility and protect the basic human rights of all employees, IBASE complies with universal values and respects internationally recognized basic human rights policies including freedom of association, caring for disadvantaged groups, prohibiting child labor, eliminating all forms of forced labor, eliminating employment discrimination, among others. There is no difference in treatment regardless of gender, sexual orientation, race, socioeconomic status, age, marriage, family status, language, religion, political party, appearance, physical and mental disabilities, etc.

IBASE has also created complaint channels for employees to report any illegal or improper behavior. A special staff will handle reports, make an appropriate response and ensure the confidentiality of reporting employees. To protect whistleblowers, complaints will be handled confidentially throughout the entire process. For 2021, IBASE has not received any reports of illegalities.

5.1.2 Employee statistics

As a world leader in the field of industrial computing products, IBASE has boosted the company's revenue growth and significantly improved factory production efficiency through the years. While the demand for human resources has increased dramatically, IBASE provides competitive salaries to attract outstanding talents.

IBASE is a technological company that not only contributes to the national economy, but also improves the quality of life of employees and their families. The number of female employees has increased each year, with the ratio of male:female employees being almost equal. Employees can be divided into direct labor at our production bases and indirect labor. Due to the nature of production line operations, most of the direct labor are female. Indirect labor are employees in the R&D department, quality assurance department and sales department that are dominated by male employees. As for age distribution, in recent years, whether direct or indirect labor, the total number of employees under the age of 50 accounts for about 78%, which means that IBASE is currently dominated by middle-aged employees and senior managers with practical experience who are leading the younger team members.

Statistics on the number and category of employees in Taiwan

| Year | | 2019 | | 2020 | | 2021 | |
|--|--------|------------|----------|------------|----------|------------|------------|
| Taiwan region Total number of employees (Note 1) | | 504 | | 516 | | 539 | |
| Employment contract (Note 2) | | Indefinite | Definite | Indefinite | Definite | Indefinite | Definite |
| Age | Male | 269 | 0 | 267 | 0 | 276 | 0 |
| | Female | 235 | 0 | 249 | 0 | 263 | 0 |
| Employment Type | | Fulltime | Parttime | Fulltime | Parttime | Fulltime | Part timer |
| Age | Male | 269 | 0 | 267 | 0 | 276 | 0 |
| | Female | 235 | 0 | 249 | 0 | 263 | 0 |

Note: 1. Statistics are based on the end of the current year.

2. Employment contracts are divided into indefinite contract employees (regular jobs) and fixed-term contract employees (temporary, short-term, seasonal, specific nature).

Statistics on Diversity of Employees in Taiwan

| Diversity Statistics / Annual | | | | 2019 | | 2020 | | 2021 | |
|-------------------------------|-----------|---------------------|---------------------|--------|-------|--------|-------|--------|-------|
| | | | | Number | % | Number | % | Number | % |
| EMPLOYEES | DIRECT | Gender | Male | 39 | 22.9% | 48 | 25.7% | 56 | 27.3% |
| | | | Female | 131 | 77.1% | 139 | 74.3% | 149 | 72.7% |
| | | Age | >30 | 81 | 47.6% | 73 | 39.0% | 68 | 33.2% |
| | | | 30>50 | 55 | 32.4% | 78 | 41.7% | 103 | 50.2% |
| | | | <50 | 34 | 20.0% | 36 | 19.3% | 34 | 16.6% |
| | | Education | Higher Education | 0 | 0% | 0 | 0.0% | 0 | 0.0% |
| | | | College/ University | 45 | 22.2% | 54 | 28.9% | 62 | 30.2% |
| | | | Below high school | 125 | 61.6% | 133 | 71.1% | 143 | 69.8% |
| | | INDIRECT | Gender | Male | 230 | 68.9% | 219 | 66.6% | 220 |
| | Female | | | 104 | 31.1% | 110 | 33.4% | 114 | 34.1% |
| | Age | | >30 | 58 | 17.4% | 51 | 15.5% | 51 | 15.3% |
| | | | 30>50 | 221 | 66.2% | 209 | 63.5% | 202 | 60.5% |
| | | | <50 | 55 | 16.5% | 69 | 21.0% | 81 | 24.3% |
| | Education | | Higher Education | 33 | 9.9% | 37 | 11.2% | 37 | 11.1% |
| | | College/ University | 252 | 75.4% | 233 | 70.8% | 238 | 71.3% | |
| Below high school | | 49 | 14.7% | 59 | 17.9% | 59 | 17.7% | | |

Note: The calculation method is as follows:

1. The percentage of direct employees under the age of 30 = (the total number of direct employees under the age of 30 at the end of the year / the total number of employees at the end of the year) * 100%.
2. The percentage of indirect staff with graduate degrees = (total number of indirect staff with graduate degrees in the current year / total number of employees at the end of the year) * 100%.

Statistics of new employees

| New employee statistics/annual | | 2019 | | 2020 | | 2021 | |
|--|--------------------|-------|-------------------|-------|-------------------|-------|-------------------|
| | | Total | Ratio (Note 2) | Total | Ratio (Note 2) | Total | Ratio (Note 2) |
| Total number of employees in the year (Note 1) | | 504 | 22.0% | 516 | 18.6% | 539 | 28.6% |
| Age | <30 | 71 | 14.1% | 47 | 9.1% | 52 | 9.6% |
| | 30<50 | 35 | 6.9% | 38 | 7.4% | 87 | 16.1% |
| Gender | <50 | 6 | 1.2% | 11 | 2.1% | 15 | 2.8% |
| | Male | 57 | 11.3% | 43 | 8.3% | 72 | 13.4% |
| | Female | 55 | 10.9% | 53 | 10.3% | 82 | 15.2% |
| Education | Higher Education | 7 | 1.4% | 6 | 1.2% | 6 | 1.1% |
| | College/University | 68 | 13.5% | 45 | 8.7% | 76 | 14.1% |
| | Below high school | 37 | 7.3% | 45 | 8.7% | 72 | 13.4% |

Statistics of resigned employees

| Resigned employee statistics/ annual | | 2019 | | 2020 | | 2021 | |
|---|--------------------|-------|-------------------|-------|-------------------|-------|-------------------|
| | | Total | Ratio (Note 2) | Total | Ratio (Note 2) | Total | Ratio (Note 2) |
| Total number of employees for the year (Note 1) | | 504 | 14.5% | 516 | 16.5% | 539 | 23.4% |
| Age | <30 | 35 | 6.9% | 45 | 8.7% | 44 | 8.2% |
| | 30<50 | 32 | 6.3% | 35 | 6.8% | 67 | 12.4% |
| Gender | <50 | 6 | 1.2% | 5 | 1.0% | 15 | 2.8% |
| | Male | 33 | 6.5% | 45 | 8.7% | 60 | 11.1% |
| | Female | 40 | 7.9% | 40 | 7.8% | 66 | 12.2% |
| Education | Higher Education | 7 | 1.4% | 2 | 0.4% | 6 | 1.1% |
| | College/University | 43 | 8.5% | 55 | 10.7% | 61 | 11.3% |
| | Below high school | 23 | 4.6% | 28 | 5.4% | 59 | 10.9% |

Note 1: The total number of employees up to the end of the year (12/31) according to statistics.

Note 2: New Recruitment Rate = (Total number of new employees of the specific category of the year / Total number of employees of the specific category at the end of the year) * 100%.

(1) For example, the rate of new female employees = (the total number of new female employees in the year / the total number of female employees at the end of the year) * 100%.

Turnover rate = (the total number of employees who leave the specific category in the current year / the total number of employees in the specific category at the end of the current year) * 100%.

(2) For example, the rate of resigned employees under the age of 30 = (the total number of resigned employees under the age of 30 in the current year / the total number of employees under the age of 30 at the end of the current year) * 100%.

5.1.3 Market status

| Major themes | Market status |
|--|--|
| Importance to the company | Localized management helps improve the sense of identity of local residents |
| Policy/Commitment | Localized training and development policy for senior management |
| Target | 100% localized senior management |
| Invested resources and specific results for the year | Provide internal/external education and training opportunities to enrich work knowledge and skills |
| Responsible Department/Grievance Mechanism | Management department/Appeal channel: Phone/E-mail |
| Evaluation Mechanisms/Outcomes | 100% localized senior management |

Local talents employed as senior executives at IBASE operating bases

| Main operating base | Senior executives (managers and above) | Local residents employed as senior executives | Ratio |
|---------------------|--|---|-------|
| Taiwan area | 26 | 26 | 100% |

Note 1: Calculation method - Number of local residents employed as senior managers at each base / the total number of senior managers at each base) * 100%.

5.2 Fit-For-Purpose

Sound human resources management is a key to the sustainable operation of IBASE. In order to attract outstanding talents, the company provides market-competitive salary and benefits and rewards employees with good performance and long-term contributions. The company promotes equality with fair recruitment practices and fair treatment during employment with transparent assessments of performance. A reward and punishment system creates an atmosphere of healthy competition that develops talents and encourages employees to be more committed to the company and actively participate in company affairs. With transparent and open company promotion policies, employees with good job performance get promotion opportunities and continue to cultivate their respective talents. The company arranges education and training for employees to improve their abilities and grow in their professional fields. Employees are encouraged to voluntarily communicate suggestions, concerns, or work-related opinions. Multiple channels and platforms are available to facilitate timely employee communication which in turn fosters harmonious labor-management relations.

5.2.1 Salary and benefits

IBASE determines employee salaries based on the annual operating target achievement rate and the company's profit performance. The level of salaries surpasses those of relevant labor laws and market salary standards. Employee performance is regularly evaluated and considerations cover actual versus target results, skills assessment and overall job performance. Regular evaluations help employees better understand what's expected of them and serve as a guide for their career advancement and development. The evaluation results are a key consideration for promotions, bonuses and raises. Evaluating employee job performance and productivity can create benefits for management and employees, creating career growth and improving performance of employees, increasing employee engagement and clarifying expectations.

In general, employees' salaries are based on years of service, educational background, professional knowledge and skills, length of professional experience and individual performance, not taking into account their nationality, gender, race religion, marital status and political affiliation.

The gender wage gap in Taiwan is a prominent issue of concern. IBASE distinguishes between direct-labor staff and indirect-labor employees with regards to gender. Comparing the ratio of basic salary to overall salary among the direct-labor staff at Taiwan operating bases, the basic salary of men and women is about equal and the overall salary gap between men and women is narrowing year by year. As for indirect-labor staff, the significant gap in basic salary and overall salary between male and female is due to the fact that male staff are mostly engaged in R&D and sales operations, while female staff are in administrative and other positions. However, in line with diversification and the principle of equality, salaries comply with regulatory requirement.

Furthermore, IBASE encourages employees to improve their work efficiency by providing them a good working environment and regular corporate activities that enhances positive interaction among colleagues, as well arranging visually-impaired massage professionals to come to the company to help colleagues relieve their pressure, simultaneously contributing to public welfare.

Employee benefits:

- (1) Labor Insurance: Applied from the first day of employment.
- (2) National health insurance: Applied from the first day of employment.
- (3) Food allowance.
- (4) Employees subsidy provided in accordance with regulations for events related to marriage, funeral, etc. in accordance with regulations.
- (5) Gift certificates on occasions such as the Dragon Boat Festival and Mid-Autumn Festival.
- (6) Chinese New Year dinner and lottery.
- (7) Group insurance.
- (8) Regular 2-3 day local tours.
- (9) Subsidy for international travel.
- (10) Birthday gifts with gift certificate.
- (11) Self-rental parking allowance.
- (12) Year-end bonuses and employee dividends.

Average and Median Salary for Full-Time Employees Not in Senior Executive Positions

| Item/ Year | | 2019 | 2020 | 2021 | Difference |
|---|---------|-------|-------|-------|------------|
| Non-full-time employees in senior executive positions (Unit: person) | | 483 | 493 | 514 | 21 |
| Annual salary of full-time employees not in senior management positions (Unit: NT\$ 1,000) | Average | 554.8 | 561.9 | 561.9 | 0 |
| | Median | 441.2 | 439.8 | 450.3 | 10.5 |

Employee Welfare Benefits



Year-End Party



Company Trip



Sports Competition



Staff Dormitory



Breast-Feeding Room



Hiring visually impaired massage therapists as full-time staff with regular schedule to help colleagues relieve pressure

5.2.2 Talent cultivation

| Major themes | Talent cultivation |
|--|---|
| Importance to the company | The sustainable operation and growth of IBASE depends on the contribution of employees' professional and management skills. Through training and development at different levels, employees and managers stay highly competitive, making IBASE a global leader in the industrial computing industry. |
| Policy/ Commitment | IBASE sets up teams responsible to provide relevant training and learning resources for employees at various levels and positions to assist in their job functions and career development. |
| Target | <ol style="list-style-type: none"> 100% training of new recruits. 100% compliance of licensed training staff. Improved supervisory management to meet future company challenges. In response to changes in the environment, re-examine the blueprint for managers' training and cultivate leaders who can face future challenges. Provide employees with professional training to assist their career development. |
| Invested resources and specific results for the year | Arranged and implemented annual trainings; the expenditure on education and training in 2021 is NT\$ 201,000. |
| Responsible Dept / Grievance Mechanism | Management department/Appeal channel: Phone/E-mail |
| Evaluation Mechanism /Outcome | <ol style="list-style-type: none"> Achieve the number of annual training hour standards. Satisfaction survey after each training. |

IBASE pays great attention to the training of employees and regards continuous learning and growth of employees as an essential factor for enterprise development. It actively develops the professional skills of its employees and helps employees improve the skills required for their career development. To meet annual goals and different operational needs, IBASE has established a complete education and training system comprising on-the-job training, new recruits training, professional level training and management-level training.

When a new employee checks in the office, an assigned staff will provide him with information related to company internal rules and regulations and occupational safety. He will be given a relevant training by the department where he has been assigned to. IBASE actively encourages employees to take professional courses through a variety of learning channels to improve themselves and to promote continuous growth. Each department develops its own education and training plans and implements them according to their own needs each year. Employee advanced training is divided into internal and external trainings. Internal

training is arranged by each department according to actual operation needs. Participation in courses organized by external institutions can be done with the approval of the company. After attending a training course, an employee shares his training experience with other colleagues in the department so that other staff can also learn and apply the knowledge gained. In response to the trend of diversification of education and training in recent years, IBASE encourages employees to attend language courses and general knowledge training to build up employees' potentials in other areas.

Due to the Pandemic that started at the beginning of 2021, IBASE has cancelled or postponed education and training courses to the second half of the year. However, all are encouraged to learn and upgrade their professional skills continuously. Since direct-labor staff are mainly female colleagues and indirect-labor staff are mostly male, the average training hours of male employees is higher than those of female employees.

Employee education and training hours statistics

| Statistics/Annual | | 2019 | 2020 | 2021 |
|--|----------|------|------|------|
| Average training hours per employee (Note 1) | | 12.3 | 11.6 | 7.0 |
| Average number of hours of training employees by gender (Note 2) | Female | 7.8 | 8.73 | 4.24 |
| | Male | 16.2 | 14.2 | 9.7 |
| Average hours of staff training by category (Note 3) | Direct | 7.9 | 6.9 | 3.5 |
| | Indirect | 14.5 | 14.2 | 9.2 |

- Note: 1. The average number of training hours per employee: the total number of training hours for all employees in the current year / the total number of employees at the end of the year.
2. The average number of training hours per female employee: the total number of training hours of female employees in the current year / the total number of female employees at the end of the year.
3. The average number of training hours of each category of employees: the total number of training hours of the category of employees in the current year / the total number of employees of the category at the end of the year.

5.2.3 Labor-management communication

Smooth communication between employers and employees helps to promote cooperation and enables employees to understand the company's production plans, business overview and market conditions. IBASE complies with laws and regulations and its administrative staff comply with local labor laws and regulations of each operating location. According to the law, labor-management meetings are to be held at least every three months. The management representatives include the president, corporate governance director and human resources department director. Regular communication and dialogue between the two parties promote labor-management cooperation, allowing employees to express their opinions and for improved labor conditions within the company. IBASE also has multiple communication channels for employees to voice their opinion and for the company to timely respond and convert suggestions into policies for implementation in a timely manner. In recent years, IBASE consistently had harmonious labor relations and no labor disputes.

5.3 Occupational Safety and Health

In managing a sustainable workplace, IBASE is committed to protecting the lives of workers, putting safety first, fulfilling social responsibilities, abiding by various regulatory requirements and continuously improving workplace safety and hygiene.

5.3.1 Occupational Safety and Health Management

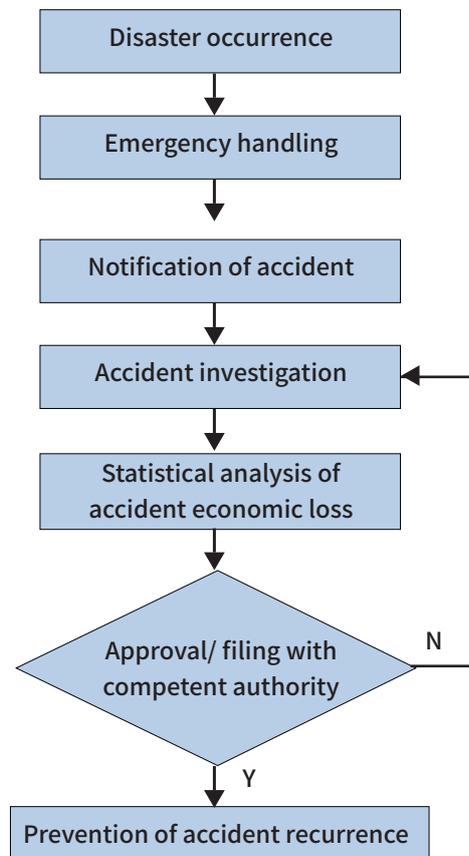
In order to effectively control the Occupational Safety and Health risks in the factory area and improve a healthy and safe working environment, IBASE implements the ISO 45001 Occupational Safety and Health management system (certification in progress) that covers all company employees and contractors. IBASE follows the Occupational Safety and Health Hazard Identification Risk Assessment Management Procedure, conducts hazard identification and risk assessment and plans relevant improvement measures according to the risk level of the score to reduce the risk of occupational hazards and improve workplace safety. In 2021, the identification of physical, chemical and other related risks and hazards of 169 operations has been completed.

With regard to employee health care, the company conducts health checks for all employees every two years and a special health check every year.

In response to the occurrence of occupational disasters and accidents, complete countermeasures are in place. According to the Occupational Safety and Health Incident Investigation Management Procedure established by the company, incidents are classified with corresponding investigation procedures. At the same time, corrective measures are taken to avoid any recurrence.

Accident investigation is an important part of occupational safety. When an accident occurs, the scene is controlled to prevent secondary disasters and the injured is given the necessary first aid or medical treatment. Except for necessary first aid or rescue, the scene shall be kept intact and the labor safety department shall be notified immediately. The labor inspection agency shall be notified within eight hours. After the accident has been investigated and recorded in the Occupational Safety and Health Accident Report Form, the labor safety department will formulate improvement measures and record the accident to use them as safety and health training materials in the future.

Accident Notification Process



5.3.2 Occupational Safety Committee

According to the Occupational Safety and Health regulations, IBASE has established an Occupational Safety and Health Committee, which meets quarterly. Labor representatives, accounting for 56% of the overall committee members review changes in external and internal issues related to the Occupational Safety and Health management system, regulatory identification, Occupational Safety and Health Policy, Occupational Safety and Health Goal Achievement Process and Occupational Safety and Health Performance Information - Occupational Hazards and Work Environment Monitoring Review.

Percentage of Occupational Safety and Health Committee members and labor representatives

| Members | Labor Representative | Percentage of labor representatives |
|---------|----------------------|-------------------------------------|
| 25 | 14 | 56% |

5.3.3 Occupational Injuries and Occupational Illnesses

In 2021, IBASE reported zero occupational accidents or occupational diseases. If an accident occurs, relevant investigations will be carried out immediately to strengthen the on-site infrastructure equipment and management system.

Statistics on occupational hazards in 2021

| Occupational Hazard Statistics | |
|--|-----------|
| Year | 2021 |
| Total working hours | 1,050,352 |
| Total lost time (days) | 0 |
| Incapacitating Damage Frequency (F.R.) | 0 |
| Disabling Injury Severity Rate (S.R.) | 0 |
| Injury Rate (I.R.) | 0 |
| Lost Days Ratio (L.D.R.) | 0 |
| Occupational Disease Rate (O.D.R.) | 0 |

Note: 1. Disabling Injury Frequency (F.R.) = Recorded Occupational Injuries/Million Man-hours
 2. Disabling Injury Severity Rate (S.R.) = Total Lost Hours (Days) / Million Hours
 3. Injury rate (I.R.) = (Total number of industrial injuries/Total hours worked) X 200,000
 4. Lost Days Ratio (L.D.R.) = (Lost Days/Total Hours of Work) X 200,000
 5. Occupational Disease Rate (O.D.R.) = (Total Occupational Diseases/Total Working Hours) X 200,000

2021 Employee Injury Absence Statistics

| Work Injury Absence Statistics | | |
|---|--------|-----------|
| Statistics/Annual | | 2021 |
| total working hours | | 1,050,352 |
| Total lost time (days) | | 0 |
| Fatalities due to occupational injuries | Number | 0 |
| | Ratio | 0.00 |
| Serious occupational injury | Number | 0 |
| | Ratio | 0.00 |
| Recorded occupational injury | Number | 0 |
| | Ratio | 0.00 |

Work Injury Absence Statistics

| | | |
|-------------------------------|--------|------|
| Occupational disease | Number | 0 |
| | Ratio | 0.00 |
| Recorded occupational disease | Number | 0 |
| | Ratio | 0.00 |

Note: Proportion of recorded occupational injuries = (number of recorded occupational injuries (online reporting)/working hours) × million working hours

5.3.4 Occupational Safety Training

To promote safety culture and strengthen employees' safety awareness, the labor safety department produces safety and health promotion materials, including accident investigation. In addition, work-related internal or external safety and health training is also held regularly. IBASE hires professional lecturers for training and validates the effectiveness of the training with tests, practice or training certificates.

Occupational Safety Training Statistics

| Item/ Year | Internal training | | External training | |
|---------------|-------------------|------|-------------------|------|
| | 2020 | 2021 | 2020 | 2021 |
| Trained staff | 556 | 132 | 151 | 10 |
| Hours | 1668 | 396 | 574 | 57 |

Note: The number of trainees and hours of training in 2021 are significantly lower than those in 2020 due to the impact of COVID-19.

Emergency Response Drill Statistics

| Item/Year | 2020 | 2021 |
|--|------|------|
| Number of emergency response drills (firefighting) | 135 | 51 |
| Emergency Response Drill Hours | 540 | 205 |

Note: The number of trainees and hours of training in 2021 are significantly lower than the data in 2020 mainly due to the impact of COVID-19.

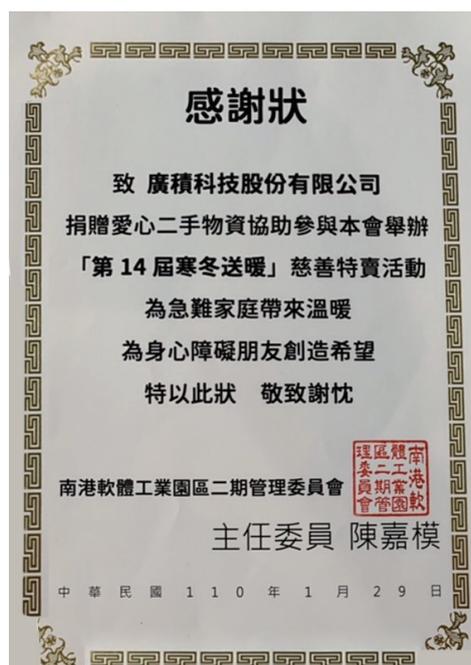
5.3.5 Preventive measures for Occupational Safety and Health

The occupational safety officer collects major occupational safety incidents in the country and the industry from time to time and reports them for discussion to understand whether there are similar problems or risks in the factory. Automated equipment is used to reduce the number of staff entering high-temperature areas to improve the operating environment. MIS room temperature and humidity control and equipment emergency switch settings are used to protect equipment.

With regards to contractor management, IBASE communicates with suppliers and contractors on environmental protection, safety and health issues to improve environmental protection, safety and health performance. Before a contractor starts a project, the labor safety and health committee will inspect equipment for any defect or damage. This is also done through pre-service inspections. The contractor has to take corresponding measures to prevent occupational safety incidents. If a contractor fails to comply with safety and health regulations, a safety report will be issued to the contractor who shall be required to take relevant improvement measures. If the contractor does not regard the occupational safety of the staff then the work of the contractor shall be stopped immediately.

5.4 Public Welfare Participation

As a member of the society as a whole, an enterprise is interdependent with investors, employees, local communities and other stakeholders. IBASE fulfills its social responsibilities and cooperates with local groups at various operating locations to ensure that resources are provided to those who need help. In addition to participating in public welfare activities, IBASE has responded to calls for donations to charitable foundations and made the most effective use of resources in its commitment to making society a better place.



Certificate of Appreciation (2021)

Appendix

GRI Guidelines Content Index

* Topics related to major issues

| Topic | Disclosure | Description | Chapter | Page | Remarks |
|------------------------------|-------------------------|---|--|------|---|
| GRI 102 : General Disclosure | | | | | |
| Organizational Profile | 102-1 | Name of association | 2. About us | 14 | |
| | 102-2 | Events, Brands, Products and Services | 2. About us | 14 | |
| | 102-3 | Headquarters location | 2. About us | 14 | |
| | 102-4 | Operation location | 2. About us | 14 | |
| | 102-5 | Ownership and legal form | 2. About us | 14 | |
| | 102-6 | Market served | 2. About us | 14 | |
| | 102-7 | Organization size | 2. About us | 14 | |
| | 102-8 | 5.1 Employee rights | 5.1 Employee rights | 52 | |
| | 102-9 | 2.1 Company profile | 2.1 Company profile | 14 | |
| | 102-10 | 2.1 Company profile | 2.1 Company profile | 14 | |
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| | | | 4.6 Climate change risk response management and response | 50 | |
| | 102-12 | External Initiatives | 2.4 Participation in external organizations | 24 | The company is not currently signing any external initiatives |
| 102-13 | Membership of the guild | 2.4 Participation in external organizations | 24 | | |
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| Ethics and Integrity | 102-16 | Values, principles, standards and code of conduct | 3.1.4 Ethical integrity | 32 | |
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| | 102-19 | Appointment rights and responsibilities | 1.1 Sustainability team | 7 | |
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| Topic | Disclosure | Description | Chapter | Page | Remarks |
|-------------------------------------|------------|--|---|------|-----------------------------------|
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| | 102-23 | Chairman of the highest governance unit | 3.1.1 Board of Directors | 26 | |
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| | 102-41 | Report | None | | No group agreement with employees |
| | 102-42 | Identification and selection of stakeholders | 1.2 Identification of stakeholders | 8 | |
| | 102-43 | Communication with Stakeholders | 1.3 Stakeholders communication channels and issues of concern | 8 | |
| | 102-44 | Key themes and concerns raised | 1.3 Stakeholders communication channels and issues of concern | 8 | |
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| | 102-46 | Defining report content and subject boundaries | 1.4 Identification of major themes | 10 | |
| | 102-47 | Major themes list | 1.4 Identification of major themes | 10 | |
| | 102-48 | Information restatement | None | | First year report |
| | 102-49 | Change in coverage | None | | First year report |
| | 102-50 | Reporting period | Editorial Philosophy | 5 | |
| | 102-51 | Date of last report | Editorial Philosophy | 5 | |
| | 102-52 | Reporting cycle | Editorial Philosophy | 5 | |
| | 102-53 | Contact person who can answer questions about the report | Editorial Philosophy | 5 | |
| | 102-54 | Declaration of reporting in accordance with GRI guidelines | Editorial Philosophy | 5 | |
| | 102-55 | GRI Content Index | GRI Content Index | 66 | |
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| | 201-2 | Financial impacts and other risks and opportunities of climate change | 4.6 Climate change risk management and response | 50 | |
| * Market image | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of major themes and boundaries | 5.1.3 Market status | 56 | |
| | 103-2 | Management policy and its elements | 5.1.3 Market status | 56 | |
| | 103-3 | Evaluation of Management Policy | 5.1.3 Market status | 56 | |
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| Topic | Disclosure | Description | Chapter | Page | Remarks |
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| Environmental Aspect | | | | | |
| * Environmental regulatory compliance | | | | | |
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| GRI 306: Waste 2020 | 306-1 306-2 306-4 306-5 | Waste generation and its impact Management of Waste-Related Impacts Disposal transfer of waste Direct disposal of waste | 4.4.1 Waste management 4.4.2 Waste disposal method | 48 | |
| GRI 308: Supply Chain Management 2016 | 308-2 | Negative impact of the supply chain on the environment, actions taken by the organization | 4.5 Sustainable supply chain | 50 | |

| Topic | Disclosure | Description | Chapter | Page | Remarks |
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| *Talent cultivation | | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of major themes and their boundaries | 5.2.2 Talent cultivation | 59 | |
| | 103-2 | Management policy and its elements | 5.2.2 Talent cultivation | 59 | |
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| GRI 404: Management Approach 2016 | 404-1 | Average hours of training per employee per year | 5.2.2 Talent cultivation | 59 | |
| | Salary | The number of full-time employees who are not in supervisory positions, the average and median salary of full-time employees who are not in supervisory positions and the difference between the first three and the previous year should be disclosed | 5.2.1 Salary and benefits | 57 | |

| Social Aspect | | | | | |
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| GRI 103 : Management Approach 2016 | 103-1 | Major themes and their boundaries | 3.3 Regulatory compliance | 35 | |
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| Customized | | In 2021, there was occurrence of customer information leakage. | 3.5.3 Customer privacy | 43 | |